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Miscellaneous Professional Liability Application

THE APPLICANT IS APPLYING FOR A CLAIMS-MADE POLICY, WHICH IF ISSUED, APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD. THE LIMIT OF INSURANCE AVAILABLE TO PAY DAMAGES, SETTLEMENTS OR JUDGMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY THE PAYMENT OF CLAIM EXPENSES.

NOTE: NOTHING IN THIS APPLICATION SHOULD BE INTERPRETED TO MEAN THAT COVERAGE WILL BE OFFERED OR THAT ANY ITEMS REFERENCED IN QUESTIONS OR ANSWERS TO QUESTIONS WILL BE COVERED EVEN IF COVERAGE IS OFFERED AND BOUND. SOME RESPONSES MAY REQUIRE MORE SPACE THAN THAT PROVIDED IN THE APPLICATION ITSELF. PLEASE PROVIDE THOSE RESPONSES ON A SEPARATE PAGE AND ATTACH IT TO THIS APPLICATION.

I. APPLICANT INFORMATION

1.1 Applicant Name: _____
(Proposed First Named Insured)

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ Website Address(es): _____

1.2 Date Established: _____

1.3 Is Applicant a: sole-proprietor partnership LLC corporation joint-venture other _____

FOR THE REMAINDER OF THIS APPLICATION, "APPLICANT" REFERS INDIVIDUALLY AND COLLECTIVELY TO THE ENTITY(IES) FOR WHICH COVERAGE IS DESIRED, AS WELL AS EACH PERSON WHO IS AN OFFICER, DIRECTOR, OWNER, PARTNER OR EMPLOYEE OF THESE ENTITY(IES).

1.4 Please provide the total number of Applicant's employees: _____

1.5 Geographic area in which Applicant provides services: Local Regional National International
If International, which countries? _____

1.6 Is Applicant owned by, controlled by or affiliated with any other company? Yes No
If yes, If yes, identify the company and explain the relationship: _____

1.7 Does Applicant have any subsidiaries? Yes No
If yes, please list below:

<u>Name of Entity</u>	<u>Nature of Operations</u>	<u>% of Ownership</u>	<u>Coverage Desired</u>
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

1.8 Within the past five years, has Applicant changed its name, acquired any business or merged or consolidated with any other entity? Yes No If yes, please complete the following:

<u>Entity Name</u>	<u>Date of Transaction</u>	<u>Type of Transaction</u>	<u>Did Applicant Assume any Assets? / Liabilities?</u>
_____	_____	_____	<input type="checkbox"/> <input type="checkbox"/>
_____	_____	_____	<input type="checkbox"/> <input type="checkbox"/>

1.9 If liabilities were assumed by Applicant, in connection with a transaction as described in question 1.8, please provide details: _____

1.10 Does Applicant have any certified, licensed or registered professionals on staff? (e.g. architect, engineer, healthcare provider, attorney, CPA, actuary, insurance agent or broker, financial planner/advisor, etc.) Yes No
 If yes, are such professionals: involved in the performance of activities the Applicant seeks to insure; or
 solely involved in the Applicant's operational administration (e.g. CFO, in-house legal counsel, in-house risk manager)

1.11 Is Applicant a member of any industry associations? Yes No If yes, please provide details: _____

II. INDEPENDENT CONTRACTORS

2.1 Does Applicant use independent contractors for any activities Applicant performs? Yes No If yes, what specific activities do they perform and what percentages of Applicant's revenues are derived from activities performed by independent contractors? _____

2.2 Describe what controls Applicant has in place to ensure the quality of work by independent contractors: _____

2.3 Does Applicant require independent contractors to maintain E&O insurance? Yes No
 If no, does Applicant desire coverage for these independent contractors? Yes No

2.4 Does Applicant use a written contract with independent contractors? Yes No

PLEASE ATTACH A COPY OF A STANDARD CONTRACT USED WITH INDEPENDENT CONTRACTORS.

III. REVENUE INFORMATION

3.1 Please provide the following information regarding Applicant's operations:

FISCAL YEAR END DATE: _____	PAST FISCAL YEAR	CURRENT FISCAL YEAR	NEXT PROJECTED FISCAL YEAR*
Total Gross Revenue:	US: \$ _____	US: \$ _____	US: \$ _____
	Foreign: \$ _____	Foreign: \$ _____	Foreign: \$ _____
	Total: \$ _____	Total: \$ _____	Total: \$ _____

*The Next Projected Fiscal Year Revenues will be used as a guide to calculate the annual premium.

3.2 If Next Projected Fiscal Year Total Gross Revenue differs from Current Fiscal Year Total Gross Revenue by +/- 20%, please explain: _____

3.3 Please provide a breakdown for each professional service performed and the representative revenue applicable:

<u>Service Performed</u>	<u>Percentage of Revenues</u>
_____	%
_____	%
_____	%
_____	%
_____	%

IV. SERVICES

4.1 Describe in detail the activities the Applicant seeks to insure:** _____

****This information will be used to develop a proposed Schedule of Insured Activities.**

4.2 Is Applicant engaged in any business or profession other than as described in Question 4.1 above? Yes No
If yes, please explain: _____

V. QUALITY CONTROL & PROCEDURES

5.1 What does Applicant see as its greatest potential exposures arising out of the activities for which it is seeking coverage? _____

5.2 What safeguards does Applicant employ to avoid claims or reduce Applicant's exposures? _____

5.3 Within the last five years, has any principal, partner, director, officer, or professional/certified employee provided professional services to another entity in which the Applicant has/had any ownership/equity interest? Yes No
If yes, please explain: _____

5.4 Provide the following information regarding Applicant's five (5) largest clients:

	<u>Client</u>	<u>Dollar Value of Contract</u>	<u>Length of Contract</u>	<u>Types of Products/Services</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

5.5 Does Applicant use a standard written contract or agreement with all clients? Yes No
If standard contracts are not utilized at all times, what percentage of time does Applicant use non-standard contracts? _____%

5.6 Does legal counsel review all contracts? Yes No
If no, what percentage of total contracts are reviewed? _____%
Does legal counsel review modifications to standard contracts? Yes No

5.7 What is the dollar value of Applicant's contracts? Average _____ Largest _____
What is the length of Applicant's contracts? Average _____ Longest _____

5.8 Do Applicant's contracts contain any of the following provisions?

- Hold-harmless/indemnification wording to Applicant's favor
- Hold-harmless/indemnification wording to client's favor

- Limitation of liability/Disclaimers
- Statement of work specifications

PLEASE ATTACH COPY OF THE STANDARD CONTRACT

5.9 Does Applicant always obtain written approval from their client(s) upon completion of services performed?
 Yes No

5.10 Describe Applicant's risk management procedures currently in place: _____

5.11 Have Applicant's procedures been reviewed by a law firm? Yes No

5.12 Does Applicant have a written complaint resolution policy or procedure? Yes No

5.13 Does Applicant perform quality control audits? Yes No
If yes, how frequently are audits performed? _____

5.14 Does Applicant have a formal technology and computer systems training program, including a review of all security procedures, for all employees performing proposed Insured Activities? Yes No

VI. CURRENT/PRIOR COVERAGE

6.1 Prior Professional Liability Insurance for the last three years:

<u>POLICY PERIOD</u>	<u>CARRIER</u>	<u>LIMITS</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>CLAIMS-MADE OR OCCURRENCE</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

6.2 What is the retroactive date of the current policy? _____

6.3 Is any extended reporting period currently in force? Yes No
If yes, provide the duration and expiration date of the extended reporting period: _____

6.4 Has Applicant ever applied for Professional Liability coverage and been denied, cancelled or non-renewed?
 Yes No

6.5 Does Applicant maintain General Liability Coverage? Yes No
Carrier: _____ **Limits:** _____ **Expiration Date:** _____

6.6 Does Applicant's General Liability coverage include:

- Personal Injury/Advertising Injury Yes No
- Products/Completed Operations Yes No
- Professional Services Exclusion Yes No

VII. DESIRED LIMITS/DEDUCTIBLE OPTIONS

7.1 **Desired Policy Limits:** \$ _____ Each Erroneous Act \$ _____ Aggregate Limit

7.2 **Desired Deductible:** \$ _____

VIII. HISTORY

8.1 In the last five years have any of Applicant's customers:

- Made allegations or complained about the performance, non-performance, or timeliness of Applicant's products/services? Yes No
- Refused to pay or stopped paying fees or dues due to alleged problems with Applicant's services/products? Yes No
- Requested a refund due to alleged problems with Applicant's products/services? Yes No

8.2 In the past five years, has Applicant sued any of its clients for non-payment? Yes No
If yes, advise the number of times this has occurred in the last twelve months: ____ In the last five years: ____ In these instances, was the Applicant counter-sued? Yes No

8.3 In the past five years, have any officers, principals, partners, directors, or professional employees of Applicant had their professional license(s) or certification(s) suspended or revoked? Yes No If yes, please explain: _____

8.4 Is Applicant aware of any actual or alleged fact, circumstance, situation, error or omission, which can reasonably be expected to result in a Claim, suit or proceeding being made against Applicant? Yes No

The policy for which Applicant is applying, if issued, will not insure any Claims that can reasonably be expected to arise from any actual or alleged fact, circumstance, situation, error or omission known to any Applicant before the Inception Date of the policy.

8.5 Has Applicant or any of Applicant's predecessors in business, affiliates, or past or present: partners, owners, officers, sales persons or employees been investigated and/or cited by any regulatory agency, certifying body, or other governmental entity? Yes No

8.6 Have any **Claims**, suits or proceedings been brought during the past five years against Applicant or Applicant's predecessors in business, affiliates, or past or present: partners, owners, officers, sales persons or employees? Yes No

The policy for which Applicant is applying, if issued, will not insure any Claims made against the Applicant prior to the Inception Date of the policy or any subsequent claims, suits or proceedings arising there-from.

8.7 If any of the answers to questions 8.4, 8.5 or 8.6. above are "Yes," have all matters been reported to appropriate insurance carriers? Yes No

IF APPLICANT HAS RESPONDED "YES" TO QUESTIONS 8.4, 8.5, OR 8.6 ABOVE, PLEASE PROVIDE THE FOLLOWING INFORMATION:

- A full description including damages alleged
- Date the insurance carrier was put on notice
- Amounts of: reserves; legal expenses paid; and settlements or judgments
- Current status
- Loss runs
- Steps implemented to prevent similar claims

IX. ATTACHMENTS – Please attach copies of the following:

1. If Applicant has been in business less than three years, please provide copies of resumes of all principals;
2. Copies of standard contract used with clients, independent contractors and content providers;
3. Most recent financial statement; and
4. Promotional materials or brochures.

X. REPRESENTATIONS

This Application must be signed by an authorized partner, officer or other principal of Applicant shown in Question 1.1 of this Application. By signing this Application, Applicant represents and warrants the following:

- 1. The statements in the Application or Renewal Application furnished to the Company are accurate and complete;*
- 2. Those statements furnished to the Company are representations Applicant makes on behalf of all proposed Insureds;*
- 3. Those representations are a material inducement to the Company to provide a premium proposal;*
- 4. If a policy is issued, the Company will have issued this Policy in reliance upon those representations;*
- 5. If there is any material change in the Applicant's condition or in the Applicant's activities, services, or answers provided in this Application that occurs or is discovered between the date this Application is signed and the Effective Date of any policy, if issued, Applicant will immediately report to the Company in writing; and*
- 6. The Company reserves the right, upon receipt of such notice, to change or rescind any proposal previously offered by the Company.*

As used herein, the "Company" shall be Allied World Assurance Company (U.S.) Inc. and Newmarket Underwriters Insurance Company.

XI. FRAUD WARNINGS

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE OR INCOMPLETE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES (FOR NEW YORK RESIDENTS ONLY: AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION).

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

CO 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 insurance 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 regards to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

DC *It is a crime to provide false or misleading information to an Insurer for the purpose of defrauding the Insurer or any other person. Penalties include imprisonment and/or fine. In addition, an Insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.*

FL Any person who knowingly and with intent to injure, defraud, or deceive any Insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

HI 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..

KY ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER 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.

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

ME *It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurance company. Penalties may include imprisonment, fines or a denial of insurance benefits.*

NJ Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NM ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL AND CRIMINAL PENALTIES.

NY ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM 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 SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

OH Any person who, with intent to defraud or knowing that he 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.

OK 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.

OR Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

PA Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 such persons to criminal and civil penalties.

TN It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of coverage.

VA *It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurance company. Penalties include imprisonment, fines and denial of insurance benefits.*

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

Signature of authorized representative of Applicant

Title

Print name of authorized representative

Date

E-mail address of authorized representative