

**MISCELLANEOUS ERRORS & OMISSIONS LIABILITY APPLICATION**



<b>AGENT INFORMATION</b>	Agency Name	Agent No.
	Soliciting Licensee/Producer	
<b>UNDERWRITING COMPANY</b>	<b>St. Paul Fire and Marine Insurance Company</b>	
<b>MAIL TO</b>	Financial and Professional Services, 385 Washington Street, St. Paul, MN 55102-1396	
<b>NOTICE</b>	<p><b>This is an application for a policy that contains "Claims-Made" liability protection. Coverage for prior acts and claims made after termination of this policy may be restricted. Also note that the limits of liability available to pay judgements or settlements shall be reduced by amounts incurred for legal defense. READ THE POLICY CAREFULLY.</b></p>	
<b>INSTRUCTIONS</b>	<b>Include the following information with this application:</b>	
	Your most recent financial statements and 10K or annual report.	Included <input type="checkbox"/> N/A <input type="checkbox"/>
	Copies of advertisements, brochures or descriptive literature.	Included <input type="checkbox"/> N/A <input type="checkbox"/>
	Copies of sample contracts and engagement letters between you and your clients.	Included <input type="checkbox"/> N/A <input type="checkbox"/>
	Resumes of all principals in the firm.	Included <input type="checkbox"/> N/A <input type="checkbox"/>

**APPLICANT INFORMATION**

1. Your Legal Name		2. Telephone No.	3. Facsimile No.
4. Street Address	City	State	Zip Code
5. Mailing Address (if different from Street Address)		6. Email Address	

7. You are a(n):  
 Corporation     Individual     Partnership     Limited Liability Co.     Other \_\_\_\_\_
8. Please indicate the number of:  
 Owners, officers, partners and other professionals..... \_\_\_\_\_  
 Clerical..... \_\_\_\_\_
9. Date Applicant firm was established? ..... \_\_\_\_\_
10. Web Site Address \_\_\_\_\_
11. Desired Limits of Coverage (Each Wrongful Act)  
 \$500,000     \$1,000,000     \$2,000,000     \$3,000,000     Other \_\_\_\_\_  
 (Total limit is one times the each wrongful act limit. Other options are available.)
12. Desired Deductible (Each Wrongful Act)  
 \$2,500     \$5,000     \$10,000     Other \_\_\_\_\_
13. Desired Effective Date..... \_\_\_\_\_
14. Is coverage desired for any entities not shown in question 1? *If yes, please list entities below or on a separate sheet.* .....  Yes  No

Name and Address	Description of Operations	Relationship	% Owned

15. Are you controlled, owned by, employed by, associated with, affiliated with or do you hold any equity interest with any other entity not shown above? *If yes, please provide details on a separate sheet.* .....  Yes  No
16. Do you or any of your employees control, manage, operate or hold a controlling financial interest in any other entity not shown above? *If yes, please provide details on a separate sheet.* .....  Yes  No

- 17. During the past three years, has your name changed, or have you purchased, merged or consolidated with any other business or have you been purchased? *If yes, please provide details on a separate sheet.* .....  Yes  No
- 18. Do you provide services to your parent organization or its subsidiary(ies)? *If yes, please provide details of the services you provide and the % of total revenue on a separate sheet.* .....  Yes  No
- 19. Do you anticipate any changes in your operation or size over the next 12 months? *If yes, please provide details on a separate sheet.* .....  Yes  No

**ORGANIZATION/OPERATION DETAILS**

20. Describe in detail all professional or business activities that you provide and indicate amount and percentage of gross revenues derived from each activity. **IMPORTANT NOTE: The information provided will help us determine the services to be considered as covered activities in your policy if issued.**

Activity	\$ Revenue	% of Total Revenue
<b>Total</b>	<b>\$</b>	<b>100%</b>

21. a. Describe your (5) five largest jobs or projects during the past 3 years:

Name of Client	Services Provided	Gross Billings/Fees

b. Did more than 25% of the Applicant's total gross billings for any one year originate from a single client or contract? *If yes, specify client, services rendered and how long relationship is expected to continue...*  Yes  No

\_\_\_\_\_

c. Describe any jobs or projects anticipated during the next 12 months that will result in more than 10% of the applicant's gross revenue.

\_\_\_\_\_

- 22. Do you have foreign operations? *If yes, please provide details including location and % of total revenue on a separate sheet.* .....  Yes  No
- 23. Do you provide services over the internet? *If yes, please complete eCommerce supplement.* .....  Yes  No
- 24. Do you provide computer software or hardware development services? *If yes, please complete computer professionals' supplement.* .....  Yes  No

**PROCEDURES**

25. Do you use a written contract that defines the services you agree to provide to your client? *If yes, complete questions a through c.* .....  Yes  No

a. Is the contract a standard contract used for all engagements or is it customized for each engagement? *Provide a specimen copy for either contract checked.*  Standard  Custom

b. For what percentage of total engagements is a contract used? ..... \_\_\_\_\_%

c. Does the contract contain:

- 1) A specific description of the services you will provide? .....  Yes  No
- 2) Guarantees or warranties? .....  Yes  No
- 3) An estimate of the fee to be charged? .....  Yes  No  
 Are fees or incentives achieved by:  cost reduction or  results in general
- 4) A clause limiting damages to fees collected? .....  Yes  No
- 5) A time frame to complete services? .....  Yes  No
- 6) Disclaimers? .....  Yes  No
- 7) A remediation or alternative dispute resolution clause? .....  Yes  No
- 8) Unilateral hold harmless or indemnification clause? .....  Yes  No

26. Do you accept stock in place of fees? .....  Yes  No

27. Do you subcontract services to others? *If yes, explain what types of services and what percent of your total gross revenues are subcontracted.* .....  Yes  No
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28. Do you 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?.....* \$ \_\_\_\_\_
29. Do you carry:
- |  | <b>Carrier</b>   | <b>Limit</b> |
|--|--|--------------|
| a. General Liability Coverage .....              | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____        |
| b. Bond Coverage .....                           | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____        |
| c. Fiduciary or Trustee Liability Coverage ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____        |
30. Do you and all members of the firm that provide a professional service:
- a. Keep written or electronic records of important verbal instructions or oral agreements in the client file?...  Yes  No
  - b. Keep written or electronic file documentation that detail actions, procedures and decisions that are made on client accounts?.....  Yes  No
  - c. Conduct peer review of all major engagements with at least one other professional that will not be providing the service?.....  Yes  No
  - d. Consult with outside experts in areas that are not the applicant's expertise or are especially complex? .....  Yes  No
  - e. Have a client screening process? .....  Yes  No
  - f. Require advance fee negotiation, explanation and documentation? .....  Yes  No
  - g. Have a policy against the use of a collection agency for overdue fees? *On a separate sheet, please describe how overdue fees are collected.*.....  Yes  No
    - 1) Number of suits for fees in the last 24 months.....  Yes  No
  - h. Have procedures in place to provide the client with regular progress reports?.....  Yes  No
  - i. Have guidelines that specify the conditions and circumstances under which clients must be rejected due to potential conflict of interest?.....  Yes  No
  - j. Have procedures that preserve the confidential nature of the client-professional relationship?.....  Yes  No
  - k. Have an in-house orientation training program for all new employees? .....  Yes  No
  - l. Have an ongoing in-house training program for all employees? .....  Yes  No
  - m. Have a procedure manual that is reviewed/updated annually?.....  Yes  No

## EDUCATION AND QUALIFICATIONS

31. List the professional associations that you and/or members of your firm belong to:
- | Member Name | Association |
|-------------|-------------|
| _____       | _____       |
| _____       | _____       |
| _____       | _____       |
32. List any continuing education activities the principals of your firm engage in that are related to your professional or business activities.
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33. List any federal, state or municipal licensing or certification requirements you currently comply with in your professional or business activity. Include the type of license or certification and its expiration date.
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## CLAIMS AND INCIDENTS

34. Have you or any partner, officer, director, or employee ever been the subject of disciplinary action by a regulatory authority as a result of their professional activities? *If yes, explain*.....  Yes  No
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35. Have you or any of your predecessors in business or any partner, officer, director, or employee ever had any insurer decline, cancel, refuse to renew, or accept only on special terms any professional liability insurance? **Missouri applicants are not required to answer this question.** *If yes, explain on a separate sheet.*....  Yes  No
36. Have any claims been made in the past 5 years against you, your predecessors in business, or any of the past or present partners, officers, directors, or employees? *If yes, please provide the date of loss, name of claimant, amount of claim, and description of claim on a separate sheet.* .....  Yes  No
37. Do you or any of your partners, officers, directors, or employees know of any incident, acts, errors or omissions, that could result in a claim against you, your predecessors in business, or any of the past or present partners, officers, directors, or employees? *If yes, please provide the date of incident, name of claimant, amount of potential damages, and description of incident on separate sheet.* .....  Yes  No
- a. Have these circumstances, acts, errors or omissions been reported to your current or past professional liability carrier? .....  Yes  No

## PREVIOUS COVERAGE

38. List any professional liability insurance carried during the past 3 years. *If none, check box.* .....  None

Policy Period	Insurer	Limits	Deductible	Premium

- a. If previous insurance was claims-made what was the retroactive date?..... \_\_\_\_\_
- b. What was the date claims-made coverage was first purchased? ..... \_\_\_\_\_
- c. Has claims-made coverage been continuous and uninterrupted since that date? .....  Yes  No
- d. Was an Extended Reporting Period purchased? .....  Yes  No  
 How long? \_\_\_\_\_

**ARKANSAS, FLORIDA, KENTUCKY, MICHIGAN, MINNESOTA, NEW JERSEY AND NEW YORK FRAUD WARNING:** Any person who knowingly and with intent to defraud an 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, commits a fraudulent insurance act, which is a crime and subjects the person to (NY: substantial) criminal and civil penalties.

**COLORADO FRAUD WARNING:** 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 policy holder 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.

**D.C. FRAUD 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, fines, and denial of insurance benefits.

**LOUISIANA FRAUD WARNING:** 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.

**MAINE FRAUD WARNING:** 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.

**NEW MEXICO FRAUD WARNING:** 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.

**OHIO FRAUD WARNING:** 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.

**PENNSYLVANIA FRAUD WARNING:** 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.

**VIRGINIA FRAUD WARNING:** 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.

## REQUIRED COMPLETION - READ AND SIGN

This application must be signed and dated by an owner, principal, partner, or officer of the applicant firm. Signing this application shall not bind or obligate St. Paul Fire and Marine Insurance Company or any of its affiliates to complete this insurance, but it is agreed that the applicant's responses to the questions contained in this application, as well as the information provided by the applicant in all underwriting supplements and attachments to this application, are material and that the underwriting company shall rely on these responses and information in the event a policy is issued.

Authorized Representative ( <i>Owner, Partner, or Officer of Applicant</i> )	Title	Date
<b>X</b>		

**Include the following information with this application:**

- Your most recent financial statements and 10K or annual report.
- Copies of advertisements, brochures, or descriptive literature.
- Copies of sample contracts and engagement letters between you and your clients.
- Resumes of all principals in the firm.