



Consulting & Management Services E&O Application

NOTE: NOTHING IN THIS APPLICATION SHOULD BE INTERPRETED TO MEAN THAT INSURANCE WILL BE OFFERED OR THAT ANY ITEMS REFERENCED IN QUESTIONS OR ANSWERS TO QUESTIONS WILL BE INSURED EVEN IF INSURANCE IS OFFERED AND BOUND. SOME RESPONSES MAY REQUIRE MORE SPACE THAN THAT PROVIDED IN THE APPLICATION ITSELF. PLEASE PROVIDE THOSE RESPONSES ON A SEPARATE PAGE AND ATTACH IT TO THIS APPLICATION. IN THE EVENT OF ANY CONFLICT BETWEEN THE COMPANY'S STATEMENTS IN THEIR APPLICATION AND THE POLICY LANGUAGE, THE POLICY LANGUAGE SHALL GOVERN.

I. APPLICANT INFORMATION

- 1.1 Applicant Name: _____
(Proposed First Named Insured)
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____ Website Address(es): _____
- 1.2 Date Established: _____
- 1.3 Is Applicant a: sole-proprietor partnership LLC corporation joint-venture other _____

FOR THE REMAINDER OF THIS APPLICATION, "APPLICANT" REFERS INDIVIDUALLY AND COLLECTIVELY TO THE ENTITY(IES) FOR WHICH INSURANCE IS DESIRED, AS WELL AS EACH PERSON WHO IS AN OFFICER, DIRECTOR, OWNER, PARTNER OR EMPLOYEE OF THESE ENTITY(IES).

- 1.4 Please provide the total number of Applicant's employees: _____
- 1.5 Geographic area in which Applicant provides services: Local Regional National International
 If International, which countries? _____
- 1.6 Is Applicant owned by, controlled by or affiliated with any other company? Yes No
 If yes, please explain: _____
- 1.7 Does Applicant have any subsidiaries? Yes No
 If yes, please list below:

Name of Entity	Nature of Operations	% of Ownership	Coverage Desired	
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

- 1.8 Within the past five years, has Applicant changed its name, acquired any business or merged or consolidated with any other entity? Yes No If yes, please complete the following:
- | Entity Name | Date of Transaction | Type of Transaction | Did Applicant Assume any Assets? / Liabilities? | |
|-------------|---------------------|---------------------|-------------------------------------------------|--------------------------|
| _____ | _____ | _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ | _____ | _____ | <input type="checkbox"/> | <input type="checkbox"/> |

- 1.9 If liabilities were assumed by Applicant, please provide details: _____
- 1.10 Does Applicant have any certified, licensed or registered professionals on staff? (e.g. architect, engineer, healthcare provider, attorney, CPA, actuary, insurance agent or broker, financial planner/advisor, etc.) Yes No
 If yes, please explain: _____

II. INDEPENDENT CONTRACTORS

- 2.1 Does Applicant use independent contractors for any activities Applicant performs? Yes No If yes, what percentages of Applicant's revenues are derived from activities performed by independent contractors? _____%
- 2.2 Describe what controls Applicant has in place to ensure the quality of work by independent contractors: _____

- 2.3 Does Applicant require independent contractors to maintain E&O insurance? Yes No
 If no, does Applicant desire coverage for these independent contractors? Yes No
- 2.4 Does Applicant use a written contract with independent contractors? Yes No

PLEASE ATTACH A COPY OF A STANDARD CONTRACT USED WITH INDEPENDENT CONTRACTORS.

III. REVENUE INFORMATION

3.1 Please provide the following information regarding Applicant's operations:

FISCAL YEAR END DATE: _____	PAST FISCAL YEAR	CURRENT FISCAL YEAR	NEXT PROJECTED FISCAL YEAR*
Total Gross Revenue:	US: \$ _____ Foreign: \$ _____ Total: \$ _____	US: \$ _____ Foreign: \$ _____ Total: \$ _____	US: \$ _____ Foreign: \$ _____ Total: \$ _____

*The Next Projected Fiscal Year Revenues will be used as a guide to calculate the annual premium.

3.2 If Next Projected Fiscal Year Total Gross Revenue differs from Current Fiscal Year Total Gross Revenue by +/- 20%, please explain:

IV. SERVICES

4.1 Describe in detail the Consulting Activities the Applicant wishes to insure:** _____

**This information will be used to develop a proposed Schedule of Insured Activities. The actual governing description of Insured Activities shall be as shown in the Declarations.

4.2 Is Applicant engaged in any business or profession other than as described in Question 4.1 above? Yes No
 If yes, please explain: _____

4.3 Please complete the following with regard to activities included in the response to Question 4.1:

CONSULTING SERVICES	NO	YES	% OF REVENUES
Accounts Receivable/Accounts Payable			
Actuarial Services			
Architectural/Engineering Designs/Plans			
Asset Portfolio Management			
Business Brokerage Services			
Business Manager (sports, entertainers, musicians, celebrities, etc.)			
Business Plan Development/Review			
Business Valuations or Appraisals			
Contract Preparations/Negotiations			
Credit Counseling/Debt Consolidation			
Crisis Management			
Data Processing/Workflow Configuration			
Educational/Team-Building Seminars			
Expert Witness Services			
Fairness Opinions/Solvency Opinions			
Financing of or Funds Acquisition/Debt Purchasing			
Forensic Investigation			
Hazardous or Non-Hazardous Waste Management/Removal			
HIPAA Consulting			
Human Resource Consulting (Training/Benefit Options/Payroll/Opinion Surveys)			
Human Resource Transition/Integration/Outplacement Services			
Insurance Consulting			
Intellectual Property Due Diligence/Archiving/Intellectual Property Management			
Investments/Stock Options/Securities			
Laboratory/Research Facility Management			
Market Research Plan Design/Implementation/Management			
Medical Practice Management (coding, billing, records storing; file set-up/update)			
Mergers and/or Acquisitions Due Diligence***			
OSHA Compliance Review			
Promotion/Lottery/Sweepstakes Management			
Publishing and Sales (Books, Tapes, CD-Roms, Internet)			
Records Management (Warehousing/Database/Document Shredding)			
Regulatory Compliance Review			
Risk Management (Non-Safety related)			
Strategic Planning			
Trustee Consulting/Trust Management			
Turnaround Consulting			
Other (please describe):			

*****IF PROVIDING MERGERS/ACQUISITIONS OR DUE DILIGENCE SERVICES, PLEASE COMPLETE THE FOLLOWING SECTION:**

DUE DILIGENCE SERVICES	NO	YES	% OF REVENUES
Compilation of all required documents/materials for acquisition process			
Recommendations regarding viability of a potential purchase entity			
Determine and draft key merger/acquisition client objectives or goals			
Draft sale or purchase agreements			
Recommendations regarding distribution of financial liabilities			
Offer opinions/make recommendations regarding financial stability of an entity			
Offer opinions on business plans			
Recommendations regarding staffing to be outsourced or co-sourced			
Recommendations on credibility/validation of executive/key management career histories			
Customer Due Diligence			
Drafting or assistance in drafting contracts or confidentiality agreements			
Legal Due Diligence			
Other (please describe):			

V. INTERNET

- 5.1 Does Applicant sell products on Applicant's website(s)? Yes No
 If yes, does Applicant use a payment-processing intermediary? Yes No
- 5.2 Is credit card information and/or other personal information stored on a server that is connected to the Internet?
 Yes No
- 5.3 Does Applicant's website(s) advertise services or products **other than Applicant's own**? Yes No

VI. QUALITY CONTROL & PROCEDURES

- 6.1 What does Applicant see as its greatest potential exposures arising out of the **Consulting Activities** for which it is seeking coverage? _____

- 6.2 What safeguards does Applicant employ to avoid **Claims** or reduce Applicant's exposures? _____

- 6.3 Does Applicant have a written complaint resolution policy or procedure? Yes No
- 6.4 Does Applicant perform quality control audits? Yes No
- 6.5 Does Applicant have a formal training program, including a review of all security procedures, for all employees performing proposed **Consulting Activities**? Yes No
- 6.6 Does Applicant have and follow a written security policy? Yes No
- 6.7 Does Applicant provide training for Applicant's clients? Yes No
- 6.8 Has Applicant experienced a virus or a security breach? Yes No
 If yes, what steps have been taken to prevent further security vulnerabilities? _____

- 6.9 Does Applicant sell or share information gathered from customers or others? Yes No
 If yes, does Applicant notify and obtain the consent of customers or others **prior** to selling or sharing? Yes No
 If yes, by what means? Opt-in Opt-out Other _____
- 6.10 What procedures does Applicant have in place to protect client information in Applicant's possession? _____

6.11 Provide the following information regarding Applicant's five (5) largest clients:

<u>Client</u>	<u>Size of Contract</u>	<u>Length of Contract</u>	<u>Type of Products/Services</u>
1.			
2.			
3.			
4.			
5.			

6.12 Does Applicant use a standard written contract or agreement with **all** clients? Yes No
 If standard contracts are not utilized at all times, what percentage of time does Applicant use non-standard contracts? _____%

6.13 Does legal counsel review all contracts? Yes No
 If no, what percentage of time are contracts reviewed? _____%
 Does legal counsel review modifications to standard contracts? Yes No

6.14 What is the value of Applicant's contracts? Average _____ Largest _____
 What is the length of Applicant's contracts? Average _____ Longest _____

6.15 Do Applicant's contracts contain any of the following provisions?
 Hold-harmless/indemnification wording to Applicant's favor Limitation of liability/Disclaimers
 Hold-harmless/indemnification wording to client's favor Statement of work specifications

PLEASE ATTACH COPY OF THE STANDARD CONTRACT

6.16 What administrative and regulatory provisions are most applicable to Applicant's **Consulting Activities**, if any? (e.g. HIPAA, OSHA, GLB, ADA, etc.) _____

6.17 Does Applicant always obtain written approval from their client(s) upon completion of services performed? Yes No

6.18 List Applicant's intellectual property clearance procedures: _____

6.19 Have Applicant's intellectual property procedures been reviewed by a law firm? Yes No

VII. CURRENT/PRIOR COVERAGE

7.1 Prior Professional Liability Insurance for the last three years:

<u>POLICY PERIOD</u>	<u>CARRIER</u>	<u>LIMITS</u>	<u>SELF-INSURED RETENTION</u>	<u>PREMIUM</u>	<u>CLAIMS-MADE OR OCCURRENCE</u>

7.2 What is the retroactive date of the current policy? _____

7.3 Is any extended reporting period currently in force? Yes No

7.4 Has Applicant ever applied for such coverage and been denied, cancelled or non-renewed? Yes No

7.5 Does Applicant maintain General Liability Coverage? Yes No
Carrier: _____ **Limits:** _____ **Expiration Date:** _____

7.6 Does Applicant's General Liability coverage include:

- Personal Injury/Advertising Injury? Yes No
- Products/Completed Operations? Yes No
- Professional Services Exclusion? Yes No

VIII. DESIRED LIMITS/SELF-INSURED RETENTION OPTIONS

8.1 **Desired Policy Limits:** \$ _____ Each Erroneous Act \$ _____ Aggregate Limit
8.2 **Desired Self-Insured Retention:** \$ _____

IX. HISTORY

- 9.1 In the last five years have any of Applicant's customers:
Made allegations or complained about the performance, non-performance, or timeliness of Applicant's products/services? Yes No
Refused to pay or stopped paying due to alleged problems with Applicant's services/products? Yes No
Requested a refund due to alleged problems with Applicant's products/services? Yes No
- 9.2 In the past five years, has Applicant sued any of its clients for non-payment? Yes No
If yes, please explain the circumstances and the outcome: _____
- 9.3 In the past five years, have any officers, principals, partners, directors, or professional employees of Applicant had their professional license(s) or certification(s) suspended or revoked? Yes No
If yes, please explain: _____
- 9.4 Is Applicant aware of any actual or alleged fact, circumstance, situation, error or omission, which can reasonably be expected to result in a **Claim** being made against Applicant? Yes No
- 9.5 Has Applicant or any of Applicant's predecessors in business, affiliates, or past or present: partners, owners, officers, sales persons or employees been investigated and/or cited by any regulatory agency, certifying body, or other governmental entity? Yes No
- 9.6 Have any **Claims**, suits or proceedings been brought during the past five years against Applicant or Applicant's predecessors in business, affiliates, or past or present: partners, owners, officers, sales persons or employees? Yes No
- 9.7 If any of the answers to questions 9.4, 9.5, or 9.6 above are "Yes," have all matters been reported to appropriate insurance carriers? Yes No

IF APPLICANT HAS RESPONDED "YES" TO QUESTIONS 9.4, 9.5, OR 9.6 ABOVE, PLEASE PROVIDE THE FOLLOWING INFORMATION:

- A full description including damages alleged
- Date the insurance carrier was put on notice
- Amounts of: reserves; legal expenses paid; and settlements or judgments
- Current status
- Loss runs
- Steps implemented to prevent similar claims

X. ATTACHMENTS – Please attach copies of the following:

1. If Applicant has been in business less than three years, please provide copies of resumes of all principals;
2. Copies of standard contract used with clients, independent contractors and content providers;
3. Most recent financial statement; and
4. Promotional materials or brochures.

XI. REPRESENTATIONS

This Application must be signed by an authorized partner, officer or other principal of Applicant shown in Question 1.1 of this Application. By signing this Application, Applicant represents and warrants the following:

1. *The statements in the Application or Renewal Application furnished to the Company are accurate and complete;*
2. *Those statements furnished to the Company are representations the First Named Insured made on behalf of all Insureds;*
3. *Those representations are a material inducement to the Company to issue this policy;*

4. *If this Application is for a renewal of a policy to be issued by the Company, the Insured's representations for this Application include the representations made in all previous Applications for previous policies issued by the Company.*

XII. FRAUD WARNINGS

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 OR INCOMPLETE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES (FOR NEW YORK RESIDENTS ONLY: 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).

- AR** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in any application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
- CO** 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 regards to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
- DC** *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 fine. In addition, an Insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.*
- FL** 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.
- KY** 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.
- LA** *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.*
- ME** *It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurance company. Penalties may include imprisonment, fines or a denial of insurance benefits.*
- NJ** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
- NM** 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 AND CRIMINAL PENALTIES.
- NY** 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.
- OH** 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.

OK 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.

OR 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.

PA 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 persons to criminal and civil penalties.

TN It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of coverage.

VA *It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurance company. Penalties include imprisonment, fines and denial of insurance benefits.*

WV 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.

It is agreed that facsimile signatures are intended to be the equivalent of an original signature and have the same legal force and effect.

Signature of authorized representative of Applicant

Title

Print name of authorized representative

Date

Email address of signing representative