

INSURANCE OFFICE OF AMERICA
CLAIM ADJUSTERS E&O
APPLICATION

NOTICE: THIS APPLICATION IS FOR CLAIMS-MADE AND REPORTED COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE AND REPORTED DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT THE COVERAGES AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPOSECTS FROM THAT AFFORDED UNDER OTHER POLICIES. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

APPLICATION INSTRUCTIONS:

1. Whenever used in this Application, the term "**Applicant**" shall mean **the Parent Organization and its subsidiaries.**
2. Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.

I. GENERAL INFORMATION

1. Name of **Applicant**: _____
2. Address of **Applicant's** Principal Office: _____
 City: _____ State: _____ Zip Code: _____ Telephone: _____
3. Web address: _____
4. Nature of business, including principal products and services: _____
5. Is the **Applicant** engaged in any business or profession other than as described in Question 4? If "Yes," please attach an explanation and estimated revenues. Yes No
6. Year established: _____. If less than three years, please attach resumes or biographies of all principals.
7. Limit of Liability Requested: \$ _____
8. Policy Period Requested:
 From _____ to _____ both days at 12:01 a.m. at the principal address of the **Applicant**
9. Please indicate the total annual gross revenues derived from the services described in your response to Question 4 for the past three years and the projected revenues for the current year:

	YEAR	REVENUE
a)	Current _____	\$ _____
b)	_____	\$ _____
c)	_____	\$ _____
d)	_____	\$ _____

10. Please indicate the **Applicant's** three largest jobs/projects during the past three years, showing the client's name, services provided, and gross revenues for each:

CLIENT	SERVICE	REVENUE
_____	_____	_____
_____	_____	_____
_____	_____	_____

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11. Please attach a list of all subsidiaries, including the Parent Organization's ownership percentage, and a complete description of services provided by each subsidiary
12. (a) Is the **Applicant** controlled, owned by, associated or affiliated with, or does it own any other firm or business enterprise? Yes No
- (b) Please list and identify all persons or entities owning more than 5% of the Parent Organization or any subsidiary.
- _____ %
_____ %
_____ %
13. During the past five years, has the **Applicant's** name been changed, or has the **Applicant** purchased, merged or consolidated with any other business, or has the **Applicant** been purchased? Yes No
- If "Yes," please attach an explanation.
14. Are any changes in the nature of services provided as described in response to Question 4 or the size of the **Applicant's** revenue base anticipated during the next 18 months? Yes No
- If "Yes," please attach an explanation. Changes in size of less than 25% need not be explained.
15. Has the **Applicant** provided services to any governmental entities? Yes No
- If "Yes," please provide an explanation.
16. (a) Does the **Applicant** use a written contract with clients? In all cases Sometimes Never
- Please attach sample copies of all types of contracts utilized
- (b) Does in-house or outside legal counsel review all contracts utilized? Yes No
- Which one? in-house legal counsel outside legal counsel both
17. Does the **Applicant** subcontract work to others? Yes No
- (a) If "Yes," please explain:
- _____

- (b) If "Yes," what percentage of business is subcontracted?
_____ %
- (c) Does the **Applicant** require subcontractors to carry their own E&O insurance? Yes No
- (d) Does the **Applicant** use a written contract with subcontractors? In all cases Sometimes Never
- (e) If "Yes," in those contracts do the subcontractors agree to indemnify the **Applicant** and/or the **Applicant's** clients for damages caused by the subcontractor's negligence? Yes No
18. Does the **Applicant** have a written procedural manual for employees to follow? Yes No
19. Does the **Applicant** have a formalized training program for newly hired employees? Yes No

II. SUPPLEMENTAL INFORMATION:

1. Does the **Applicant** negotiate or place structure settlement? Yes No
- If "Yes," please describe.
2. Please provide a percentage breakdown of personnel:
_____ % Full Time Employees _____ % Part Time Employees _____ % Independent Contractors
3. What is the **Applicant's** average annual employee turnover the past 3 years? _____ %

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4. Does the **Applicant** carry a fidelity insurance policy? Yes No

If "Yes," please provide:

Carrier: _____

Limit: _____

Policy Period: _____

4. **MISSOURI APPLICANTS/AGENTS - DO NOT ANSWER THIS QUESTION.**

Has applicant had any agency contracts cancelled by any insurance carrier? Yes No

If yes, please attach an explanation.

III. REPRESENTATION: PRIOR KNOWLEDGE OF ACTS/CIRCUMSTANCES/SITUATIONS:

1. No person or entity proposed for coverage is aware of any fact, circumstance, or situation which he or she has reason to suppose might give rise to any claim that would fall within the scope of the proposed coverage, except:

NONE _____ or _____

Without prejudice to any other rights and remedies of the Company, the **Applicant** understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed in response to question 1 above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Company.

V. MATERIAL CHANGE:

If there is any material change in the answers to the questions in this Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

VI. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Application.

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare that to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Application and in any attachments or other documents submitted with this Application are true and complete. The undersigned agree that this Application and such attachments and other documents shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information requested in this Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

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

Notice to Arkansas, New Mexico and Ohio Applicants: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

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Notice to Colorado Applicants: 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.

Notice to District of Columbia Applicants: 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.

Notice to Florida Applicants: 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.

Notice to Kentucky Applicants: 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.

Notice to Louisiana and Rhode Island Applicants: 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.

Notice to Maine, Tennessee, Virginia and Washington Applicants: 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.

Notice to New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

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

Notice to Oregon and Texas Applicants: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

Notice to Pennsylvania Applicants: 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.

Notice to Puerto Rico Applicants: 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 (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are 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.

Notice to New York Applicants: 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.

Date	Signature*	Title
_____	_____	<u>Chief Executive Officer</u>
_____	_____	<u>Chief Financial Officer</u>

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*This Application must be signed by the chief executive officer and chief financial officer of the **Parent Corporation** acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

<u>Produced By:</u>		
Agent (Print & Sign): _____		
Agency: _____		
Agency Taxpayer ID or SS No.: _____		Agent License No.: _____
Address: _____		
City: _____		State: _____ Zip: _____