

**APPLICATION FOR INSURANCE COMPANY PROFESSIONAL LIABILITY  
COVERAGE**

**NOTICE: THE POLICY WHICH YOU ARE APPLYING IS A CLAIMS-MADE POLICY. THE POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR, IF ELECTED, THE EXTENDED REPORTING PERIOD, SUBJECT TO THE POLICY PROVISIONS. DEFENSE COSTS ARE APPLIED AGAINST THE APPLICABLE RETENTIONS. DEFENSE COSTS REDUCE AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY. THE INSURER IS NOT LIABLE FOR ANY LOSS, WHICH INCLUDES DEFENSE COSTS, IN EXCESS OF THE APPLICABLE LIMITS OF LIABILITY.**

1. Name of Applicant: \_\_\_\_\_  
 (Whenever used in this Application, the term "Applicant" shall mean the **Named Insured**.)

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

State of Incorporation: \_\_\_\_\_ Date Commenced Operations: \_\_\_\_\_

Website Address: \_\_\_\_\_

2. Applicant's primary nature of business: \_\_\_\_\_  
 \_\_\_\_\_

3. What is the percentage of revenues derived from each of the following:

Property/Casualty \_\_\_\_\_%      Life \_\_\_\_\_%      Reinsurance \_\_\_\_\_%

Accident/Health \_\_\_\_\_%      Other \_\_\_\_\_%

4. Type of ownership:      Stock \_\_\_\_\_      Mutual \_\_\_\_\_

   Risk Retention \_\_\_\_\_      Captive \_\_\_\_\_

   Other \_\_\_\_\_

5. A.M. Best Rating: \_\_\_\_\_ Date: \_\_\_\_\_

Other Rating:      Rating Agency \_\_\_\_\_      Rating: \_\_\_\_\_      Date: \_\_\_\_\_

6. Please provide the following information:

	<u>Total Assets</u>	<u>Written Premium</u>	<u>Surplus</u>
Year to Date:	_____	_____	_____
Prior Year:	_____	_____	_____

7. Is the Applicant or any of its Subsidiaries currently offering or planning to offer any of the following Insurance Services:

	For Policy Holders (Y/N)	For Other Than Policy Holders (Y/N)
Claims Handling and Adjusting		
Insurance Pool Management		
Insurance Risk Management		
Personal Injury Rehabilitation		
Premium Financing		
Recovery Subrogation		
Safety engineering, inspection or loss control		
Salvage		
Other: _____		

8. Please list all direct and indirect subsidiaries:

Name	Type of Operation	Percentage of Ownership	Date Acquired or Created	Services Performed

Please add any additional subsidiaries by attachment.

9. Number of claims handling personnel:

Adjusters \_\_\_\_\_ Medical Staff \_\_\_\_\_  
 Examiners \_\_\_\_\_ Attorneys \_\_\_\_\_

10. Approximate total number of claims handled annually:

Personal Automobile \_\_\_\_\_ Commercial Automobile \_\_\_\_\_  
 Homeowners \_\_\_\_\_ General Liability \_\_\_\_\_  
 Workers Comp \_\_\_\_\_ Life: \_\_\_\_\_  
 Commercial Property \_\_\_\_\_ Accident & Health \_\_\_\_\_  
 Medical Malpractice \_\_\_\_\_ Other \_\_\_\_\_

11. Does the Applicant contract outside adjustment services? Y/N

If yes, what percentage of claims are handled by outside adjustment services? \_\_\_\_\_%

12. What percentage of claims are handled in field offices and what level of authority resides in the field? \_\_\_\_\_% Authority level: \_\_\_\_\_

13. Are there established procedures for handling claims or suits against the company for errors and omissions, Extra Contractual Liability (ECO)/Bad Faith or punitive or exemplary damages? Y/N

If yes, please provide details by attachment.

14. Who is the senior person responsible for monitoring and assessing all such suits and claims?

Name of Officer \_\_\_\_\_ Title \_\_\_\_\_

15. Are there established procedures in place regarding the escalation of claims due to severity? Y/N

If yes, please provide details by attachment.

16. Does the company use outside law firms in handling claims? Y/N

If yes, how are they selected? Please provide details by attachment.

17. Has the Applicant or any of its Subsidiaries, during the past three years, received an order to "Cease and Desist" from any regulatory agency or entered into any type of written agreement with any regulatory agency concerning the operations of the Applicant or any of its Subsidiaries? Y/N

If yes, please provide details by attachment.

18. Please provide names of principal treaty reinsurers of Applicant and their respective ratings:

Principal Treaty Reinsurers	Reinsurers' Ratings

**CURRENT INSURANCE**

19. Please provide details of Insurance Company Professional Liability currently purchased (if applicable):

<u>Insurance Carrier</u>	<u>Limit of Liability</u>	<u>Retention</u>	<u>Premium</u>	<u>Policy Period</u>

20. Has your Professional Liability Insurance ever been non-renewed by your insurance carrier? Y/N

If "Yes", please provide details by attachment.

**LOSS/CLAIMS HISTORY**

21. Have there been, or are there now pending, any suits, claims or proceedings against the Applicant of any of its Subsidiaries, or any of their past or present directors, officers, employees or any predecessors in business that would fall within the scope of the proposed insurance? Y/N

If "Yes", please attach complete details.

**PRIOR KNOWLEDGE**

22. Does the Applicant or any individual or entity proposed for coverage have any knowledge of or information about any actual or alleged act, error, omission, fact or circumstance which may give rise to a claim that may fall within the scope of the proposed insurance? Y/N

If "Yes", please attach complete details.

WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE INSURER, IT IS UNDERSTOOD AND AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.

**ADDITIONAL INFORMATION**

As part of this Application, please submit the following documents with respect to the Applicant:

- a. Most recent audited financial statements, including schedules and notes
- b. Latest annual report to stockholders or policyholders

**NOTICE:**

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO FRAUD ANY INSURANCE COMPANY OR 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, MAY BE GUILTY OF COMMITTING A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

**APPLICANT FRAUD WARNINGS**

**ALABAMA, ARKANSAS, LOUISIANA, MARYLAND, NEW JERSEY, NEW MEXICO and VIRGINIA:** 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. In Alabama, Arkansas, Louisiana and Maryland, that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

**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.

**DISTRICT OF COLUMBIA, KENTUCKY and PENNSYLVANIA:** 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 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. In District of Columbia, penalties include imprisonment and/or fines. In addition, the Insurer may deny insurance benefits if the Applicant provides false information materially related to a claim. In Pennsylvania, the person may also be subject to criminal and civil penalties.

**FLORIDA and OKLAHOMA:** Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

**KANSAS:** An act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an Insurer, purported Insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for personal or commercial



insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto is considered a crime.

**MAINE:** 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 denial of insurance benefits.

**OHIO:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an Application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OREGON:** 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 may be guilty of a crime and may be subject to fines and confinement in prison.

**TENNESSEE and WASHINGTON:** 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 and/or denial of insurance benefits.

THE SIGNATORY, AS AUTHORIZED AGENT OF ALL INDIVIDUALS AND ENTITIES PROPOSED FOR THIS INSURANCE, REPRESENTS THAT, TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION AND ANY ATTACHMENTS OR INFORMATION SUBMITTED WITH THIS APPLICATION (TOGETHER REFERRED TO AS THE "APPLICATION") ARE TRUE AND COMPLETE.

THE INFORMATION IN THIS APPLICATION IS MATERIAL TO THE RISK ACCEPTED BY THE UNDERWRITER. IF A POLICY IS ISSUED IT WILL BE IN RELIANCE BY THE UNDERWRITER UPON THE APPLICATION, AND THE APPLICATION WILL BE THE BASIS OF THE CONTRACT. THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND, ALONG WITH THE APPLICATION, WILL BE CONSIDERED PHYSICALLY ATTACHED TO, PART OF, AND INCORPORATED INTO THE POLICY, IF ISSUED. THE UNDERWRITER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. THE UNDERWRITER'S ACCEPTANCE OF THIS APPLICATION OR THE MAKING OF ANY SUBSEQUENT INQUIRY DOES NOT BIND THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE OR ISSUE A POLICY.

THE INFORMATION PROVIDED IN THIS APPLICATION IS FOR UNDERWRITING PURPOSES ONLY AND DOES NOT CONSTITUTE NOTICE TO THE UNDERWRITER UNDER ANY POLICY OF A CLAIM OR POTENTIAL CLAIM.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE UNDERWRITER, AND THE UNDERWRITER MAY MODIFY OR WITHDRAW ANY QUOTATION OR AGREEMENT TO BIND INSURANCE.

**SIGNATURE**

THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER OR THE PRESIDENT OF THE COMPANY ACTING AS THE AUTHORIZED REPRESENTATIVE OF THE PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE