

LEXINGTON INSURANCE COMPANY
(Wilmington, Delaware)
(A Stock Insurance Company herein called the “Company”)
Administrative Offices: 200 State Street, Boston, MA 02109

Application For
Miscellaneous Professional Liability Insurance

NOTICE: This is an application for CLAIMS MADE INSURANCE. Such insurance, if accepted by the Company, applies only to claims first made against the Insured during the Policy Period and may additionally limit any coverage applicable to negligent acts, committed prior to the inception of the Policy Period.

INSTRUCTIONS TO THE APPLICANT:

- A. Please answer all the questions. The information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered legally material to that evaluation.
- B. If a question is not applicable, state N/A. If more space is required to answer a question please attach exhibit with question number.
- C. Application must be signed and dated by authorized person.
- D. Please attach the following:
 - Schedule A Brochures, advertisements, or other descriptive literature about the applicant firm, its operations and services
 - Schedule B Recent annual and quarterly financial statements or Form 10K
 - Schedule C Copy of standard contract and engagement/proposal letter used with clients
 - Schedule D Sample reports given to clients, or summary of same
 - Schedule E Biographical sketches of principals, officer, and professional staff
- E. Please complete the following:

1. Name of Applicant Firm:

2. Home office address:

-
3. Locations of all branch offices:
-
-
4. Names and locations of all subsidiaries of affiliates for which coverage is desired:
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-
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5. Applicant is:
 Individual Partnership Corporation Other

6. a. Is the Applicant Firm, controlled, owned, affiliated, or associated with any other firm, corporation, or company?
 Yes No If yes, please explain:

b. Are any services provided by the applicant to such business enterprises?
 If yes, please explain:

7. State firm's gross fees and revenues, and indicate percentage (if any) derived from Federal government or its agencies, or state & local government or their agencies, or foreign governments and their agencies.

	Federal	State & Local	Foreign
a. Projected for next year:	\$ _____ mil _____ %	_____ %	_____ %
b. For the last 12 months:	\$ _____ mil _____ %	_____ %	_____ %
c. Year before that:	\$ _____ mil _____ %	_____ %	_____ %

8. a. Date firm was established: _____
 b. Where is firm licensed or registered? _____
 c. During the past 5 years has the name of the firm been changed? _____
 Or has any other business been purchased, merged or consolidated with the firm? _____ If so, please explain below or in an attachment:

d. Please give names of any professional organizations or associations of which the firm or its principals are members:

9. Describe operations or services for others for which coverage is desired.

a. What percent of firm's income is derived from these services? _____%

b. Do these operations or services for others involve:

1. Any design work or software design for clients? _____

2. Consulting services for a fee? _____

Or for no specific fee? _____

If for a fee, state total consulting fees for last 12 months

\$ _____

3. Contact with the consumer, user, beneficiary, or general public?

4. Helping clients comply with regulations? _____

5. Management of specific services for clients? _____

6. Issuance of publications, manuals, newsletters, promotional material, or any printed matter or software for clients?

7. Maintenance of books, records, accounts data bank or data base of any type media for clients _____

10.

a. Describe the firm's client selection process.

b. Does firm make credit checks on all clients?

c. Is management's approval required for all new clients?

d. Does the firm maintain a system to avoid conflicts of interest?

e. List the firm's largest clients or jobs during the past 3 years and indicate service performed and approximate annual revenue from each:

Name of client or job, service description	Annual Revenue to firm
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

11. Please describe the types of negligent acts, incidents, circumstances or exposures which the firm believes could result in a professional liability or errors and omissions claim or expose the firm to significant consequential loss:

12. a. Describe any procedures, precautions or safeguards the firm uses to such claims:

b. Describe firm's procedures for resolving disputes with clients over fees or charges, should they arise:

c. Are the firm's fees ever contingent upon clients cost reductions, or increased sales for the client, or successful completion of the assignment?

13. a. Does the applicant have written contracts or agreements with each client?

b. If not, what percent of time are contracts not used? _____%, and

c. Explain why contract are not used in such instances:

14. Do the applicant's contracts contain:

a. Hold harmless or indemnity agreements inuring to applicant's benefit?
____ Yes ____ No

b. Hold harmless or indemnity agreements inuring to the benefit of applicant's clients?
____ Yes ____ No

c. Guarantees or warranties?
____ Yes ____ No

d. A specific description of the services applicant will provide to client?
____ Yes ____ No

e. Clauses defining the responsibilities of each party?
____ Yes ____ No

f. Clauses limiting the liability of the applicant?
____ Yes ____ No

g. A "force majeure" limitation clause?
____ Yes ____ No

15. Name of law firm (if any) which renders advice to Applicant on contracts and other business matters:

16. Name of Applicant's accounting firm:

17. a. Names of any firms which are subcontractors to the applicant:

- b. Describe any services provided by such subcontractors:

- c. Are subcontractors required to carry professional liability insurance?
____ If so, what minimum policy limits? \$_____ If not, are the subcontractors required to indemnify the Applicant? ____
- d. Does the applicant have an ownership interest in any subcontractor?
____ If so, please explain:

- 18. Please state:
 - a. Number of principals, officers, and partners of the firm: _____
 - b. Number of other professional employees: _____
 - c. Usual minimum educational and professional training or degrees required for professional staff:

19. Has the firm or any of its principals, partners, officers or directors been the subject of any disciplinary action by any governmental body or professional association within the past 5 years? ____ If so, please give details and advise present status of any individuals involved:

20. Have any lawsuits or claims been made against the applicant firm, its predecessors, subsidiaries, partners, officers, or employees during the last 5 years? ____ If so, attach exhibit giving (a) date and description of claim, (b) present status, (c) amount of defense expense and liability paid, if closed, (d) amount reserved for defense expenses and liability, if file not closed.

21. After inquiry, is Applicant firm or its partners, officers, employees, or subsidiaries aware of any actual or alleged errors, omissions, offenses, or circumstances which may reasonably be expected to result in a claim being made against the Applicant or any proposed Insured person or entity? ____ Yes ____ No. If yes, provide details

22. List any similar insurance carried during the past five years. If none check here: ____ *NONE*

Policy Period	Insurer	Claims made coverage? "Yes or No"	Limit Deductible Premium

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23. Has any application for similar insurance made on behalf of the Applicant or any or any of its predecessors in business been declined or has any such insurance ever been rescinded, cancelled or has renewal been refused? ___ Yes ___ No
24. Limit of Liability desired: (same limit would apply to “each claim” and as annual aggregate for all claims)
___ \$1,000,000 ___ \$2,000,000 ___ \$5,000,000 ___ \$10,000,000
Others \$ _____
Deductible desired: \$ _____ each claim

THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY, NOR DOES IT OBLIGATE THE COMPANY TO ISSUE A POLICY OR INSURE ANY SERVICES. HOWEVER, IT IS AGREED THAT SHOULD A POLICY BE ISSUED, THIS APPLICATION WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.

NOTICE:

THE LIMIT OF LIABILITY IN THE POLICY, IF ISSUED, MAY BE REDUCED OR COMPLETELY EXHAUSTED BY CLAIM COSTS AND/OR LEGAL DEFENSE. IN SUCH EVENT, THE COMPANY SHALL NOT BE LIABLE FOR ANY JUDGEMENT, SETTLEMENT OR CLAIM COSTS OR LEGAL DEFENSE COSTS WHICH ARE IN EXCESS OF THE LIMITS OF LIABILITY STATED ON THE DECLARATIONS PAGE OF THE POLICY.

THE UNDERSIGNED(S) CERTIFIES THAT HE/SHE IS THE DULY AUTHORIZED REPRESENTATIVE(S) OF EACH PROPOSED INSURED WHICH SUBMITS THIS APPLICATION TO THE LEXINGTON INSURANCE COMPANY FOR A POLICY OF INSURANCE. THE STATEMENTS AND INFORMATION ABOVE AND ALL SCHEDULES AND DOCUMENTS SUBMITTED OF WHICH THE UNDERWRITER RECEIVES NOTICE, ARE DEEMED PARTS OF THE APPLICATION (ALL OF WHICH SCHEDULES AND DOCUMENTS SHALL BE DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO), AND THE WORD “APPLICATION” REFERS TO ALL OF THE FOREGOING.

EACH PROPOSED INSURED REPRESENTS THAT THE STATEMENT SET FORTH IN THE APPLICATION ARE TRUE AND CORRECT, AND THAT REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN INFORMATION SUFFICIENT FOR ACCURATE PROPOSED INSURED THAT EACH POLICY OR RENEWAL THEREOF, IF ISSUED, IS ISSUED IN RELIANCE UPON THE TRUTH OF THE REPRESENTATIONS AND INFORMATION IN THE APPLICATION.

EACH PROPOSED INSURED UNDERSTANDS AND AGREES THAT ANY INSURANCE POLICY ISSUED BY THE COMPANY SHALL BE SUBJECT TO RESCISSION OF THIS APPLICATION CONTAINS ONE OR MORE MISREPRESENTATIONS OR OMISSIONS MATERIAL TO THE ACCEPTANCE OF THE RISK BY THE COMPANY.

IF THE INFORMATION SUPPLIED ON THIS APPLICATION OR ATTACHMENTS
THERE TO CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE
INCEPTION DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY
THE COMPANY OF SUCH CHANGES.

SIGNED BY AUTHORIZED OFFICER, PARTNER, OR PRINCIPAL

DATE