

PROFESSIONAL LIABILITY (E&O) APPLICATION

NOTICE: THIS IS AN APPLICATION FOR A CLAIMS-MADE AND REPORTED POLICY WHICH, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD FOR WRONGFUL ACTS COMMITTED OR ALLEGEDLY COMMITTED ON OR AFTER THE RETROACTIVE DATE. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED AS CLAIM EXPENSES, AND SUCH CLAIM EXPENSES SHALL BE SUBJECT TO THE APPLICABLE DEDUCTIBLE. DEPENDING ON THE INFORMATION PROVIDED BY THE APPLICANT, IT MAY BE NECESSARY FOR THE APPLICANT TO RESPOND TO ADDITIONAL WRITTEN QUESTIONS WHICH WOULD FORM PART OF THIS APPLICATION.

1. Name of Applicant: _____

2. Address: _____

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3. Web Site Address: www. .com .net .org (check one)

4. a. Status: (check one):
 Corporation Partnership Individual Other

b. Date firm was established: _____

5. Please describe in detail the services provided for which coverage is desired (include percent of total receipts):

<u>Service</u>	<u>% of Total</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Are there other services provided by the Applicant? Yes No

If yes, please list services:

7. Please provide the total gross receipts for services listed in Question 5:

- a. Current projected 12 months \$ _____
- b. Last 12 months \$ _____
- c. One year prior \$ _____

8. Please list the Applicant's five (5) largest jobs over the past three (3) years:

<u>Client Name</u>	<u>Services Provided</u>	<u>Revenue/One Year</u>

9. Does the Applicant firm have any subsidiaries or affiliates for which coverage is desired? Yes No

a. If yes, please provide the following for each by attachment:

- i. Name
- ii. Description of operations
- iii. Percentage of ownership by the Applicant or, if not applicable, description of affiliation with the Applicant.

b. Is the Applicant firm controlled, owned or associated with any other firm, corporation or company? Yes No

c. Are any activities listed in Question 5 of this application provided to such an affiliated enterprise? Yes No

If yes, please attach an explanation.

10. Please provide the following:

- a. Number of principals, officers and partners of the firm _____
- b. Number of other professional employees _____
- c. Number of non-professional employees (clerks, secretaries, etc.) _____

11. Please list (If necessary, please attach information on separate attachment):

a. professional associations to which the Applicant belongs:

b. professional designations held by any principals, owners or staff:

c. professional licenses held by any principals, owners or staff:

12. Does the Applicant use a written contract with all clients? Yes No

a. If not, approximately what percent of time are contracts not used? _____ %

b. Please explain why contracts are not used:

c. Are contracts reviewed by legal counsel? Yes No

d. Does the Applicant have procedures to ensure compliance with Federal, State and Local Statutes? Yes No

If yes, please attach a copy of the procedure or provide a detailed description on a separate sheet.

e. Does the applicant's contract contain the following?

- 1. Hold Harmless or indemnity agreements? Yes No
- 2. In Applicant's favor? Yes No
- 3. Acceptance of consequential damages? Yes No

13. A. Has a client ever refused to pay for services rendered by applicant? Yes No

If yes describe: _____

B. What is the customer's potential for consequential damages and resulting monetary loss due to product or service failure by your company?

14. What percentage of the Applicant's business involves subcontracting of work to others? _____%

If so, does the Applicant require evidence of professional liability insurance from subcontractors? Yes No

15. Does the Applicant have a procedure for following up on complaints? Yes No

If yes, please attach a copy.

16. Please list all prior professional liability insurance coverage:

<u>Insurer</u>	<u>Limit Carried</u>	<u>Deductible</u>	<u>Premium</u>	<u>Expiration Date</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

a. If coverage is currently in force, what is the retroactive date? _____

b. Has any application for any other insurance on behalf of the Applicant or any of its predecessors in business been declined or cancelled, or renewal of such insurance been refused? Yes No

If yes, please explain. _____

c. Does the Applicant currently maintain General Liability coverage? Yes No

If yes: Carrier _____
Limit of Liability _____ Effective Dates _____

16. a. Limit of Liability desired:

- _____ \$250,000
- _____ \$500,000
- _____ \$1,000,000
- _____ \$2,000,000
- _____ \$5,000,000
- _____ Other \$ _____

b. Deductible desired:

- _____ \$2,500
- _____ \$5,000
- _____ \$10,000
- _____ \$25,000
- _____ Other \$ _____

17. Has the Applicant or any of its principals, partners, officers or directors been the subject of any disciplinary action by the authorities or any professional association? Yes No

If yes, please explain: _____

18. Does any person to be insured have knowledge of any fact, circumstance or situation or act, error or omission which may result in a Claim against him or the Applicant under the proposed policy? Yes No

If yes, please attach an explanation on a separate sheet of paper.

19. Has any Claim or Claims been made against the Applicant or any of its predecessors in business, or any of the past or present partners, owners, officers or employees during the last five years? Yes No

If yes, please attach an explanation of each such claim on a separate sheet of paper.

20. IT IS AGREED THAT WITH RESPECT TO QUESTIONS 17, 18, AND 19 THAT SUCH KNOWLEDGE OR INFORMATION EXISTS (WHETHER OR NOT DISCLOSED), IN ADDITION TO ANY OTHER REMEDY THAT THE INSURER MAY HAVE, ANY CLAIM ARISING THEREFROM WILL BE EXCLUDED FROM THIS PROPOSED COVERAGE.

21. Please attach the following materials:

- a. Current annual report;
- b. Promotional materials or brochures;
- c. Resumes of the principals, if less than five (5) years of operation;
- d. A copy of a sample contract and/or engagement/proposal letter.

THE APPLICANT DECLARES THAT THE PARTICULARS AND STATEMENTS MADE IN THIS APPLICATION, TOGETHER WITH ALL ATTACHMENTS TO THIS APPLICATION INCLUDING ANY SUPPLEMENTAL APPLICATION AND ANY OTHER MATERIALS SUBMITTED TO THE INSURER ARE TRUE AND CORRECT. THE APPLICANT AGREES THAT IF ANY OF THE INFORMATION CONTAINED IN THIS APPLICATION, OR ANY OTHER MATERIALS SUBMITTED TO THE INSURER, IS RENDERED INACCURATE OR INCOMPLETE AS A RESULT OF ANY CIRCUMSTANCE WHICH TAKES PLACE AFTER THE DATE OF THIS APPLICATION, THE APPLICANT WILL IMMEDIATELY NOTIFY INSURER OF SUCH CIRCUMSTANCE IN WRITING AND SHALL PROVIDE THE INSURER WITH THE INFORMATION NOT CONTAINED IN THE APPLICATION. THE INSURER, AT ITS SOLE DISCRETION, MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THE APPLICATION, TOGETHER WITH ALL ITS ATTACHMENTS AND OTHER MATERIALS SUBMITTED TO THE INSURER, SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED. IT IS FURTHER AGREED THAT THE APPLICATION WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY AND THAT ALL ATTACHMENTS AND MATERIALS SUBMITTED THEREWITH (WHICH SHALL BE ON FILE WITH THE INSURER AND DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO) ARE TRUE AND ARE THE BASIS OF THE PROPOSED POLICY AND ARE TO BE CONSIDERED AS INCORPORATED INTO AND CONSTITUTING A PART OF THE PROPOSED POLICY.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT HEREBY ACKNOWLEDGES THAT BY AFFIXING HIS/HER SIGNATURE TO THIS STATEMENT THAT HE/SHE IS AWARE THAT THE LIMIT OF LIABILITY CONTAINED IN THIS POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, FOR CLAIM EXPENSES AND IN SUCH EVENT, THE INSURER SHALL NOT BE LIABLE FOR CLAIM EXPENSES OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT SUCH EXCEEDS THE LIMIT OF LIABILITY OF THIS POLICY.

PLEASE READ THE FOLLOWING CAREFULLY

WARNING

(NOT APPLICABLE IN COLORADO, HAWAII, NEBRASKA, OHIO, OKLAHOMA, OREGON AND UTAH See Below)

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OF ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES. IN MAINE AND VIRGINIA, INSURANCE BENEFITS MAY ALSO BE DENIED.

APPLICABLE IN COLORADO

IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

APPLICABLE IN HAWAII

FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT OR BOTH.

APPLICABLE IN OHIO

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

APPLICABLE IN OKLAHOMA

WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

SIGNATURE OF APPLICANT: _____

PLEASE PRINT THE INFORMATION BELOW

APPLICANT'S NAME: _____

TITLE: _____

DATE: _____