

**APPLICATION FOR INSURANCE COMPANY
PROFESSIONAL LIABILITY INSURANCE**

NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES, SUBJECT TO ITS TERMS, ONLY TO "CLAIMS" FIRST MADE DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION. THE INSURER WILL HAVE NO DUTY UNDER THE POLICY TO DEFEND ANY "CLAIM." THE ENTIRE APPLICATION SHOULD BE CAREFULLY READ BEFORE IT IS EXECUTED.

(PLEASE TYPE OR PRINT IN INK)

1. Applicant Information

- a) Name of **Applicant**: _____
(Note: Wherever used, "Applicant" means this entity and any other entities listed in response to Question 2.)
- b) Principal Address: _____
City: _____ State: _____ Zip Code: _____
- c) Phone: _____ Fax Number: _____
Email: _____ Contact Person and Title: _____
- d) Applicant's Date of Incorporation: _____
- e) Date operations began: _____
- f) State(s) where **Applicant** operates: _____
- g) Type of Ownership: Stock _____ Mutual _____
- h) Does the **Applicant** have a parent organization? Yes No

2. If coverage is desired for subsidiaries, please list each entity below. Please list additional entities on a separate attachment if necessary.

Name and Address	Relationship to Applicant	Description of Operations	Percentage Owned
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %

3. Type of Insurance the **Applicant** provides:

- ___ Property Casualty
- ___ Title Insurance
- ___ Life, Accident & Health
- ___ Other (please describe); _____

4. Does the **Applicant** have written policies and procedures to protect against discriminatory or other illegal practices in underwriting and marketing its products? Yes No
If yes, please describe the policies and procedures and attach copies of all such policies and procedures currently in effect:

If No, please explain how the **Applicant** ensures compliance with applicable laws and protects itself against exposure potentially arising from its underwriting and marketing activities: _____

5. Does the **Applicant** have established procedures for handling claims or suits against the applicant for errors and omissions, extra-contractual liability or punitive damages? Yes No

If yes, please describe the procedures and attach copies of such procedures: _____

6. Please provide details of insurance currently in force (if none, state none):

Type of Coverage	Insurance Carrier(s)	Limits	Deductible/Retention	Premium	Policy Period	If Claims Made, Retro Date
Errors & Omissions						
Directors & Officers						
Medical Malpractice						
Fiduciary						
Stop Loss						
Fidelity						
General Liability						

CLAIMS HANDLING AND ADJUSTING

7. Total number of claims handling personnel: _____

8. a) Total number of Policyholder claims over the past three (3) years:

Current: _____ Last: _____ Previous: _____

b) Does the **Applicant** use Outside Firms/Adjusters? Yes No

c) Please indicate the total number of Policyholder claims for the past calendar year by Category of insurance and, if applicable, the approximate percentage (%) handled by Outside Firms/Adjusters.

	Total Number	Percentage handled by outside firms
Accident & Health		
Life/annuity		
Liability		
Property		
Other (Please specify: _____)		

d) Does the **Applicant** have a written claims manual/guidelines for handling of Policyholder claims? Yes No

e) Does the **Applicant** internally perform audits of Policyholder claims handling personnel? Yes No
If "Yes," how frequently are such audits performed? _____

f) Are Professional Services (i.e. Safety inspections, safety engineering, claims adjusting, loss control, personal injury rehabilitation, actuarial or insurance consulting, premium financing, risk management, or other similar functions) performed by the **Applicant** for non-policyholders? Yes No

OUTSIDE FIRMS/ADJUSTERS:

9. a) Total number of Outside Firms/Adjusters used for claims handling over the past three (3) years: _____
Current: _____ Last: _____ Previous: _____

b) Please describe the Applicant's process for selecting Outside Firms/Adjusters and its compensation arrangements with such Outside Firms/Adjusters, including any financial incentives for Outside Firms/Adjusters based on the outcome of claims handled by them (please use an attachment if necessary):

c) Do Outside Firms/Adjusters have draft authority? Yes No
If "Yes", what level? _____

d) Does the **Applicant** have a written claims manual/guidelines for Outside Firms/Adjusters? Yes No

e) Does the **Applicant** conduct regular audits of Outside Firms/Adjusters? Yes No
If "Yes," how frequently are such audits conducted? _____

f) Is the **Applicant** subject to any contractual indemnification provisions in its agreements with any of its Outside Firms/Adjusters? Yes No
If "Yes", please describe such Provisions: _____

10. Please list all pools in which the **Applicant** participates and designate any which are managed by the **Applicant**.

SAFETY INSPECTION AND LOSS CONTROL

11. a) Number of safety engineering and inspection personnel employed: _____
- b) Annual number of safety engineering and loss control inspections: _____
- c) Annual revenues generated for each of the last three (3) years:
 Current \$ _____ Last \$ _____ Previous: \$ _____
- d) Percentage (%) of services provided to Non-Policyholders: ____%; Annual Revenue: _____
- e) Percentage (%) of safety engineering and loss control services performed by Outside Service Providers ____%.
- f) Do engineering and loss control surveys contain disclaimers? Yes _____ No _____

OTHER SERVICES

12. Is the **Applicant** or any of its subsidiaries currently offering or planning to offer any of the following services?

(a) Actuarial Services	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(b) Appraisal Services	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(c) Data Processing Services	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(d) Insurance Agent/agency	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(e) Investment Adviser/Counselor	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(f) Financial Planning	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(g) Asset Management	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(h) Premium Financing	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(i) Personal Injury Rehabilitation Services	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(j) Salvage and Subrogation	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(k) Third Party Administrator	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(l) Mutual Fund Operations	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(m) Pension Consulting	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(n) Management of Captives	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(o) Retirement Services	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(p) Other (please describe _____)		

For each of the services listed above in Part IV, for which coverage is requested, please provide as an attachment, a description of the services, the annual revenues derived from such services for each of the past three (3) years, and the primary customer(s) to whom such services are provided.

INSURANCE AGENTS

13. a) Does the **Applicant** have agents who are employees? [] Yes [] No
- b) Does the **Applicant** contract with any Independent Insurance Agents? ("Independent Insurance Agent" means an insurance agent who is not an Insured.) [] Yes [] No
- If "Yes," what percentage (%) of these Independent Insurance Agents are captive agents? _____ %
- c) Total agent force (both employee and Independent): _____
- d) Please provide percentage (%) of the **Applicant's** sales through:
 Employee Agents* _____ %
 Independent Agents _____ %
- (Agents of the **Applicant** who are employees are Insured Persons under the policy.)
- e) Does the **Applicant** own an insurance agency? [] Yes [] No
- If "Yes," what percentage (%) of the employee agents are employed by the agency? _____
- f) Please list the total number of agents under contract with the **Applicant** by category:
- | | | |
|-------------------------------|-------|---|
| Brokers: | _____ | % |
| Managing General Agents: | _____ | % |
| General Agent: | _____ | % |
| Part-time Agent: | _____ | % |
| Other (please specify): _____ | _____ | % |

g) Please indicate the **Applicant's** products that are sold by agents:

	Employees	Independent (Including Captives)
Individual Life		
Group Life		
Individual Accident & Health		
Group Accident & Health		
Annuities		
Pension & Profit Sharing		
Mutual Funds		
Property & Casualty		
Other (Please Specify):		

- h) Does the **Applicant** require independent agents to maintain errors and omission insurance? Yes No
- i) Does the **Applicant** have a written procedural manual for agents to follow? Yes No
- j) Does the **Applicant** have a formalized training program for its agent? Yes No
- k) Number of complaints by clients/policyholders:
 Last twelve (12) months: _____ Previous twelve (12) months: _____
- l) Does the **Applicant's** legal counsel review and approve all contracts, sales literature, brochures, advertisements and other marketing materials Used by agents prior to their use? Yes No

If yes, please attach sample copies of all types.

OUTSIDE SERVICE PROVIDERS

14. a) In the space provided below, please list all Outside Service Providers and describe all services provided by each such Outside Service Provider and for how long the Outside Service Provider has been utilized, ('Outside Service Provider means any person or entity, other than the Applicant or its directors, officers, or employees, that performs Professional Services at the direction of or on behalf of the **Applicant** pursuant to an Express Contract or Agreement).

If the **Applicant** does not use Outside Service Providers, please check here None.

- b) Has the **Applicant** ever been the subject of a claim based on any act, error or omission of any Outside Service Provider identified above? Yes No

If 'Yes,' please provide details _____

Outside Service Provider	Description of Services	Number of Years Used

- c) Has the **Applicant** affiliated in any way with any Outside Service Provider, whether by ownership or otherwise? Yes No

If Yes, please provide full details in an attachment

- d) Please describe the due diligence process (selecting, hiring, supervision and termination) in place with respect to Outside Service Providers: _____
- e) Are Outside Service Providers required to have insurance which protects the Applicant from liability in the event of a claim based on the acts, errors or omissions of such Outside Service Providers? Yes No
- f) Does the **Applicant** have a written contract in place with each Outside Service Provider? Yes No

If "Yes," does each such contract describe specifically the services and fees to be provided on the compensation to be paid to the Outside Service Provider? [] Yes [] No

Please attach copies of any contracts or agreements in place with each Outside Service Provider.

CLAIMS INFORMATION

15. Have any professional liability claims been made during the past five (5) years against the **Applicant**, any of its past or present directors, officers, employees, any predecessors in business, or any other person or entity proposed for insurance? [] Yes [] No

If "Yes; please attach an explanation for each such claim, including a description of the claim, the identity of the claimant(s) and defendants, the nature of the allegations, current status or outcome, total defense costs incurred and amount of any judgment or settlement .

16. During the past five (5) years, neither the **Applicant** nor any person or entity proposed for coverage, has submitted any claims or given notice of any fact, circumstance, situation, transaction, event, act, error, or omission to any insurer providing Errors & Omissions or Directors & Officers coverage, other than those listed in response to Question 15 above, except as follows. [] Yes [] No
If answer is none, so state:

17. Neither the Applicant nor any person or entity proposed for coverage is aware of any fact, circumstance, situation, transaction, event act, error, or omission which they have reason to believe may result in a claim that may fall within the scope of the proposed insurance, except as follows. If answer is none, so state: _____

Note: Without prejudice to any other rights and remedies of the Insurer, it is agreed that any claim required to be disclosed in response to Question 15 or 16 is excluded from the proposed insurance, and that any claim arising from any fact, circumstance, situation, transaction, event, act, error, or omission required to be disclosed in response to Question 16 or 17 is excluded from the proposed insurance.

PART VIII. ATTACHMENTS

18. Please attach copies of the following documents to this Application. These documents shall be a part of this Application:
- (a) Most recent annual and quarterly Convention statement for each Insurance Company for which coverage is requested,
 - (b) Most recent actuarial loss reserve evaluation and audit and management's response.
 - (c) Most recent Insurance Commissioner financial examination report and management's response.
 - (d) Most recent Insurance Commissioner market conduct examination and management's response. (e) Latest 10-K, 10-Q and 8-K, if applicable.

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSONS AND ENTITY(S) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE INSURER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO COMPLETE THE INSURANCE.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(S) PROPOSED FOR THIS INSURANCE UNDERSTAND:

- (A) **THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED BY THE PAYMENT OF "DEFENSE EXPENSES," AND IN SUCH EVENT, THE INSURER WILL NOT BE RESPONSIBLE FOR ANY ONGOING DEFENSE EXPENSES OR FOR THE AMOUNT OF ANY JUDGEMENT OR SETTLEMENT TO THE EXTENT THAT ANY OF THE FOREGOING EXCEED ANY APPLICABLE LIMIT OF LIABILITY;**
- (B) **"DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION;**
- (C) **THIS POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE DURING THE "POLICY PERIOD," OR, IF PURCHASED, ANY EXTENDED REPORTING PERIOD;**
- (D) **THE INSURER HAS NO DUTY UNDER THIS POLICY TO DEFEND ANY "CLAIM."**

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE POLICY EFFECTIVE DATE, THE APPLICANT WILL NOTIFY THE INSURER WHO MAY MODIFY OR WITHDRAW ANY QUOTATION.

THE INFORMATION CONTAINED AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE INSURER AND, ALONG WITH THE APPLICATION, IS CONSIDERED TO BE PHYSICALLY ATTACHED TO THE POLICY AND WILL BECOME PART OF THE POLICY IF ISSUED.

Notice to Arizona Applicants: For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

Notice to Arkansas Applicants: 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.

Notice to Colorado Applicants: 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 policy holder 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.

Notice to District of Columbia Applicants: **WARNING:** 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 fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Notice to Florida Applicants: 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 in the third degree.

Notice to Kentucky Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing materially false information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Notice to Louisiana Applicants: 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.

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

Notice to New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Notice to New Mexico Applicants: 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 fines and criminal penalties.

Notice to New York Applicants: 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 is subject to a civil penalty not to exceed \$5,000.00 and the stated value of the claim for each such violation.

Notice to Ohio Applicants: 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.

Notice to Oklahoma Applicants: **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.

Notice to Pennsylvania Applicants: 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 person to criminal and civil penalties.

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

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

APPLICANT:

BY (Signature of Chairman and/or President)

TITLE

DATE

It is agreed and understood that the Application will only be executed by the Chairman and/or President of the **Applicant** acting in their capacity(s) as the authorized agent of the individual(s) and entity(s) proposed for this insurance.

PRODUCER (Insurance Agent or Broker):

INSURANCE AGENCY OR BROKERAGE:

INSURANCE AGENCY OR BROKERAGE TAXPAYER ID OR SOCIAL SECURITY NO.:

AGENT OR BROKER LICENSE NO.:

ADDRESS OF AGENT OR BROKER (include Street, City, and Zip Code):

E-MAIL ADDRESS OF AGENT OR BROKER:

SUBMITTED BY (Insurance Agency or Brokerage):

INSURANCE AGENCY OR BROKERAGE TAXPAYER ID OR SOCIAL SECURITY NO.:

AGENT OR BROKER LICENSE NO.:

ADDRESS OF AGENT OR BROKER (include Street, City, and Zip Code):