



**T&R Direct**  
Insurance services

# IFA New Business PI Proposal Form

T&R Direct

# NEW BUSINESS PROPOSAL FORM

**1. Proposing Entities**

a) Please state below the name of your **main practice**. Please also enter below the full names of **any other entities currently trading** referring again to their Regulator. If applicable, please also list any other trading styles.

Date commenced trading

\_\_\_\_\_ / \_\_\_\_ / \_\_\_\_

\_\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Main Office Address:

\_\_\_\_\_  
\_\_\_\_\_

Please provide on a separate sheet any other addresses from which the above entities practice.

E-mail: \_\_\_\_\_ Web Address: \_\_\_\_\_

Tel No: \_\_\_\_\_ Fax No: \_\_\_\_\_

b) Past Business Entities including predecessors in business for which Run-Off cover is required:

\_\_\_\_\_ Period of trading \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_ Period of trading \_\_\_\_\_ to \_\_\_\_\_

c) Please tick the box to confirm that none of the above entities is a Limited Company that has been wound up and/or has no assets.

2. Please confirm the date of your last financial year-end prior to the inception date:

\_\_\_\_ / \_\_\_\_ / \_\_\_\_

3. Please advise or estimate for the financial year-end identified in Question 2 above and the previous 4 financial years (where applicable), the total gross brokerage/commission/fee income of all Proposing Entities, generated by all principals/employees/self-employed persons.

	Total gross brokerage/commission/fee income, including trail commission
<u>Last complete year:</u>	
<u>Previous year:</u>	
<u>Previous year:</u>	
<u>Previous year:</u>	
<u>Previous year:</u>	

4. Please indicate the total gross brokerage/commission/fee income the entities in Question 1a) currently trading expect to achieve in the current financial year:

5. Please indicate the Regulatory status of each Proposing Entity disclosed in Question 1 above:

a) Direct by FSA                                      Name of Proposing Entity: \_\_\_\_\_  
 \_\_\_\_\_

b) As an Appointed Representative through the authorisation of another directly Regulated Firm or Network

Name of Proposing Entity: \_\_\_\_\_  
 \_\_\_\_\_

6. Please indicate whether any Proposing Entity operates a 'multi tie' arrangement pursuant to the depolarisation rules.

Yes	No

If YES, please provide details including providers and products involved.

\_\_\_\_\_  
 \_\_\_\_\_

7.

Names of Directors/Partners/Principals	Age	Qualifications	Experience (if under five years' practical insurance experience)

8. Number of permanent staff **other than** Directors/Partners/Principals:

a) Employed persons giving advice	<input type="text"/>
b) All other employed persons	<input type="text"/>
c) Self employed persons	<input type="text"/>

9. Please provide the following details in respect of any past or current Appointed Representatives for which cover is required (continue on separate sheet if necessary):

Trading name	Date of Appointment	Date of termination	Location	Income in last financial year

Please provide details of the methods of control used to monitor and supervise the activities of your Appointed Representatives

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10. a) Please indicate the % of gross brokerage/commission/fees for the **Last complete year** as disclosed in Question 3 derived from the following categories.

**Please ensure that the Total boxes for Categories i) to v) below add up to 100%.**

		Private	Business	Total
i) <b>Pension Sales &amp; Advice</b>		%	%	%
ii) <b>Investment Sales &amp; Advice</b>		%	%	%
Of the total for ii) above, please indicate the % earned from the following categories				
Equity investment	%			
Government/Corporate Bonds investment	%			
Cash based investment	%			
Property based investment	%			
Other (please specify below)	%			
iii) <b>Life Cover &amp; Protection Sales &amp; Advice</b> (including WOL, ASU, PHI & Medical)		%	%	%
iv) <b>Mortgage Sales &amp; Advice</b> (Including Equity Release and Reversion Schemes)		%	%	%
v) <b>General Insurance Sales &amp; Advice</b>		%	%	%
Of the total for v) above, please indicate the % earned from the following categories				
Personal Lines	%			
Commercial Lines	%			
		<b>Total Private</b>	<b>Total Business</b>	<b>Overall Total</b>
		%	%	<b>100%</b>

10. b) Please indicate the % of gross brokerage/commission/fees for the **2 financial years preceding the year in 10a) above (starting with the most recent)** as disclosed in Question 3, derived from the following categories.

	Private	Business	Total
i) Pension Sales & Advice	%	%	%
ii) Investment Sales & Advice	%	%	%
iii) Life Cover & Protection Sales & Advice (including WOL, ASU, PHI & Medical)	%	%	%
iv) Mortgage Sales & Advice (Including Equity Release and Reversion Schemes)	%	%	%
v) General Insurance Sales & Advice	%	%	%
	<b>Total Private</b>	<b>Total Business</b>	<b>Overall Total</b>
	%	%	<b>100%</b>

	Private	Business	Total
i) Pension Sales & Advice	%	%	%
ii) Investment Sales & Advice	%	%	%
iii) Life Cover & Protection Sales & Advice (including WOL, ASU, PHI & Medical)	%	%	%
iv) Mortgage Sales & Advice (Including Equity Release and Reversion Schemes)	%	%	%
v) General Insurance Sales & Advice	%	%	%
	<b>Total Private</b>	<b>Total Business</b>	<b>Overall Total</b>
	%	%	<b>100%</b>

11. In respect of investments covered by 10a)ii) on the previous page, please indicate the number of single premium or annual investments made in the last financial year where the sum invested was (Please do not include monthly investments.):

	Number of investments
a) less than £10,000	<input type="text"/>
b) equal to or more than £10,000 but less than £25,000	<input type="text"/>
c) equal to or more than £25,000 but less than £100,000	<input type="text"/>
d) equal to or more than £100,000	<input type="text"/>

12. Please indicate whether any Proposing Entity has received, or is on notice of, a visit from the Regulator.

Yes	No
<input type="text"/>	<input type="text"/>

If YES, please confirm date(s) of visit(s) and enclose a copy of the report(s).

Date(s) \_\_\_/\_\_\_/\_\_\_

13. Please advise whether any advice or other insured activity has been undertaken outside the UK by any proposing entity. (Please note that cover for such work is not available unless specifically agreed)

Yes	No

14. Because of the role of Financial Advisers, fraud by your employees or agents is a significant risk to your business. Please outline briefly, on a separate sheet of paper if necessary, the steps that you take to minimise this risk.

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15. Please provide the requested details of the following performance indicators:

- a) Number of policies made Paid Up or lapsed in the last 12 months
- b) Number of policies cancelled within “cooling off” period in the last 12 months
- c) Number of recommendations “Not Taken Up” in the last 12 months
- d) Number of “policy replacement” recommendations made in the last 12 months to discontinue premiums or surrender existing contracts and replace with similar contracts

Number

16. a) Please provide details of the top 3 product providers in terms of commission income in the last 12 months.

Provider	% of total commission income

b) Please provide details of the top 3 product providers in terms of number of new policies in the last 12 months.

Provider	Total number of new policies

17. Please advise how the Compliance Function is managed:

We employ \_\_\_\_\_(number) full time compliance staff. (Please provide CV of Compliance Officer.)

We use the following specialist provider: \_\_\_\_\_

Other, namely: \_\_\_\_\_

18. Please provide the location of any individuals providing advice that are not based at the **Main Office Address**:

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19. Was each individual referred to above the subject of a field compliance audit on their premises in the last 12 months?

Yes	No

20. Please indicate % of new business files reviewed by the Compliance Function in the last 12 months. \_\_\_\_\_%

21. What is the active client/adviser ratio of your firm? \_\_\_\_\_

**22. Financial Promotions**

During the last 5 years has any Proposing Entity issued any direct offer financial promotions to clients promoting a particular product or products? If YES, please complete the table below.

Product Provider and Product Promoted	Date	Number of clients mailed	Number of applications received

**23. Pension Review**

a) Does any Proposing Entity require cover in respect of cases that fell within the ambit of the Pension Review (Phases I &II)?

Yes	No

**If YES, please answer questions 23 a) to 24 below and complete the table on the next page.**

b) Please confirm that the Pension Review (Phase I and II) has been formally completed and the Regulator notified.

Yes	No

c) Please give the date of your final Pension Review mailing \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

d) Please confirm that the Proposing Entities correctly identified and mailed all cases that fell within the ambit of the Pension Review.

Yes	No

- e) Please confirm that all cases mailed under the terms of the Pension Review which requested a Review or complained have been notified on previous Professional Indemnity Insurance policy(s) as a claim or circumstance.

Yes	No

- f) Please confirm that none of the Proposing Entities' non responding Pension Transfers were from the Miners' Pension Scheme.

Yes	No

If NO, please provide details on a separate sheet.

- g) Please confirm that none of the Proposing Entities' non responding Pension Transfers have a transfer value exceeding £20,000.

Yes	No

If NO, please provide details on a separate sheet

Please complete the attached Summary Sheet – Phase I and II

**Pension Review Cover**

**If any Proposing Entity has requested cover and underwriters are prepared to grant it, details will be offered on the quotation sheet and will be restricted to cover for new complaints in respect of cases which were correctly mailed under the terms of the Pension Review but which have not requested a review or complained at the date of inception of the policy.**

24. Pension Review – continued

**Summary Sheet - PhaseIandII**

<b>PhaseIandII</b>	<b>TOTAL STARTING POPULATION (ALL PERSONAL PENSIONS SOLD IN REVIEW PERIOD) *</b>	<b>Total Population mailed**</b>	<b>RESPONDERS</b>			<b>NON RESPONDERS</b>
			<b>DECLINING REVIEW</b>	<b>EXCLUDED AS NOT REVIEWABLE</b>	<b>REQUIRING REVIEW (LOSS OR COMPLIANCE)</b>	
Opt outs/Non Joiners (including possibles)						
Rebate Only Cases						
Transfers						
<b>TOTAL</b>						

\* Including Section 32's and 226's.

\*\* The figures in this column should equal the figures of the 'Responders' columns and 'Non Responders' column combined. If this is not the case, please provide details on a separate sheet.

## 25. Retirement Options

Please complete this question if any Proposing Entity has transacted/given advice in respect of retirement income options. If not, please put 'not applicable'.

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Number of Income Drawdown cases transacted where original fund value was less than £100,000</b>										
<b>Number of Income Drawdown cases transacted where original fund value was between £100,000 and £300,000</b>										
<b>Number of Income Drawdown cases transacted where original fund value was over £300,000</b>										
<b>Largest Original Income Drawdown fund value</b>										
<b>Number of Annuity cases transacted (excluding Phased Retirement cases)</b>										

- a) What % of Income Drawdown cases arranged are taking maximum income? \_\_\_\_\_ %
- b) What % of Income Drawdown cases have had the fund value enhanced by rebating commission? \_\_\_\_\_ %
- c) How frequently are Income Drawdown cases reviewed? \_\_\_\_\_
- d) i) How many of the above transactions were carried out purely to raise cash? \_\_\_\_\_
- ii) Has the Reason Why Letter always drawn to the client's attention the adverse effects such a withdrawal will have on future pension benefits and establish in each case why the client needed the cash and why other methods of raising finance were less suitable?

Yes	No

- e) Has any business ever been transacted where the client has given up a GAR?

Yes	No

- f) Please provide a brief description of the philosophy used in advising clients in relation to income in retirement.

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**26. Structured Capital at Risk Products (SCARPs)**

Has any Proposing Entity acted as an introducer, advised on or sold any structured product that gives a guaranteed rate of return without guaranteeing the capital invested? **Please include all structured products where the capital is at risk and not only those where the return is linked to the performance of specific indices or shares.**

Yes	No

If “YES”, please complete the table below in respect of each case where the sum invested was greater than £7,000.

NOTES:

- Indicate with an ‘E’ any case transacted on an Execution Only Basis
- *The italicised figures below are an example only*
- Continue on extra sheet if necessary

Name of Investor	<u>PRODUCT</u>	Date of Investment	Maturity Date	Sum Invested	Relevant Tracking Index	Current/ Maturity Value (excluding accrued interest)	Guaranteed income/ growth amount
<i>Mr A.N. Example</i>	<i>Eg. Investments Plc Income &amp; Growth Plan 4</i>	<i>31/03/2000</i>	<i>15/06/2004</i>	<i>£ 20,000</i>	<i>Dow Jones Eurostoxx 50</i>	<i>£4,379</i>	<i>Income of 2.33% paid quarterly</i>

**27. Split Capital Investment Trusts**

Has any Proposing Entity acted as an introducer, advised on or sold any shares in Split Capital Investment Trusts or investments in any collective investment which invests in the shares of Split Capital Investment Trusts in the last 10 years?

Yes	No

**If YES, please complete the table below.**

Name of Investor	Date of Investment	Total value of client's investment portfolio	Original SCIT Investment Value	Product Provider	Current Value	Date of Valuation

Was it the Proposing Entities' practice to obtain sufficient information recorded in writing to show that the investment recommended was suitable for the client's needs (for instance, by preparing a "Client Financial Planning Analysis" or "Know your Client" questionnaire)?

Yes	No

As to all transactions, has it been the Proposing Entities' practice to advise intending investors (and to document on file that:

- a) the investment cannot be guaranteed to mature to the full expected value?
- b) the investment involves an investment risk?
- c) other forms of investment are available, which could meet with the client's needs?

Yes	No

**28. Endowments**

Have you ever been involved in arranging **Mortgage** Endowments?

Yes	No

If YES, please answer the following questions:

- a) Total number policies sold by the Proposing Entities, excluding cases which have matured? [ ]
- b) Total number of complaints received by the Proposing Entities to date? [ ]
- c) Approximately, what is the average target maturity value? [ ]
- d) The highest value Mortgage Endowment which remains in force, sold by any Proposing Entity? [ ]
- e) Have the Proposing Entities always advised investors that the Endowment is not guaranteed to achieve target maturity value? 

Yes	No
- f) Have the Proposing Entities always ensured Endowment policies mature before the client's retirement date? 

Yes	No

If NO, please state the approximate number of current policies which mature beyond the investor's retirement date. [ ]

**29.** Please indicate whether any Proposing Entity has received any commission/fees in respect of any of the following products or services. **If YES, please provide FULL details on a separate sheet.**

Product/Service	Yes	No
Hedge Funds		
Discretionary Portfolio Management		
Broker Bonds		
Pension Fund Trustee Services		
Traded Life Policies		
Viatical Settlements		
Traded Endowment Plans		
Offshore Bonds		

**30. Unregulated Collective Investments**

Please indicate whether any Proposing Entity has received any commission/fees in respect of any of the following products or services. **If YES, please provide FULL details on a separate sheet.**

Product	Yes	No
Film Finance		
Venture Capital Trusts (VCT)		
Enterprise Zone Trust (EZT)		
Enterprise Investment Scheme (EIS)		
Deferral Relief Companies		
Technology Partnerships		
Any Other Unregulated Collective Investment (please provide details)		

Has the Inland Revenue indicated that they intend to challenge the tax status of any of the above products arranged on behalf of any client? **If YES, please provide FULL details on a separate sheet.**

Yes	No

**31. State Earnings Related Pension Scheme (SERPS)/State Second Pension (S2P)**

Please indicate the total number of recommendations made to contract out of SERPs/S2P within the following periods.

1988-1992	1993-1996	1997-2001	2002-onwards

a) How many males were aged over 40 when first advised to contract out?

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b) How many females were aged over 35 when first advised to contract out?

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c) Was it the Proposing Entities' practice to record attitude to risk on file?

Yes	No

d) Have all recommendations to contract out been reviewed each year?

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e) Have all clients that were recommended to contract out been contacted to review the advice?

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**32.** Please indicate the number of Home Income Plans, Equity Release Schemes or Home Reversion Schemes arranged/advised upon by the Proposing Entities in the last 10 years.

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a) Are all providers of the schemes referred to in question 32 above members of SHIP (Safe Home Income Plans Ltd)?

Yes	No

b) Were all other means of raising the capital/income required by the client investigated prior to making the recommendation to release capital from their property?

Yes	No

c) Were the beneficiaries of the clients estate informed and is evidence of this recorded on file for each of the plans arranged?

Yes	No

d) Please provide a brief description of the philosophy used in advising clients in relation to the subsequent investment of monies raised

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**33. FSAVC Review**

Please state the number of cases the Proposing Entities were required to mail.

a) Where cases were mailed, please confirm that the Review of FSAVC's has been completed.

Yes	No

If NO, please provide details.

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**34. Current Insurance Arrangements**

Please provide the following details of the Proposing Entities' expiring Professional Indemnity Insurance Policy:

Insurer	Limit	Excess	Premium	Expiry Date

35. Please confirm whether there have been any claims or circumstances made against the Proposing Entities in the past 10 years.

Yes	No

If YES, please provide details below.

Date	Summary	Amount claimed	Reserve held	Amount paid	Date of the advice/sale leading to the claim

36. Is any Proposing Entity aware, after enquiry, of any circumstances (not stated above) which may result in any claims being made against the Proposing Entities currently trading, their predecessors in business or any of the present or past Directors/ Partners/Principals?

Yes	No

**If YES, please give FULL details.**

37. Has any Proposing Entity sustained any loss during the past ten years as a result of the fraud or dishonesty of any Director/Partner/Principal/employee/self-employed person?

Yes	No

**If YES, please give FULL details.**

38. Has any application for insurance on behalf of any Proposing Entity or any of the present Directors/Partners/Principals or, to the knowledge of the Proposing Entities, on behalf of their predecessors in business ever been declined or has any such insurance ever been cancelled or renewal refused?

Yes	No

**If YES, please give FULL details on a separate sheet.**

39. Have the Proposing Entities notified to previous insurers all Pension Review Cases, FSAVCs, Endowments, SCITs and SCARPs where a client has requested a review or complained?

Yes	No	None

**If NO, please list on a separate sheet those cases that have not been notified.**

**DECLARATION**

I/We declare on behalf of the Proposing Entities that the above statements and details are true and that I/we have not misstated or suppressed any material facts. I/We agree that this Proposal, together with any other information supplied by me/us, shall form the basis of any Contract of Insurance affected thereon. I/We undertake to inform Collegiate Management Services Limited of any material alteration to these facts occurring before completion of the Contract of Insurance. Signing this Proposal Form does not bind the Proposing Entities or Collegiate Management Services Limited to complete this insurance.

Signature of:  
Director/Partner/Principal \_\_\_\_\_

Name \_\_\_\_\_ Date \_\_\_\_\_  
(in capitals)

**Please Note:** In the absence of any instructions to the contrary, Certificates will show only those firms named in Question 1a of this proposal form.

**Data Protection Act:**

Some of the information given in this form will constitute personal data for the purposes of the Data Protection Act 1998. Such personal data will be used by Collegiate and interested underwriters solely for the following purposes:

1. Evaluating the proposal with a view to providing the insurance proposed for;
2. Validating any information that may have been previously supplied;
3. General statistical purposes.

The information will be held for as long as necessary for the above purposes or as may be required by law or to comply with any contractual, or to meet with any relevant regulatory requirements.