



# MISCELLANEOUS PROFESSIONAL LIABILITY

## ERRORS & OMISSIONS APPLICATION

NOTICE: THIS IS AN **APPLICATION** FOR A CLAIMS-MADE AND REPORTED POLICY WHICH, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY **CLAIM** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** FOR **WRONGFUL ACTS** COMMITTED OR ALLEGEDLY COMMITTED ON OR AFTER THE **RETROACTIVE DATE**. THE LIMIT OF LIABILITY AVAILABLE TO PAY **DAMAGES** SHALL BE REDUCED BY AMOUNTS INCURRED AS **CLAIM EXPENSES**, AND SUCH **CLAIM EXPENSES** SHALL BE SUBJECT TO THE APPLICABLE DEDUCTIBLE. DEPENDING ON THE INFORMATION PROVIDED BY THE APPLICANT, IT MAY BE NECESSARY FOR THE APPLICANT TO RESPOND TO ADDITIONAL WRITTEN QUESTIONS WHICH WOULD FORM PART OF THIS **APPLICATION**.

- 1. Name of Applicant: \_\_\_\_\_
- 2. Address: \_\_\_\_\_

3. Web Site Address: www. \_\_\_\_\_  .com  .net  .org (check one)

4. a. Status: (check one):  
 Corporation  Partnership  Individual  Other

b. Date firm was established: \_\_\_\_\_

5. Please describe in detail the services provided for which coverage is desired (include percent of total receipts):

<u>Service</u>	<u>% of Total</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Are there other services provided by the Applicant? .....  Yes  No

If yes, please list services:

\_\_\_\_\_  
\_\_\_\_\_

7. Please provide the total gross receipts for services listed in Question 5:

- a. Current projected 12 months                    \$ \_\_\_\_\_
- b. Last 12 months                                    \$ \_\_\_\_\_
- c. One year prior                                    \$ \_\_\_\_\_

8. Please list the Applicant's five (5) largest jobs over the past three (3) years:

<u>Client Name</u>	<u>Services Provided</u>	<u>Revenue/One Year</u>

9. Does the Applicant firm have any subsidiaries or affiliates for which coverage is desired? .....  Yes  No

a. If yes, please provide the following for each by attachment:

- i. Name
- ii. Description of operations
- iii. Percentage of ownership by the Applicant or, if not applicable, description of affiliation with the Applicant.

b. Is the Applicant firm controlled, owned or associated with any other firm, corporation or company? .....  Yes  No

c. Are any activities listed in Question 5 of this application provided to such an affiliated enterprise? .....  Yes  No

If yes, please attach an explanation.

10. Please provide the following:

- a. Number of principals, officers and partners of the firm..... \_\_\_\_\_
- b. Number of other professional employees..... \_\_\_\_\_
- c. Number of non-professional employees (clerks, secretaries, etc.) ..... \_\_\_\_\_

11. Please list (If necessary, please attach information on separate attachment):

a. professional **associations** to which the Applicant belongs:

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b. professional **designations** held by any principals, owners or staff:

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c. professional **licenses** held by any principals, owners or staff:

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12. Does the Applicant use a written contract with all clients? .....  Yes  No

a. If not, approximately what percent of time are contracts not used? \_\_\_\_\_ %

b. Please explain why contracts are not used:

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c. Are contracts reviewed by legal counsel?  Yes  No

d. Does the Applicant have procedures to ensure compliance with Federal, State and Local Statutes? .....  Yes  No

If yes, please attach a copy of the procedure or provide a detailed description on a separate sheet.

e. Does the applicant's contract contain the following?

- 1. Hold Harmless or indemnity agreements?  Yes  No
- 2. In Applicant's favor?  Yes  No
- 3. Acceptance of consequential damages?  Yes  No

13. A. Has a client ever refused to pay for services rendered by applicant?  Yes  No

If yes describe: \_\_\_\_\_

B. What is the customer's potential for consequential damages and resulting monetary loss due to product or service failure by your company? \_\_\_\_\_

14. What percentage of the Applicant's business involves subcontracting of work to others? \_\_\_\_\_%

If so, does the Applicant require evidence of professional liability insurance from subcontractors?.....  Yes  No

15. Does the Applicant have a procedure for following up on complaints?.....  Yes  No

If yes, please attach a copy.

16. Please list all prior professional liability insurance coverage:

<u>Insurer</u>	<u>Limit Carried</u>	<u>Deductible</u>	<u>Premium</u>	<u>Expiration Date</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

a. If coverage is currently in force, what is the retroactive date? \_\_\_\_\_

b. Has any application for any other insurance on behalf of the Applicant or any of its predecessors in business been declined or cancelled, or renewal of such insurance been refused? .....  Yes  No

If yes, please explain. \_\_\_\_\_

c. Does the Applicant currently maintain General Liability coverage?.....  Yes  No

If yes: Carrier \_\_\_\_\_  
Limit of Liability \_\_\_\_\_ Effective Dates \_\_\_\_\_

16. a. Limit of Liability desired:

- \_\_\_\_\_ \$250,000                      \_\_\_\_\_ \$2,000,000
- \_\_\_\_\_ \$500,000                    \_\_\_\_\_ \$5,000,000
- \_\_\_\_\_ \$1,000,000                  \_\_\_\_\_ Other \$ \_\_\_\_\_

b. Deductible desired:

- \_\_\_\_\_ \$2,500                              \_\_\_\_\_ \$25,000
- \_\_\_\_\_ \$5,000                             \_\_\_\_\_ Other \$ \_\_\_\_\_
- \_\_\_\_\_ \$10,000

17. Has the Applicant or any of its principals, partners, officers or directors been the subject of any disciplinary action by the authorities or any professional association? .....  Yes  No

If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_

18. Does any person to be insured have knowledge of any fact, circumstance or situation or act, error or omission which may result in a **Claim** against him or the Applicant under the proposed policy? .....  Yes  No

If yes, please attach an explanation on a separate sheet of paper.

19. Has any **Claim** or **Claims** been made against the Applicant or any of its predecessors in business, or any of the past or present partners, owners, officers or employees during the last five years? .....  Yes  No

If yes, please attach an explanation of each such claim on a separate sheet of paper.

20. IT IS AGREED THAT WITH RESPECT TO QUESTIONS 17, 18, AND 19 THAT SUCH KNOWLEDGE OR INFORMATION EXISTS (WHETHER OR NOT DISCLOSED), IN ADDITION TO ANY OTHER REMEDY THAT THE **INSURER** MAY HAVE, ANY **CLAIM** ARISING THEREFROM WILL BE EXCLUDED FROM THIS PROPOSED COVERAGE.

21. Please attach the following materials:

- a. **Current annual report;**
- b. **Promotional materials or brochures;**
- c. **Resumes of the principals, if less than five (5) years of operation;**
- d. **A copy of a sample contract and/or engagement/proposal letter.**

THE APPLICANT DECLARES THAT THE PARTICULARS AND STATEMENTS MADE IN THIS **APPLICATION**, TOGETHER WITH ALL ATTACHMENTS TO THIS **APPLICATION** INCLUDING ANY SUPPLEMENTAL **APPLICATION** AND ANY OTHER MATERIALS SUBMITTED TO THE **INSURER** ARE TRUE AND CORRECT. THE APPLICANT AGREES THAT IF ANY OF THE INFORMATION CONTAINED IN THIS **APPLICATION**, OR ANY OTHER MATERIALS SUBMITTED TO THE **INSURER**, IS RENDERED INACCURATE OR INCOMPLETE AS A RESULT OF ANY CIRCUMSTANCE WHICH TAKES PLACE AFTER THE DATE OF THIS **APPLICATION**, THE APPLICANT WILL IMMEDIATELY NOTIFY **INSURER** OF SUCH CIRCUMSTANCE IN WRITING AND SHALL PROVIDE THE **INSURER** WITH THE INFORMATION NOT CONTAINED IN THE **APPLICATION**. THE **INSURER**, AT ITS SOLE DISCRETION, MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS.

SIGNING OF THIS **APPLICATION** DOES NOT BIND THE APPLICANT OR THE **INSURER** TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THE **APPLICATION**, TOGETHER WITH ALL ITS ATTACHMENTS AND OTHER MATERIALS SUBMITTED TO THE **INSURER**, SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED. IT IS FURTHER AGREED THAT THE **APPLICATION** WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY AND THAT ALL ATTACHMENTS AND MATERIALS SUBMITTED THEREWITH (WHICH SHALL BE ON FILE WITH THE **INSURER** AND DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO) ARE TRUE AND ARE THE BASIS OF THE PROPOSED POLICY AND ARE TO BE CONSIDERED AS INCORPORATED INTO AND CONSTITUTING A PART OF THE PROPOSED POLICY.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT HEREBY ACKNOWLEDGES THAT BY AFFIXING HIS/HER SIGNATURE TO THIS STATEMENT THAT HE/SHE IS AWARE THAT THE LIMIT OF LIABILITY CONTAINED IN THIS POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, FOR **CLAIM EXPENSES** AND IN SUCH EVENT, THE **INSURER** SHALL NOT BE LIABLE FOR **CLAIM EXPENSES** OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT SUCH EXCEEDS THE LIMIT OF LIABILITY OF THIS POLICY.

## STATE FRAUD STATEMENTS

Applicable in Alabama

### **Alabama Fraud Statement**

"Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison or any combination thereof."

Applicable in Arkansas, Louisiana, Rhode Island, and West Virginia

### **Arkansas, Louisiana, Rhode Island, and West Virginia Fraud Statement**

"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."

Applicable in Colorado

### **Colorado Fraud Statement**

"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."

Applicable in District of Columbia

### **District of Columbia Fraud Statement**

"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 and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant."

Applicable in Florida

### **Florida Fraud Statement**

"Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree."

Applicable in Kansas

### **Kansas Fraud Statement**

"A "fraudulent insurance act" means 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, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or 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 commercial or personal 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."

Applicable in Kentucky

### **Kentucky Fraud Statement**

"Any person who knowingly and with intent to defraud any insurance company or other 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."

Applicable in Maine

**Maine Fraud Statement**

"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."

Applicable in Maryland

**Maryland Fraud Statement**

"Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

Applicable in New Jersey

**New Jersey Fraud Statement**

"Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."

Applicable in New Mexico

**New Mexico Fraud Statement**

"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."

Applicable in New York

**New York Fraud Statement**

"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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation."

Applicable in Ohio

**Ohio Fraud Statement**

"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."

Applicable in Oklahoma

**Oklahoma Fraud Statement**

"WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony."

Applicable in Oregon

**Oregon Fraud Statement**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

- A. The misinformation is material to the content of the policy;
- B. We relied upon the misinformation; and
- C. The information was either:
  - 1. Material to the risk assumed by us; or
  - 2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

Applicable in Pennsylvania

**Pennsylvania Fraud Statement**

“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.”

Applicable in Puerto Rico

**Puerto Rico Fraud Statement**

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

Applicable in Tennessee, Virginia and Washington

**Tennessee, Virginia and Washington Fraud Statement**

“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.”

SIGNATURE OF APPLICANT: \_\_\_\_\_

PLEASE PRINT THE INFORMATION BELOW

APPLICANT’S NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_