

**PROFESSIONAL LIABILITY APPLICATION**  
THIS IS AN APPLICATION FOR A "CLAIMS MADE" POLICY

1. A) Name of Applicant: \_\_\_\_\_  
 B) Name of all Subsidiaries/Affiliates: \_\_\_\_\_
2. Address: \_\_\_\_\_
3. City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
4. Phone #: \_\_\_\_\_ FAX #: \_\_\_\_\_
5. Date Established: \_\_\_\_\_  Corporation  Partnership  Individual
6. During the past five years has the name of the applicant been changed or has any other business be purchased, merged or consolidated with the applicant?  Yes  No  
 If yes, explain. \_\_\_\_\_

- |   |                          |                          |
|---|--------------------------|--------------------------|
|   | <b>Yes</b>               | <b>No</b>                |
| 7. Is the applicant controlled, owned or managed by another firm, corporation or company?<br>If yes, explain: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| Does the applicant control, own, or manage any other firm, corporation, or company?<br>If yes, explain. _____       | <input type="checkbox"/> | <input type="checkbox"/> |

8. Does the applicant have any foreign operations?  Yes  No  
 If yes, list the countries and the percentage of gross receipts applicable to each country.  
 \_\_\_\_\_  
 \_\_\_\_\_

9. Describe in detail all professional or business activities that you provide and indicate percentage of gross receipts derived from each activity.

**NOTE: The description used here will become part of your policy and will be used to described the types of professional services that are insured.**

Activity	% of Receipts
_____	_____
_____	_____
_____	_____
_____	_____

10. A) Please list below the number of all staff: (Please complete the supplement on the last page.)
 

	Full Time	Part Time
Principals, partners & owners	_____	_____
All other professional staff	_____	_____
Support staff	_____	_____
- B) Gross revenues: This Year \$ \_\_\_\_\_ Last Year \$ \_\_\_\_\_
- C) Are professionals or other staff hired on an "Independent Contractor" basis?  Yes  No  
 If so, please list which are: \_\_\_\_\_
11. A) Does your firm regularly retain subcontractors or other outside sources to fulfill engagements for clients?  
 Yes  No If yes, please explain: \_\_\_\_\_
- B) What is the cost of subcontractors? Last 12 months \_\_\_\_\_ / \_\_\_\_\_ Next 12 months

**ALL QUESTIONS SHOULD BE FULLY ANSWERED**



**TARGET CAPITAL**

11. C) Does the applicant require certificates of professional liability insurance or other evidence of financial responsibility from subcontractors?  Yes  No

If yes, what is the minimum limit of liability that you would require the subcontractor to carry?

\$ \_\_\_\_\_

12. Does the applicant subcontract services to others?  Yes  No

If yes, explain what types of services and what percent of your total gross receipts are subcontracted.

\_\_\_\_\_

13. Does any person to be insured serve on the Board of any client of the applicant?  Yes  No

If so, please explain. \_\_\_\_\_

\_\_\_\_\_

14. List all professional organizations or societies of which the firm is a member. If none, state "none."

\_\_\_\_\_

15. Do you subscribe to a published professional code of ethics?  Yes  No If so, please attach copy.

16. Does the applicant use a written contract that specifies the services provided?  Yes  No

If yes, is the contract a standard contract used for all engagements or is it customized for each engagement?

Standard  Custom

For what percentage of total engagements is the contract used? \_\_\_\_\_ %

Does the contract contain:

**Yes**

**No**

a. A specific description of the services you will provide?

b. Guarantees or warranties?

c. An estimate of the fee to be charged?

d. Disclaimers?

e. A remediation or alternative dispute resolution clause?

f. Hold harmless or indemnification clause?

17. Does the applicant and all members of the firm that provide professional service:

**Yes**

**No**

a. Keep written record of important verbal instructions and oral agreements in the client file?

b. Keep written file documentation that detail actions, procedures and decisions that are Made on client accounts?

c. Conduct peer review of all major engagements with at least one other professional that that will not be providing service?

d. Consult with outside experts in areas that are not the applicant's expertise or are especially complex?

e. Have a client screening process?

f. Require advance fee negotiation, explanation and documentation?

g. Have a policy against the use of a collection agency for overdue fees except as a last resort?

h. Have procedures in place to provide the client with regular progress reports?

i. Have guidelines that specify the conditions and circumstances under which clients must be rejected due to potential conflict of interest?

j. Have procedures that preserve the confidential nature of the client-professional relationship?

k. Have an in-house training program for all new employees?

18. Has your firm in the past five years ever been dismissed from an assignment prior to completion?  Yes  No

If so, please explain. \_\_\_\_\_

\_\_\_\_\_



**TARGET CAPITAL**

19. A) What percent of your present business was developed from clients for whom you have done work in the previous three years? \_\_\_\_\_%
- B) What is the average number of assignments per consultant at any given time? \_\_\_\_\_
20. Have you in the past, or are you presently, acting in the capacity as an administrator, manager, sales person or exercising decision marking authority for a client or assignment?  Yes  No
- If yes, please explain. \_\_\_\_\_

21. A) Is the applicant engaged in any other business or profession?  Yes  No If yes, explain. \_\_\_\_\_
- B) Do any of the applicant's principals serve in any capacity with any other business or corporation?  Yes  No
- If yes, explain. \_\_\_\_\_

22. List all similar insurance carried during the past (3) years. If non, state "none."

Company	Limits	Deductible	Premium	Policy Period
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Retro date on current policy (if applicable): \_\_\_\_\_

23. Have any claims or suits been made during the past five (5) years against the applicant or any of its predecessors in business, or any of the past or present partners, owners, officers or employees?  Yes  No
- If yes, attach a statement giving details and status of each claim including dates, amount of claim, deductibles, payments and open reserves.
24. Is the applicant, after inquiry of each person proposed for insurance, aware of any circumstance, error, omission or offense which may result in a claim being made against the applicant or any of its predecessors in business, or any of the past or present partners, owners, officers or employees?  Yes  No If yes, explain. \_\_\_\_\_

25. Amount of liability desired: \$ \_\_\_\_\_ each claim and aggregate.
26. The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking insurance, has read and understands this application, and declares all statements set forth herein are true, complete and accurate. The undersigned further declares and represents that any occurrence or event taking place prior to the effective date of the policy applied for, which may render inaccurate, untrue or incomplete any statement made herein will be immediately reported in writing to the insurer. The undersigned acknowledges and agrees that the submission and the insurer's receipt of such written report, prior to the inception of the policy applied for, is a condition precedent to coverage.

**The signing of this application does not bind the undersigned to purchase the insurance, nor does review of the application bind the insurance company to issue a policy. It is agreed that this application shall be the basis of the contract should a policy be issued.**

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

Title: \_\_\_\_\_

27. Please attach copies of:
- a) advertisements, brochures, descriptive literature
  - b) sample contract between the applicant and clients outlining services to be rendered
  - c) latest financial information (if no available, please explain).

**SEE REVERSE SIDE FOR APPLICANT SUPPLEMENT**



SUPPLEMENTAL INSURED INFORMATION

POSITION CODES: O-Owners, Shareholders or Directors of the Corporation A-Professional Staff P-Partners in a partnership
S-Sole practitioner I-Independent Contractor N-Non-Professional Staff

Do you have any branch offices? [ ] Yes [ ] No If yes, where \_\_\_\_\_

Table with 5 columns: Name, Position Code\*, Licenses Held, Years in Practice, Professional Organizations. Rows 1-15.

(use additional sheet if necessary.)

Comments \_\_\_\_\_