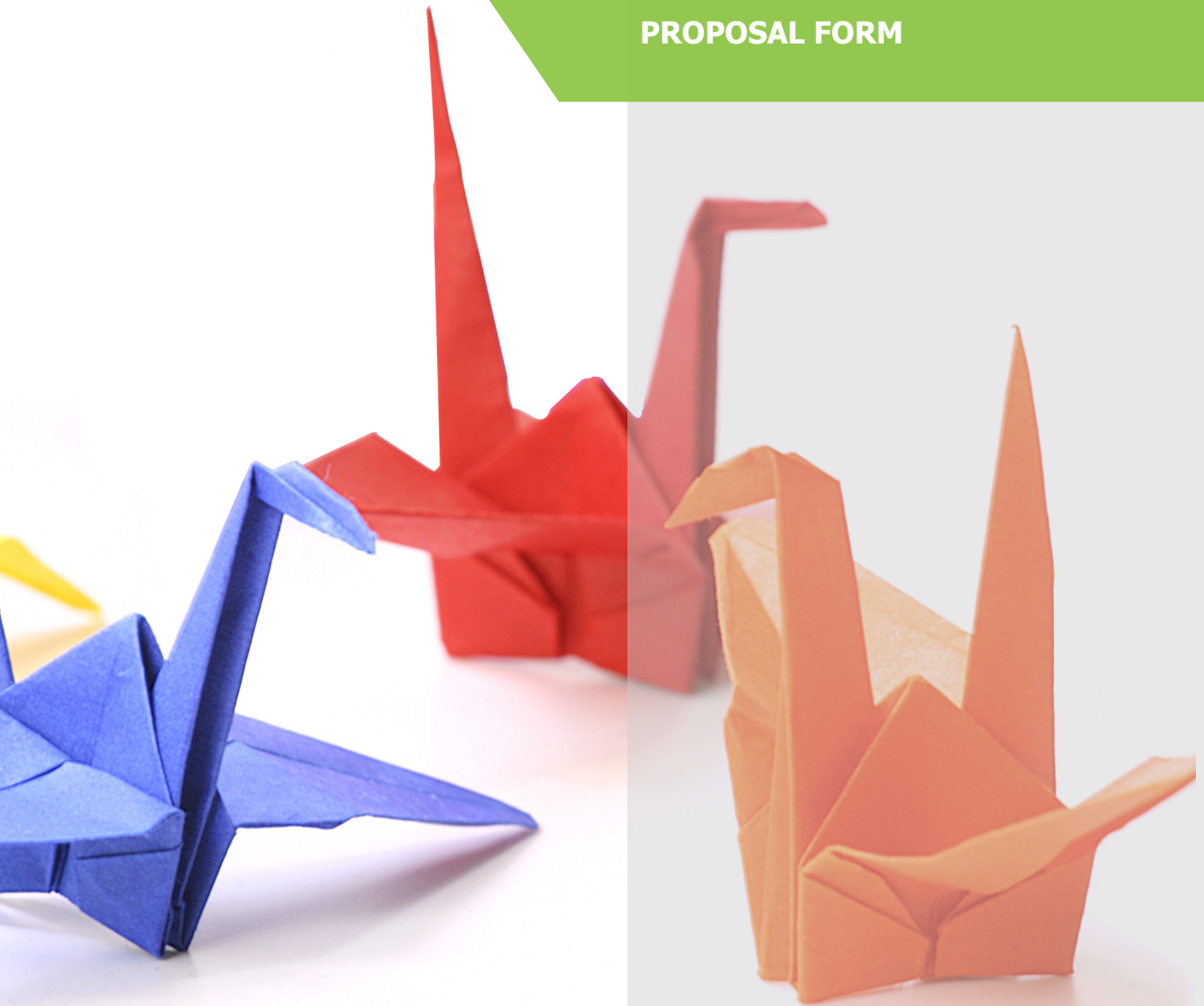




**LOCKTON®**

# NEW START UP SOLICITORS PRACTICE

PROPOSAL FORM





## Completing the form

Your Proposal Form is an important document. Not only does it form the basis of your fair presentation to Insurers it is your 'shop window' to attract insurers. It is therefore crucial that you take the time to complete the form as fully as possible taking care to provide comprehensive answers.

## Who should complete it?

The Proposal Form must be completed by an authorised individual or Principal of the firm.

## What sections need to be completed?

All applicable questions must be answered and where they are not relevant please mark as n/a.

If there is insufficient space to write answers, or you are prompted to provide additional information, we have an Appendix at the back of the form to allow for further details. Alternatively you can attach additional information on the firm's headed paper or as a separate standalone document.

**A full guide to completing your Proposal Form and presenting the best possible renewal submission can be found on our dedicated Solicitors' website at [www.locktonSolicitors.co.uk/resources](http://www.locktonSolicitors.co.uk/resources).**

## Please Note

Changes to the Insurance Act will affect how you complete this form. Please read the Important Notes regarding the completion of this proposal form detailed overleaf. Please also note the additional requirement within the Declaration to include details of the parties identified within the Important Notes overleaf.

## Submitting your Proposal Form

You can submit your completed Proposal Form, along with any supporting information, in the following ways:

### UPLOAD



**CLICK HERE**  
TO UPLOAD DOCUMENT

### EMAIL



[Solicitors@uk.lockton.com](mailto:Solicitors@uk.lockton.com)  
or direct to your usual  
Account Executive

### POST



Solicitors Renewal  
Lockton Companies LLP  
138 Houndsditch  
London, EC3A 7AG  
DX 306301 Houndsditch

### FAX



0207 933 0915



## **Important notes regarding the completion of this proposal form.**

### **1. New Duty to Make a Fair Presentation of the Risk/ Disclose Material information**

From 12 August 2016 the duty of disclosure for commercial Insurance contracts changes with the implementation of the Insurance Act 2015 ("the Act").

For risks incepting or renewing on or after 12 August 2016 you will have a new duty to make "a fair presentation of the risk". To meet this duty you still need to disclose all material information to insurers which is known to you (or which ought to be known to you). Information is material if it would influence the judgement of a prudent insurer in establishing the premium or determining whether to underwrite the risk and, if so, on what terms. Material information does not necessarily have to actually increase the risk of the insurance under consideration.

Under the Act you will be deemed to know information if it is known to any individuals in the categories below:

- (a) anyone within your business in a senior management or decision making role, and
- (b) anyone responsible for arranging the insurances.

Furthermore, under the Act, you "ought to know" what should reasonably have been revealed by a reasonable search for information held internally or externally (including by any third parties to whom services are outsourced, consultants and agents). -

In order to be able to argue that you have satisfied the duty, should an insurer allege that you have not, you must now do the following:

1. Carefully consider who are the individuals who may fall into categories (a) or (b) above, record this in writing and explain your reasoning;
2. Make enquiries of those individuals as to whether they are aware of any material information (having explained to them what this means);
3. Record the results of these enquiries in writing; and
4. Consider whether any material information could be held anywhere other than with the individuals identified at (a) and (b). If so, you will need to carry out a reasonable search. This could mean making enquiries of individuals or may in some circumstances mean having to carry out an electronic and/or physical search of records.

It is important to bear in mind that if material information is held by third parties such as accountants or lawyers, or internally by branch offices, even if it is not known to the individuals you have identified at paragraphs (a) and (b), it may need to be disclosed. Please note that you must not rely on information that may be held by us in relation to other policies that we may place on your behalf. You must ensure that all relevant information is provided to us for each and every policy that we place on your behalf. We accept no liability to you in this respect.



Your enquiries must cover all relevant group companies, branch offices etc. and the relevant personnel within them. You must ensure you make a full written record of the search made and the responses provided to ensure that you have evidence in the event of any claim being made.

In completing this proposal form for your insurer(s), the accuracy and completeness of all answers, statements and /or information is your responsibility and it is of paramount importance that all relevant information is provided and that it is accurate. If you become aware of any material information that you supplied before the contract of insurance is finalised is incorrect or has been omitted, you should inform us immediately. If you are unsure if information is material you should disclose it.

### **What are the consequences of not making a fair presentation of the risk?**

Under the Act, in the event that there is a breach of duty to make a fair presentation of the risk, the remedies available to insurers will vary dependent on whether the breach is deliberate or reckless or otherwise. For deliberate or reckless breaches the insurer may avoid the contract, refuse all claims and retain the premium paid. Under the Minimum Terms and Conditions "MTCs" if there is a breach of the duty to make a fair presentation of risk, the Insurers do not have the right to avoid the insurance from its commencement. However this could cause you significant problems in the event of a claim and in sourcing insurance in the future.

For other, non-fraudulent or non-reckless, breaches the remedy will depend on what the insurer would have done had a fair presentation of the risk been made and what the MTCs state when published in July. Under the Act if the insurer would have accepted the risk on other terms the contract is to be treated as if those terms applied, in the event that a higher premium would have been charged any claims payments can be reduced proportionately. This latter provision is especially important because if insurers can show that they would have charged only a modest additional premium, the impact on a claim could be disproportionately large. This may mean that, whilst the claimant will continue to receive a full settlement, the insurers can seek to recover their additional outlay from the practice.

## **2. Presentation**

This proposal form must be completed by an authorised individual or principal of the firm. **All applicable** questions must be answered. If there is insufficient space to provide answers, additional information should be provided on the firm's headed paper. Please answer all questions fully and avoid answers such as "As last year", or "As already provided to..." or similar. Where available brochures, standard contract conditions, agreements and letters of appointment should be provided. **Failure to present insurers with information in an appropriate manner may adversely influence the ability of insurers to offer terms and for you to evidence that a fair presentation of the risk has been made to insurers.**

## **3. Guidance**

If in doubt as to the meaning of any question contained within this proposal form or the issues raised in (1) or (2) above, please contact a member of your Lockton servicing team.



### **Notes to assist in the completion of the Proposal form:**

1. Identify who may hold information material to the insurance & document this, bearing in mind that this could include an external third party with whom you have a contract for services, branch offices.
2. Make enquiries of all relevant parties and record their responses before completing the proposal form.
3. In addition to your internal enquiries with senior management, those in a decision making role and/or arranging the Insurance the types of parties that may also be relevant could include: Accountant, third party suppliers, outsourced resources, HR, IT supplier, Branch Offices etc. This list is not exhaustive as each Practice will be different.
4. Make sure that you complete the declaration to include details of the parties involved in the search.

1.

**If you are intending to be the successor practice of a firm, regardless of the fact that a RUN OFF policy is in place please complete the full Lockton Proposal form.**

1:1

Main entity for which you are seeking cover:

1:2

Other entities including trading names and trustee and / or nominee companies and / or incorporated principals for which you are seeking cover.



**If there is insufficient space, please complete further details in the appendix**

Principal office SRA  
Registration Number:

Company  
Number:

What is the intended  
establishment date:

1:3

**Practice status:**

Sole Practitioner

Partnership

Limited

LLP

ABS

1:4

Principal Address:

Post Code:

Website:

Telephone:

Email:

Primary Contact:

1:5

No. of other Offices:



**Please provide a list of branch offices and their locations**

1:6

**Are you a member of any buying groups? (please tick)**

MASS

QualitySolicitors

The Solicitors Group

SPG

Law Net

Law South

Other (please specify)

## DETAILS OF PRINCIPALS AND STAFF

2. 2:1 Please provide a breakdown of the staff numbers in your new firm, as follows:



**In the event there is phasing of staff entering the business please provide narrative in appendix 2.1**

Principals ⓘ (including salaried partners held out as principals):

Assistant qualified lawyers (including legally qualified consultants):

Non legally qualified fee earning staff (including fee earning trainees and legal executives):

All other staff (including secretarial but excluding facilities, cleaning and catering staff):

2:2 Do any principals or other fee earners also work for any other law firms or businesses?

YES

NO



**If 'YES' please provide details**

2:3 Please provide a list of every principal, assistant and consultant with the following information:

**Please note you can also provide this on an Excel spread sheet please click here to download**

| Full Name | Date of Birth | Status (e.g. Equity/ Salaried Principal/ Solicitor/ RFL/REL/ Barrister) | Full/Part Time | Date of Qualification | SRA Roll Number |
|-----------|---------------|---|----------------|-----------------------|-----------------|
|           |               |   |                |                       |                 |
|           |               |   |                |                       |                 |
|           |               |   |                |                       |                 |
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|           |               |   |                |                       |                 |
|           |               |   |                |                       |                 |

## PRACTISING CERTIFICATES AND REGULATORY ISSUES

3. 3:1 **In the past 6 years:**

Has any principal, solicitor, employee or consultant:

- been refused a practising certificate YES NO
- been granted a conditional practising certificate YES NO
- engaged with any regulatory body ⓘ (Law Society/SRA/SDT/FCA Legal Ombudsman or other) regarding any potential or actual criticism or complaint in relation to professional conduct YES NO
- had a civil or criminal judgment against them, excluding minor traffic offences? YES NO



**If 'YES' to any of the above, provide details and include a copy of any report issued by any regulatory body.**

# FINANCIAL INFORMATION AND FEES

4. 4:1

Please provide estimated gross fees from the work intended to be undertaken:

|   | Estimated financial year 1 | Estimated financial year 2 | Estimated financial year 3 |
|---|----------------------------|----------------------------|----------------------------|
| Financial Year Ending (MM/YYYY)   |                            |                            |                            |
| <b>In the United Kingdom</b> for UK domiciled clients   |                            |                            |                            |
| <b>In the UK</b> but for persons, companies or organisations domiciled in the <b>USA/Canada</b> |                            |                            |                            |
| In the UK but for persons, companies or organisations domiciled <b>elsewhere</b>                |                            |                            |                            |
| <b>From Overseas Offices - Please complete additional overseas questionnaire</b>                |                            |                            |                            |
| <b>TOTAL</b>  |                            |                            |                            |

4:2

Do you anticipate any client, group or referral source to generate 20% or more of your fee incomes? YES NO



**If 'YES' please provide details**

4:3

Do you intend having an overdraft facility? YES NO

**If 'YES' what amount?**

Please provide full details of all loans and borrowings



# DIVISION OF WORK

5. 5:1 **Please provide estimated percentages for the fee generated by your new practice for the next three accounting periods specified from each of the following working categories.**

Please see definitions or speak to your Lockton contact should you have any questions with regard to this.

|   | Estimated financial year 1 | Estimated financial year 2 | Estimated financial year 3 |
|---|----------------------------|----------------------------|----------------------------|
| Acting as Arbitrator ⓘ, Adjudicator ⓘ or Mediator ⓘ                                   |                            |                            |                            |
| <b>Agency advocacy ⓘ</b>  |                            |                            |                            |
| <b>Child Welfare ⓘ, mental health ⓘ tribunal and other welfare</b>                    |                            |                            |                            |
| Commercial/Corporate work ⓘ (excluding work related to public companies)              |                            |                            |                            |
| <b>Commercial/Corporate work for public companies ⓘ</b>                               |                            |                            |                            |
| <b>Commercial litigation</b>  |                            |                            |                            |
| <b>Conveyancing – commercial</b> (please complete Q.7) ⓘ                              |                            |                            |                            |
| <b>Conveyancing – residential</b> (please complete Q.7) ⓘ                             |                            |                            |                            |
| <b>Criminal</b>   |                            |                            |                            |
| <b>Debt collection (small) ⓘ</b>  |                            |                            |                            |
| <b>Debt collection (large)</b>  |                            |                            |                            |
| <b>Defendant Work for Insurers</b>  |                            |                            |                            |
| <b>Employment (Non-contentious) ⓘ</b>   |                            |                            |                            |
| <b>Employment (Contentious)</b>   |                            |                            |                            |
| <b>Estate agency, property valuation and property management ⓘ</b>                    |                            |                            |                            |
| <b>Expert witness/lecturing work ⓘ</b>  |                            |                            |                            |
| <b>Financial advice and services regulated by the SRA* ⓘ</b>                          |                            |                            |                            |
| <b>Financial advice and services regulated by the FCA* ⓘ</b>                          |                            |                            |                            |
| <b>Immigration ⓘ</b>  |                            |                            |                            |
| <b>Intellectual property including patent, trademark and copyright</b>                |                            |                            |                            |
| <b>Landlord/tenant (Non-contentious) ⓘ</b>  |                            |                            |                            |
| <b>Landlord/tenant (Contentious) ⓘ</b>  |                            |                            |                            |
| <b>Marine litigation</b>  |                            |                            |                            |
| <b>Matrimonial/Family</b>   |                            |                            |                            |
| <b>Oaths and affidavits and notary public</b>   |                            |                            |                            |
| <b>Offices &amp; appointments (Inc. Judicial &amp; quasi-Judicial Appointments) ⓘ</b> |                            |                            |                            |
| <b>Parliamentary agency ⓘ</b>   |                            |                            |                            |
| <b>Personal injury – claimant</b> (Please complete Q.8)                               |                            |                            |                            |
| <b>Personal injury – defendant</b> (Please complete Q.8)                              |                            |                            |                            |
| <b>Probate and estate administration</b>  |                            |                            |                            |
| <b>Town &amp; Country Planning ⓘ</b>  |                            |                            |                            |
| <b>Trusts</b>   |                            |                            |                            |
| <b>Wills and tax planning (including tax mitigation)</b>                              |                            |                            |                            |
| <b>All other contentious work</b> (provide details)                                   |                            |                            |                            |
|   |                            |                            |                            |
| <b>All other non-contentious work</b> (provide details)                               |                            |                            |                            |
|   |                            |                            |                            |
| <b>TOTAL</b>  | <b>100</b>                 | <b>100</b>                 | <b>100</b>                 |

**\*Financial Services Work** – If your practice intends to give advice on any Financial Service work please request the Lockton FS questionnaire from your Lockton contact or click this button to download.



5:2 **Do you intend to give any foreign law advice?** YES NO



**If 'YES' please state under which jurisdictional law the work will be undertaken and state the estimated gross fees for the forthcoming accounting period, together with full details on anticipated activities.**

5:3 **Tax** – Do you intend on undertaking any tax planning advice other than inheritance tax? YES NO  
If 'YES' please state what percentage for:

Implementation of Schemes devised by others:

Devising tax mitigation schemes yourself:

Or making Introductions to schemes or third parties:

6

**Please complete section 6 if you intend to undertake conveyancing, if not please tick the not applicable box and move onto section 7**

Not applicable

6:1

- a Do you intend to act for purchasers of property outside of the UK? YES NO
- b Do you intend to undertake conveyance for any land investment scheme or products? YES NO
- c Do you intend to receive referrals from a broker or marketing professional in respect of right to buy schemes? YES NO



**If 'YES' to any of the above, please provide details**

6:2

- a Do you anticipate more than 10% of your conveyance fee income to originate from any one development, client or referrer e.g. Mortgage Broker, Financial Adviser or Estate Agent YES NO
- b Do you intend to act for groups of buyers of property in the same development or in the same building? YES NO
- c Do you intend to act for vendors, purchasers or lenders in sale and rent back transactions YES NO
- d Do you intend to undertake fixed price conveyance or accept work on a no move no fee basis? YES NO
- e What do you anticipate to be your average fee income from conveyance work?
- f Have you implemented safe guards to ensure information indicative of mortgage fraud can be identified and appropriately reported? YES NO



**If 'YES' to any of the above, please provide details**

6:3

**Estimated work and values**

a Please provide estimated work load and capital values for the next 12 months

|                                    | Residential Conveyance | Commercial Conveyance |
|------------------------------------|------------------------|-----------------------|
| Highest Capital Value              |                        |                       |
| Average Capital Value              |                        |                       |
| Approximate number of transactions |                        |                       |

b Please provide the anticipated number of fee earners and staff involved in conveyance in your practice.

| Principals      |  |
|-----------------|--|
| Solicitors      |  |
| Other qualified |  |
| Non-qualified   |  |

6:4 Do you intend to be put on lender panels? YES NO

6:5 For the work anticipated in the next 12 months please provide estimations of where the properties will be located for Residential Conveyance transactions:

|                   | % of transactions |                     | % of transactions |
|-------------------|-------------------|---------------------|-------------------|
| <b>London</b>     |                   | <b>Midlands</b>     |                   |
| <b>South East</b> |                   | <b>East Anglia</b>  |                   |
| <b>South West</b> |                   | <b>North</b>        |                   |
| <b>Wales</b>      |                   | <b>Other [list]</b> |                   |

**Note: It would be prudent to record such information moving forward as this question is often asked by Insurers.**

# PERSONAL INJURY

7

**Please complete section 7 if you intend to undertake Personal Injury work, if not please tick the not applicable box and move onto section 8**

Not applicable

7:1

Please provide estimated Personal Injury work to be undertaken in the following categories.

|                           |                      |                                 |                      |
|---------------------------|----------------------|---------------------------------|----------------------|
| Clinical Negligence       | <input type="text"/> | Other Occupational Disease      | <input type="text"/> |
| Work Induced Hearing Loss | <input type="text"/> | Other (including RTA and EL/PL) | <input type="text"/> |

7:2

|  | Year 1               | Year 2               | Year 3               |
|--|----------------------|----------------------|----------------------|
| How many Personal Injury cases do you anticipate in the next year? | <input type="text"/> | <input type="text"/> | <input type="text"/> |

7:3

What do you anticipate to be your:

|                             |                      |                         |                      |
|-----------------------------|----------------------|-------------------------|----------------------|
| Typical average settlement: | <input type="text"/> | The largest settlement: | <input type="text"/> |
|-----------------------------|----------------------|-------------------------|----------------------|

7:4

Have you set up your PI department so it is compliant with the Jackson reforms? YES NO

7:5

Please detail where you anticipate your work to come from:

7:6

|   | Estimated financial year 1 | Estimated financial year 2 | Estimated financial year 3 |
|---|----------------------------|----------------------------|----------------------------|
| <b>Estimate what percentage of your fee income will arise from CFA's?</b> | <input type="text"/>       | <input type="text"/>       | <input type="text"/>       |
| <b>What percentage of these do you anticipate to recover success fee?</b> | <input type="text"/>       | <input type="text"/>       | <input type="text"/>       |
| <b>How many arrangements do you anticipate entering into?</b>             | <input type="text"/>       | <input type="text"/>       | <input type="text"/>       |
| <b>How many cases will be funded by CFA's?</b>                            | <input type="text"/>       | <input type="text"/>       | <input type="text"/>       |

7:7

What is the vetting procedure for vetting CFA agreements

Will you have a standard written assessment before accepting such arrangement? YES NO

Will the practice vet personal injury cases for Insurers / Claims Managers? YES NO



**If 'YES' provide details**

# PERSONAL INJURY

7:8 What percentage of your case load is anticipated to have ATE insurance?

What percentage anticipated will be backed from another type of legal expense insurance?

List the ATE insurance providers you intend to deal with:

Do you intend to place more than 20% with one ATE provider? If so, please specify their name and the percentage of business that will be placed:

**Please provide a copy of any letter you provide to clients advising about the choice of ATE Insurer and the commissions and financial incentives that you receive from these Insurers.**

7:9 Do you intend to undertake work from any claims management companies or referral networks? YES NO



If 'YES' provide details

# LITIGATION (question set for all litigation work other than Personal Injury)

**Please complete section 8 if you intend to undertake Litigation, if not please tick the not applicable box and move onto section 9**  Not applicable

8:1 Do you intend on taking group litigation instructions either acting for defendant or claimant? YES NO



If 'YES' provide details

8:2 **Matrimonial Work** - Do you intend to deal with matrimonial cases with settlements exceeding £3m or regular annual payments over £250,000? YES NO



If 'YES' provide details

# COMMERCIAL/CORPORATE WORK

9 **Please complete section 9 if you intend to undertake Commercial / Corporate work, if not please tick the not applicable box and move onto section 10**  Not applicable

Please provide your approximate commercial / corporate fees in the forthcoming year in these areas?

|                      |                                 |                      |                         |
|----------------------|---------------------------------|----------------------|-------------------------|
| <input type="text"/> | Debit Issuance / Securitisation | <input type="text"/> | Pension Schemes         |
| <input type="text"/> | General Commercial              | <input type="text"/> | Project Financing       |
| <input type="text"/> | Insolvency                      | <input type="text"/> | Regulation / Compliance |
| <input type="text"/> | Investment Schemes              | <input type="text"/> | Tax                     |
| <input type="text"/> | Mergers & Acquisitions          | <input type="text"/> | Other                   |

10 10:1 Who will be the designated person(s) in your practice responsible for risk management?

|       |                      |            |                      |
|-------|----------------------|------------|----------------------|
| Name: | <input type="text"/> | Job Title: | <input type="text"/> |
| Name: | <input type="text"/> | Job Title: | <input type="text"/> |

10:2 Please provide the following details for the practice's COLP & COFA:

|      |       |                      |        |                      |
|------|-------|----------------------|--------|----------------------|
| COLP | Name: | <input type="text"/> | Email: | <input type="text"/> |
| COFA | Name: | <input type="text"/> | Email: | <input type="text"/> |

a Which of the following will you be seeking accreditation from and by what date?

| Lexcel               | Date                 | Investors<br>In People | Date                 | CQS                  | Date                 | Other<br>(specify)   | Date                 |
|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

10:3 Before accepting instructions on all new clients will each matter be:

|   |  |     |    |
|---|--|-----|----|
| a | Vetted and agreed by a partner or department head? | YES | NO |
| b | Graded by level of risk?                           | YES | NO |
| c | Checked for conflicts?                             | YES | NO |

10:4 How frequent will staff who will be responsible for client identification be given awareness training in the identification of fraudulent documentation?

10:5 What steps will be taken to verify identity and credibility of other parties in every transaction?






10:6 Will you require a file opening form, Anti Money Laundering check and engagement letter, prior to being able to record time on a matter or book fees?

YES NO



**If 'NO' please explain what checks will be undertaken prior to being able to record time or book fees.**

# RISK MANAGEMENT

|       |  |     |    |
|-------|--|-----|----|
| 10:7  | Will you clearly state what is included and what is excluded within the scope of the transaction in your letter of engagement?   | YES | NO |
|       | Will you update the original engagement letter when further instructions are received?   | YES | NO |
|       |  <b>If 'NO' please explain how you will record further instructions.</b>  |     |    |
| 10:8  | What procedures will be in place to ensure that critical dates and time limits are met?  |     |    |
|       | <div style="border: 1px solid #ccc; height: 120px; width: 100%;"></div>  |     |    |
| 10:9  | Will all undertakings given be recorded in a risk register?  | YES | NO |
|       | If 'NO' please explain how you will record undertakings whilst also making sure any undertakings will be discharged:   |     |    |
|       | <div style="border: 1px solid #ccc; height: 120px; width: 100%;"></div>  |     |    |
| 10:10 | If the practice intends to provide professional services for any client in which any principal holds a partnership / directorship or has any other financial interest, will these services always be carried out by a solicitor other than the principal / director connected with the client? | YES | NO |
|       |  <b>If 'NO' please provide details.</b>   |     |    |
| 10:11 | Will your practice outsource any legal, secretarial or other work?   | YES | NO |
|       |  <b>If 'YES' please provide details.</b>  |     |    |
| 10:12 | Will your practice provide 'unbundled' legal advice?   | YES | NO |
|       |  <b>If 'YES' how will your engagement procedures manage any additional risk that this may expose the practice to?</b>   |     |    |
| 10:13 | Will all incoming hard copy mail be reviewed by partners prior to distribution?  | YES | NO |
|       | Will all outgoing hard copy mail be checked by a partner / senior solicitor in the department concerned prior to being sent?   | YES | NO |
| 10:14 | Are there any procedures in place to review substantive advice provided in emails prior to its being sent?   | YES | NO |
|       |  <b>If 'YES' please provide details.</b>  |     |    |

# RISK MANAGEMENT

10:15 Will all cheques and / or electronic fund transfers for more than £25,000 require two written confirmations (signatures or authorisation) including at least one principal? YES NO



**If 'NO', please provide details of who will be permitted to authorise payments.**

10:16 Will you have a system for monitoring live cases where fees have not been billed for more than three months or where fees are overdue for payment? YES NO

10:17 Will you have a file closure procedure in place? YES NO



**If 'NO' please provide details of how files will be closed in all departments.**

10:18 Will you have a risk committee or other forum where risk management issues are discussed? YES NO

If 'YES', how often will they meet?

10:19 What percentage of files will be audited annually?

How will files be selected for audit, who will audit the files (name and job title) and how will these be documented.



**Please continue on a separate sheet if required.**

Will any departments / transaction types receive proportionally more audits than others? YES NO



**If 'YES' please provide details of which departments / transactions**



**If there is no formal file audit procedure, please explain how files are reviewed for risk management purposes.**



**You can also provide more detail on the firm's risk management by way of a Risk Management Submission. You can download a template report and associated guidance - please click on the arrow to download.**



# CLAIMS

11 **Please complete the following questions, after full enquiry:**

11:1 Have any of the principals or fee earners in your new practice ever had a Professional Indemnity claim against them in previous employment? YES NO



**If 'YES' please provide details**

11:2 Are you aware of any claim(s) having been made in the last 6 years in relation to work undertaken or supervised by any Principal whilst in a former Practice? YES NO



**If 'YES' please provide your opinion on both liability and quantum.**

**Please note that you are obliged to notify all circumstances that may give rise to a claim and claims as soon as you are aware of these. Failure to do so may entitle insurers to seek reimbursement from you if there is a claim.**

## YOUR PROFESSIONAL INDEMNITY REQUIREMENTS

12 12:1 Total cover required\*  Or  Or

Self-insured excess required  Or  Or

**\*Please bear in mind that the minimum cover required is £2million for a partnership of £3million for LLPs and companies registered at Companies House including any "Relevant Recognised Body".** ⓘ

12:2 Would you like us to offer you a quote for your office and Employers / Public liability? YES NO

## OTHER MATERIAL INFORMATION

13 13:1 Is your practice considering or intending to convert to a Limited Liability Partnership during the next 12 months? YES NO

13:2 Is your practice considering or intending to convert to an Alternative Business Structure or Multi-disciplinary Practice within the next 12 months? YES NO



**If 'YES' please provide details including copy of application**

13:3 Since completion of this proposal form is there any other material information that you feel is appropriate to advise insurers. This should include but not be limited to staff changes, work to be undertaken, mergers and / or acquisitions.

**If 'YES' please use this space to provide details**

# DECLARATION

## Data Protection

By signing this Proposal Form you consent to Lockton Companies LLP using the information we may hold about you for the purpose of providing insurance and handling claims, if any, and to process sensitive personal data about you where this is necessary (for example criminal convictions). This may mean we have to give some details to third parties involved in providing insurance cover. These may include insurance carriers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies and insurance regulatory authorities. In the course of performing our obligation to you, this information may be disclosed to agents and service providers appointed by us and insurers (which includes their re-insurers, legal advisers, loss adjusters or agents). Where such sensitive personal information relates to anyone other than you, you must obtain the explicit consent of the person to whom the information relates both to the disclosure of such information to us and its use by us as set out above. The information provided will be treated in confidence and, where appropriate, in compliance with the relevant Data Protection legislation. You have the right to apply for a copy of your information (for which we may charge a small fee) and to have any inaccuracies corrected.

From time to time, we may disclose personal information (other than sensitive personal data) to other Lockton Companies. We or they may use that information to advise you of our services which may be of interest to you.

If you would prefer not to receive information, please tick this box

## Proposer's Declaration

I/ We declare that the answers to the questions in this Proposal Form are true and accurate having consulted with all Partners of the Practice / Directors of the Company.

I / We confirm that we have also undertaken a reasonable search of information available to me/us which has included the following (Please refer back to the Important Notes and list those parties that were involved in the search):

- i
- ii
- iii
- iv
- v

It is important that you consider who may hold information that may be relevant to insurers and should be included in the reasonable search of information unless confirmed otherwise. By signing this form insurers do not automatically accept that a reasonable search has been undertaken.

I/We understand that the information I/We provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided.

I/We hereby consent to the use and disclosure of information including personal data for the purposes of and as set out in the above paragraph entitled "Data Protection".

I/We hereby consent to receive by email details on other products and services including newsletters where Lockton consider that the information may be relevant and useful to us.

I/We agree to prevent and detect fraud, the insurers/underwriters may at any time:

- **Share information about me/us with other organisations including the police**
- **Undertake credit searches**
- **Check and/or share my/our details with fraud prevention and detection agencies.**

I/We are duly authorised to sign this Proposal Form by all Principals/Members/Directors of the firm

### Print Name (Principal 1):

(same format as in form with boxes)

### Signature:

(an authorised individual/Principal)

### On behalf of:

### Date:

### Print Name (Principal 2):

(same format as in form with boxes)

### Signature:

(an authorised individual/Principal)

### On behalf of:

### Date:

Please note, if you wish to submit your form via email, an indication of terms and conditions may be provided on the basis of this proposal questionnaire. An original signature is required before a contract of insurance can be made. Encrypted signatures are not acceptable. Signing this form does not bind the Practice to complete the insurance. We recommend that you keep a record of all information supplied to us, including copies of letters and this proposal form, for the purpose of entering into this contract.

## DEFINITIONS

### ADJUDICATION WORK

Defined as acting as a neutral third party engaged by disputing parties to provide a non-judicial resolution of their dispute which is, subject to the terms of any contract between the disputing parties, binding upon them, but excluding arbitration work.

[↑ Return to question](#)

### AGENCY ADVOCACY WORK

Defined as all civil advocacy work, including attendance at a Court or Tribunal for the purpose of such advocacy, done on behalf of another insured Practice, but excluding any work done as a solicitor working as an agent or locum tenens in another Practice.

[↑ Return to question](#)

### ARBITRATION WORK

Defined as any work done in the discharge or the purported discharge of the functions of an arbitrator in relation to an arbitration to which the Arbitration Acts 1950 - 1996 apply.

[↑ Return to question](#)

### CHILDREN WORK

Defined as applications made in relation to family proceedings as defined by section 8(3) of the Children Act 1989 and including Parts III and V of the Children Act 1989.

[↑ Return to question](#)

### COMMERCIAL WORK EXCLUDING WORK RELATED TO PUBLIC COMPANIES

This covers all commercial and private company work, including mergers and acquisitions, corporate trusts and taxation (which is not Financial Advice and Services).

[↑ Return to question](#)

### COMMERCIAL WORK FOR PUBLIC COMPANIES

This covers all work relating to Public Limited Companies, including mergers and acquisitions, corporate trusts and taxation (which is not Financial Advice and Services).

[↑ Return to question](#)

### CONVEYANCING - COMMERCIAL

Acting on the acquisition, sale or financing of freehold or leasehold property where the client is acting in the course of business. This includes drafting of leases and related documentation.

[↑ Return to question](#)

### CONVEYANCING - RESIDENTIAL

Acting on the acquisition, sale or financing of freehold or leasehold property where the client is not acting in the course of business

[↑ Return to question](#)

### DEBT COLLECTION-SMALL

Defined as the collection of judgement debts of not more than £10,000 or debts without dispute as to liability of not more than £10,000, and the collection of rents not exceeding £7,500 per property per annum.

[↑ Return to question](#)

### EMPLOYMENT WORK

(Non-Contentious) Defined as all non-litigious work that relates to general employment advice to employers and employees including corporate support on transfer of business, employee benefits and drafting of contracts of employment and staff handbooks.

[↑ Return to question](#)

### ESTATE AGENCY, PROPERTY VALUATION AND PROPERTY MANAGEMENT

This covers property management, valuations and real estate agency work carried out by the practice but does not include any separate business providing these services that is outside the regulation of the Solicitors Regulation Authority.

[↑ Return to question](#)

### FINANCIAL ADVICE AND SERVICES REGULATED BY THE SRA

This covers all financial advice and services provided to private individuals, unincorporated bodies and companies where such work is regulated by the SRA as a designated professional body under The Financial Services and Markets Act 2000. This does not include Commercial Work for Public Companies.

[↑ Return to question](#)

### FINANCIAL ADVICE AND SERVICES WHERE YOUR PRACTICE HAS OPTED INTO REGULATION BY THE FINANCIAL CONDUCT AUTHORITY

This covers financial advice and services provided to private individuals, unincorporated bodies and companies where such work is directly regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000. This does not include Commercial Work for Public Companies.

[↑ Return to question](#)

## DEFINITIONS

### IMMIGRATION WORK

Defined as advice and assistance on U.K. immigration and nationality law, including preparation for and representation before Immigration Adjudicators, Special Adjudicators, and any Tribunals or Courts of Justice up to but not including the Divisional Court, the Court of Justice of the European Union, the Commission on Human Rights of the Council of Europe or the European Court of Human Rights.

[↑ Return to question](#)

### LANDLORD / TENANT (Non-Contentious)

Dealing with the exercise of contractual rights under lease whether acting for a Landlord or a Tenant, Drafting leases, Letting agreements and contracts and advising on the same, General advice on housing rights e.g. to council or housing association tenants or advising housing associations or local authorities on the terms of leases / contracts including rights of enfranchisement, Landlord and Tenant Act 1954 claims, Rent reviews, Rights to manage, Possession and dilapidations. Does not include the creation / drafting of contractual rights.

[↑ Return to question](#)

### LANDLORD / TENANT (Contentious)

Suing tenants / lessees for loss / damage to property, repairs etc. (or defending them), Recovery of rent, Litigation of rent reviews, Rent tribunals, Proceedings under the Landlord & Tenant Act 1954 and similar applications under the Leasehold Reform Act, Claims against local Authority for housing repairs, Disputes over the terms of a lease / contract.

[↑ Return to question](#)

### LECTURING AND RELATED ACTIVITY WORK

Defined as work involving the preparation for, and the presentation of, lectures, seminars, training and tuition whether for the purposes of professional skills training, continuing education or otherwise, including the provision of written material for publication.

[↑ Return to question](#)

### MEDIATION WORK

Defined as acting as a neutral third party engaged by disputing parties to assist them to resolve their dispute by negotiated agreement without resort to adjudication.

[↑ Return to question](#)

### MENTAL HEALTH TRIBUNAL WORK

Defined as representation of patients detained under the Mental Health Act 1983 at hearings of the Mental Health Tribunal.

[↑ Return to question](#)

### OFFICES AND APPOINTMENTS

As Clerks to City Livery Companies, Dean and Chapters, Drainage Boards, Local Councils, Charities or School Governing Bodies; Diocesan Registrars, Archdeacon's Registrars or Provincial Registrars of the provinces of the Church of England in respect of work covered by an Ecclesiastical Fees Order; Company Secretaries, provided that any such offices and appointments are undertaken in the course of private legal practice. (This does not include appointment as an officer or director of a company).

[↑ Return to question](#)

### PARLIAMENTARY AGENCY

Defined as all work done in the promotion of or opposition to primary or subordinate legislation.

[↑ Return to question](#)

### TOWN AND COUNTRY PLANNING

Includes compulsory purchase, listed buildings and conservation areas work.

[↑ Return to question](#)

## DEFINITIONS

### PRINCIPAL

A reference to Principal covers a sole practitioner, a partner in a partnership, a member of a Limited Liability Partnership and a director of a limited company.

[↑ Return to question](#)

### REGULATORY BODY

The SRA, SDT, LeO former LCS, OSS or CCS, PSU, Forensic Investigation Unit, Disciplinary Tribunal and / or any other regulatory body.

[↑ Return to question](#)

### RELEVANT RECOGNISED BODY

Relevant Recognised Body means a Recognised Body other than: (a) an unlimited company, or an overseas company whose members' liability for the company's debts is not limited by its constitution or by the law of its country of incorporation; or (b) a nominee company only, holding assets for clients of another practice; and (i) it can act only as an agent for the other practice; and (ii) all the individuals who are principals of the recognised body are also principals of the other practice; and (iii) any fee or other income arising out of the recognised body accrues to the benefit of the other practice.

[↑ Return to question](#)

### SUB-PRIME

Sub-prime and B-paper, B-tier, non-prime, near-prime, special finance, second chance lending is an industry term used to describe a mortgage granted to a borrower considered sub-prime. That is, a person with a less than perfect credit report. Also Fringe Lenders: are lenders who offer loans to customers at higher than normal income to loan ratios but with punitive terms.

[↑ Return to question](#)

### SUCCESSOR PRACTICE

The definition of Successor Practice in the SRA's Minimum Terms is complicated. You may be a Successor Practice even though you did not intend to take on the liabilities of another Practice when taking it over or merging with it and even if you specifically agreed that those liabilities would remain elsewhere.

Whenever a Practice ceases "being carried on as a discreet business," there is potential for the successor Practice clause to take effect.

You may become a Successor by holding out your Practice "expressly or by implication" as being the successor of or by incorporating the other Practice(s), by taking on the majority of the principals in the other Practice as principals in your Practice, by taking on at least one such principal as a principal when the majority have not become principals in another Practice, by taking a sole practitioner or Recognised Body into your Practice as a principal, or by taking on a sole practitioner as an employee after 31st August 2000.

**If your Practice has done any of these things, at any time or is planning to do so, you may be a Successor Practice and should provide full details.**

[↑ Return to question](#)

1:2 Other entities including trading names and trustee and / or nominee companies and / or incorporated principals for which you are seeking cover.

[↑ Return to question](#)

1:5 Please provide a list of branch offices and their locations

[↑ Return to question](#)

2:1 Please provide a narrative about your phasing of staff?

[↑ Return to question](#)

2:2 Do any principals or other fee earners also work for any other law firms or businesses?

**If 'YES' please provide details**

[↑ Return to question](#)

3:1 Practising Certificates and Regulatory Issues

**If 'YES' to any of the above, provide details and include a copy of any report issued by any regulatory body.**

[↑ Return to question](#)

4:2 Do you anticipate any client, group or referral source to generate 20% or more of your fee incomes?

**If 'YES' please provide details**

[↑ Return to question](#)

5:2 Do you intend to give any foreign law advice?

**If 'YES' please state under which jurisdictional law the work will be undertaken and state the estimated gross fees for the forthcoming accounting period, together with full details on anticipated activities.**

[↑ Return to question](#)

6:1 Please provide details if you intend to act for purchasers of property outside of the UK? / if you intend to undertake conveyance for any land investment scheme or products? / receive referrals from a broker or marketing professional in respect of right to buy schemes?

**If 'YES' to any of the above, please provide details**

[↑ Return to question](#)

6:2 Please provide further details regarding your anticipated conveyance work

**If 'YES' to any of the above, please provide details**

[↑ Return to question](#)

7:7 Will the practice vet personal injury cases for Insurers / Claims Managers?

**If 'YES' provide details**

[↑ Return to question](#)



7:9 Do you intend to undertake work from any claims management companies or referral networks?

**If 'YES' to any of these questions, please provide details**

[↑ Return to question](#)

8:1 Do you intend on taking group litigation instructions either acting for defendant or claimant?

**If 'YES' provide details**

[↑ Return to question](#)

8:2 **Matrimonial Work** - Do you intend to deal with matrimonial cases with settlements exceeding £3m or regular annual payments over £250,000?

**Please provide further details and confirmation on what procedures you will have in place to identify and account for future spousal pension rights when completing settlements.**

[↑ Return to question](#)

10:6 Will you require a file opening form, Anti Money Laundering check and engagement letter, prior to being able to record time on a matter or book fees?

**If 'NO' please explain what checks will be undertaken prior to being able to record time or book fees.**

[↑ Return to question](#)

10:7 Will you update the original engagement letter when further instructions are received?

**If 'NO' please explain how you will record further instructions.**

[↑ Return to question](#)

10:10 If the practice intends to provide professional services for any client in which any principal holds a partnership / directorship or has any other financial interest, will these services always be carried out by a solicitor other than the principal / director connected with the client?

**If 'NO' please provide details. If 'NO' please provide details.**

[↑ Return to question](#)

10:11 Will your practice outsource any legal, secretarial or other work?

**If 'YES' please provide details.**

[↑ Return to question](#)

10:12 Will your practice provide 'unbundled' legal advice?

**If 'YES' how will your engagement procedures manage any additional risk that this may expose the practice to?**

[↑ Return to question](#)

10:14 Are there any procedures in place to review substantive advice provided in emails prior to its being sent?

**If 'YES' please provide details.**

[↑ Return to question](#)

10:15 Will all cheques and / or electronic fund transfers for more than £25,000 require two written confirmations (signatures or authorisation) including at least one principal?

**If 'NO' please provide details of who will be permitted to authorise payments.**

[↑ Return to question](#)

10:17 Will you have a file closure procedure in place?

**If 'NO' please provide details of how files will be closed in all departments.**

[↑ Return to question](#)

10:19 How will files be selected for audit, who will audit the files (name and job title) and how will these be documented.

**Please continue on separate sheet if required.**

[↑ Return to question](#)

10:19 Will any departments / transaction types receive proportionally more audits than others?

**If 'YES' please provide details of which departments / transactions**

[↑ Return to question](#)

10:19 Will any departments / transaction types receive proportionally more audits than others?

**If there is no formal file audit procedure, please explain how files are reviewed for risk management purposes.**

[↑ Return to question](#)

11:1 Has the principal or any fees earners have any Professional Indemnity claims against them in a previous firm?

**If 'YES' please provide details.**

[↑ Return to question](#)

11:2 Are you aware of any claim(s) having been made in the last 6 years in relation to work undertaken or supervised by any Principal whilst in a former Practice?

**If 'YES' please provide your opinion on both liability and quantum.**

[↑ Return to question](#)

13:2 Is your practice considering or intending to convert to an Alternative Business Structure or Multi-disciplinary Practice within the next 12 months?

**If 'YES' please provide details including copy of application**

[↑ Return to question](#)

## SUPPLEMENTARY INFORMATION

Please provide additional information if required in the section below.

Please reference the question number.



**LOCKTON<sup>®</sup>**

## **Need assistance?**

**Check out our Guidance at [www.locktonsolicitors.co.uk/resources](http://www.locktonsolicitors.co.uk/resources)**

**Call us on 0845 0501 471**

Lockton Companies LLP is authorised and regulated by the Financial Conduct Authority.

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