

Accountants Professional Liability Insurance Application

Firm _____

SEC Supplement

S-8.1

**Complete only if your Firm provides services that fall under the 1933 or 1934 SEC Acts.
Do not complete for broker/dealer audits – unless the broker/dealer is publicly traded.**

1. Complete the following table for each of the Firm's SEC practitioners' expertise.

Individual(s)	Number of Years SEC Experience	Number of Hours SEC CPE in Past 12 months	Securities-Billable Hours most recent 12 months

2. Do you have current membership in the AICPA's Center for Audit Quality? ☐ Yes ☐ No
3. Is the Firm currently registered with the Public Company Accounting Oversight Board (PCAOB)? ☐ Yes ☐ No
4. Percentage of total revenue derived from services provided to SEC-regulated entities: _____ %

Client Identification

5. a. Do you have a written procedure for new client identification and screening intended to assure that there will be no conflict of interest with respect to potential SEC-regulated clients? ☐ Yes ☐ No
- b. Is there a written policy requiring yearly reviews of existing clients for potential conflicts? ☐ Yes ☐ No
6. a. Does your written procedure for evaluating a new SEC-regulated client include an analysis of the client's financial strength, its management expertise, its reputation, the nature of its business and its history of opinion shopping or changing attorneys and accountants? ☐ Yes ☐ No
- b. Do these procedures include background checks on the client's senior management? ☐ Yes ☐ No
- If "Yes", to a. or b., has your Firm ever declined a potential client based on these procedures? ☐ Yes ☐ No

Internal Procedures and Risk Management

7. Do you have a written procedure requiring that at least one CPA who is not working on the services in question, review and approve all written materials prior to their release? ☐ Yes ☐ No
8. Do you have a written policy that prohibits your firm members from participating in the securities selling process (e.g., not participating in marketing meetings or calls involving prospective investors)? ☐ Yes ☐ No
9. Do you have a written policy governing trading and investing in client securities by firm members? ☐ Yes ☐ No
10. Do you have a written policy prohibiting any contingency payment arrangement or any arrangements where a securities client pays for the applicant's services with client securities? ☐ Yes ☐ No
11. Do you have written procedure that is intended to prevent the improper use of material inside information or the tipping of such information by firm members? ☐ Yes ☐ No

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12. In the past thirty-six (36) months have any of your SEC-regulated clients been involved in any regulatory inquiry or investigation regarding disclosure issues or financial statement reporting? ☐ Yes ☐ No

If "Yes", provide the following:

Name of Client	Explanation of the Inquiry or Investigation

13. During the past five (5) years have you been the subject of any investigation by the SEC or the PCAOB? ☐ Yes ☐ No

If "Yes", describe: _____

14. During the past five (5) years have you been terminated by a securities client or had a dispute with a client necessitating disclosure to securities regulators? ☐ Yes ☐ No

If "Yes", provide the following:

Name of Client	Date of Withdrawal	Description of Withdrawal or Dispute

15. Within the last five (5) years have you provided audits to publicly traded clients? ☐ Yes ☐ No

16. Provide the following for each audit client engaged within the last three (3) years or expected to be handled within the next twelve (12) months.

Name of Client	
Does the client maintain Directors and Officers (D & O) Liability Insurance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Nature of client business:	
Length of time as client	From: _____ To: _____
Services that you engaged to performed:	
Most recent engagement fees billed:	
Opinion Rendered:	
Have any restated financials been issued? If "Yes", were the initial financials audited by your firm, a Predecessor Firm or acquired firm?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
Has there been a change in the controlling ownership of the client company(ies) during the last fiscal year?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please provide details: _____
Has there been a change in the executive management of the client company(ies) during the last fiscal year?	<input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please provide details: _____

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Private or Public Offering Supplement

17. Provide the following for each private or public offering within the past five (5) years.

Name of Client	Industry	Dates and Services Provided	Type of Offering*	Size of Offering	Fees

* A. Primary public C. Private partnership E. Private stock sale G. Mortgage backed securities
B. Secondary public D. Private trust F. Bonds

I recognize that information submitted on this supplement becomes a part of my application for coverage and is therefore subject to all of the representations and conditions of that application.

Completion of this supplement does not guarantee that coverage will be automatically granted. Any coverage will be subject to underwriting review.

WARNING – Residents of Maryland

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Signature _____ Date _____