



ARCH
Insurance Group
A Division of The Arch Capital Group

ARCH SPECIALTY INSURANCE COMPANY (Herein called the "Company")

APPLICATION FOR MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE

This is an application for **CLAIMS MADE AND REPORTED INSURANCE**. Such insurance, if accepted by the Company, applies only to claims first made against the Insured and reported to the Company during the Policy Period. Refer to terms and conditions of the of the policy for coverage limitations.

Instructions to the Applicant:

- Please answer all the questions. The information is required to make an underwriting and pricing evaluation. Your answer hereunder is considered legally material to the evaluation.
- If a question is not applicable, state N/A. If more space is required to answer a question, please attach an exhibit with question number.

1. Name of Applicant Firm: _____

Website Address: _____

2. Home Office Address:

Number		Street	
City	State	Zip Code	

3. Locations of all branch offices:

4. Names and locations of all subsidiaries or affiliates for which coverage is desired:

5. Applicant is:

Individual Partnership Corporation Other (If Other, please explain)

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?
____ Yes ____ No If yes, please explain: _____

7. State firm's gross fees and revenues:

- (a) Projected for next 12 months: \$_____ mil
- (b) For the last 12 months: \$_____ mil
- (c) Year before that: \$_____ mil

8. (a) Date applicant firm was established: _____
- (b) During the past five(5) years:
Has the name of the applicant firm been changed? Y___ N___
Has any other business been acquired, merged or consolidated with the firm? Y___ N___

If yes, please explain below or in an attachment. Please include information on liabilities of acquired entities

- (c) Please give names of any professional organizations or associations of which the firm or its principals are members:

9. Describe professional services for others for which coverage is desired.

- (a) What is the breakdown percentage of gross fees and revenue derived from each service listed?

Service:

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

10. (a) Describe the firm's client selection process.

(b) Does the firm perform credit checks on all clients? Y_____ N_____

Please Explain: _____

(c) Is management's approval required for all new clients? Y_____ N_____

(d) Does the firm maintain a system to avoid conflicts of interests? Y_____ N_____

Please Explain: _____

(e) List the firm's largest clients or jobs for the current year and the revenues received from those clients for this year, as well as the two previous years:

Name of Client, Job or Service Description	Annual Revenues		
	Current Year	Last Year	Previous Year
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

11. Please describe the types of negligent acts, errors, omissions incidents, circumstances or exposures which the firm believes could result in a professional liability or errors and omissions claims

12. (a) Describe any procedures, precautions or safeguards the firm uses to avoid 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 client's cost reductions, or increased sales for the client or successful completion of the assignment?

13. Does applicant have written contracts or agreements with each client? Y_____ N_____

If No:

(a) What percent of time are contracts not used? _____%

(b) What governs the performance of services in the absence of a contract?

(c) Explain why contracts are not used in such instances.

If Yes:

Does the applicant's contract contain:

- (a) Hold harmless or indemnity agreements injurious to applicant? Y_____ N_____
- (b) Hold harmless or indemnity agreements injurious to client? Y_____ N_____
- (c) Guarantees or warranties? Y_____ N_____
- (d) A specific description of the services applicant will provide to client? Y_____ N_____
- (e) Clauses defining the responsibilities of each party? Y_____ N_____
- (f) A "force majeure" limitation clause? Y_____ N_____
- (g) Clauses limiting the liability of the applicant? Y_____ N_____
- (h) What is the standard limitation of liability provision? _____
- (i) What percentage of contracts is customized? _____%
- (j) Who has authority to customize contracts? _____
- (k) Who has authority to commit applicant to a contract? _____
- (l) Please describe milestone management procedures.

- (m) What is the average length of time of contracts? _____
- (n) What is the longest time of contracts? _____
- (o) What is the average dollar value of contracts? _____
- (p) What is the largest dollar value of contracts? _____

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

15. Name of Applicant's accounting firm:

16. (a) What percentage of revenues listed in question 7 is generated from services provided by subcontractors? _____

(b) Names of firms that are subcontractors to the applicant:

(c) Describe services provided by such subcontractors:

17. Please state:

- a) Number of principals, officers and partners of the firm _____
- b) Number of other professional employees _____
- c) Number of non-professional employees _____
- d) Usual minimum educational and professional training
or degrees required for professional staff _____

18. 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 last five (5) years?

Y_____ N_____

If so, please give details and advise present status of any individuals involved.

19. Have any lawsuits or claims been made against the applicant firm, its predecessors, subsidiaries partners, officers, or employees during the past five (5) years?

Y_____ N_____

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
- (e) Explain what actions have been taken to minimize the chance of a similar claim

20. 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?

Y_____ N_____

21. List any similar insurance carried during the past five (5) years. If none, check here: _____ NONE

<u>Policy Period</u>	<u>Insurer</u>	<u>Claims Made Coverage</u>			<u>Premium</u>	<u>Retroactive Date</u>
		<u>"Yes or No"</u>	<u>Limit</u>	<u>Deductible</u>		
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

22. Has any application for similar insurance, made on behalf of the Applicant or any of its predecessors in business, been declined or has any such insurance ever been rescinded, canceled or been refused renewal?

Yes_____ No_____

23. 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

Other \$ _____

Deductible Desired: \$ _____ each claim

PLEASE ATTACH THE FOLLOWING:

Brochures, advertisements or other descriptive literature about the applicant firms, its operations and services.

Copy of standard contract or proposal letter used with clients.

Resumes of Key Professionals.

Copy of an Organization Chart.

Copy of the Internal Control and/or Quality Control procedures.

Copy of the Most Current Audited Financial Statements.

APPLICATION MUST BE SIGNED AND DATED BY AN AUTHORIZED OFFICER, PARTNER OR PRINCIPAL.

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 COST AND/OR LEGAL DEFENSE. IN SUCH EVENT, THE COMPANY SHALL NOT BE LIABLE FOR ANY JUDGMENT, SETTLEMENT OR CLAIM COST OR LEGAL DEFENSE COST WHICH ARE IN EXCESS OF THE LIMITS OF LIABILITY STATED ON THE DECLARATIONS PAGE OF POLICY.

THE DEDUCTIBLE IN THE POLICY, IF ISSUED, APPLIES TO CLAIM COSTS AND LEGAL DEFENSE AS WELL AS TO JUDGMENTS AND SETTLEMENTS.

THE UNDERSIGNED(S) CERTIFIES THAT HE/SHE IS THE DULY AUTHORIZED REPRESENTATIVE(S) OF EACH PROPOSED INSURED WHICH SUBMITS THIS APPLICATION TO THE ROCK RIVER 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 STATEMENTS SET FORTH IN THE APPLICATION ARE TRUE AND CORRECT, AND THAT REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN INFORMATION SUFFICIENT FOR ACCURATE COMPLETION OF THIS APPLICATION. IT IS FURTHER AGREED BY EACH 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 IF 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 THERETO 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

PRINT OR TYPE NAME & TITLE

PHONE NUMBER

DATE