

**APPLICATION FOR PROFESSIONAL LIABILITY ERRORS & OMISSIONS INSURANCE**

**IF COVERAGE IS ISSUED, IT WILL BE ON A CLAIMS-MADE BASIS**

**NOTICE: THIS INSURANCE COVERAGE PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.**

1. NAME OF APPLICANT:

ADDRESS:

2. LIMIT OF LIABILITY DESIRED:

\$500,000                      \$1,000,000                      \$2,000,000                      Other

3. DEDUCTIBLE:

\$5,000                      \$10,000                      \$25,000                      Other

4. Please describe in detail the professional activities for which coverage is desired:

5. Is the applicant engaged in any business or profession other than as described in Item 4?  
If yes, please attach an explanation and estimated revenues.

6. List the total gross revenues for the past two years derived from those activities in Question 4. In addition, please list projected revenues for the current year.

<b>YEAR</b>	<b>AMOUNT</b>
a) Current Projected	\$
b)	\$
c)	\$

7. For the revenues listed in question 6a), please give the approximate percentage derived from each of the activities listed in Question 4:

ACTIVITY	% OF 6a) REVENUES
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	%
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	%
--	---

	%
--	---

	%
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8. Applicant is: Corporation Partnership Individual

9. Year Established:

10. Is the Applicant Firm controlled, owned or associated with any other firm, corporation or company?  
 YES NO If yes, attach an explanation. Are any activities listed in Question 4 provided to such business enterprise? YES NO

11. a) Number of principals, partners, officers and professional employees directly engaged in providing services to clients:

b) Number of non-professional employees (clerks, secretaries, etc.):

12. Please provide the following:

Name in full of ALL Partners/Principals/ Key Employees.	PROFESSIONAL QUALIFICATIONS	DATE QUALIFIED	HOW LONG IN PRACTICE	HOW LONG AS PARTNER/ PRINCIPAL
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13. To what professional association(s) does the Applicant Firm belong?

14. Please include a list of Applicant Firm's five (5) largest jobs or projects during the past three (3) years. Please give, in detail: 1) project/client name; 2) the nature of the services performed for the client; and 3) the revenues obtained from those services.

15. Does the Applicant Firm use a written contract with client?

In all cases

Sometimes

Never

Please attach a copy of your standard contract(s).

16. What percentage of the Applicant Firm's business involves subcontracting of work to others? %. Does the Applicant Firm provide professional services to business entities in which it retains an ownership interest  
Yes No If yes, please explain.

17. Has any similar insurance ever been declined or cancelled? Yes (If yes, attach explanation.) No

18. Is similar insurance currently in force? Yes No  
If yes, please provide:

Description of services being covered:

Name of Insurer:

Expiration Date:

Prior Acts/Retro. Date:

Limit: \$

Deductible: \$

Premium: \$

Length of time coverage has been in force:

19. Attach most recent audited financial statements (or recent tax returns) and descriptive or promotional materials.

(A) Estimated Gross receipts for current fiscal period: \$

(B) Estimated Cost of Goods Sold for current fiscal period: \$

20. Have any of the individuals listed in question No. 12 ever been the subject of disciplinary action by authorities as a result of their professional activities? Yes No If yes, please explain.

21. Does any person to be insured have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim against him/her. YES NO If yes, please complete a Supplemental Claim Information form for each.

22. After inquiry have any claims been made against any proposed Insured(s) during the past three (3) years? Yes No If yes, please complete a supplemental Claims Information form for each claim. Also, how many claims have been made in the last three (3) years?

***It is understood and agreed that with respect to questions 20, 21 and 22 above, that if such knowledge or information exists any claim or action arising therefrom is excluded from this proposed coverage.***

**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 CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.**

The Applicant hereby acknowledges that he/she/it is aware that the limit of liability shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgement or settlement to the extent that such exceeds the limit of liability.

The Applicant hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

I HEREBY DECLARE that, after inquiry, the above statements and particulars are true and I have not suppressed or misstated any material fact and that I agree that this application shall be the basis of the contract with the Underwriters.

Signature of person authorized to execute on behalf of the Applicant:

\_\_\_\_\_ Title

Date

This Application Form duly completed, together with any supplementary information, must be signed in ink by the person indicated.

Signing of this form does not bind the Applicant or the Underwriters to complete the insurance.

FRANCHISERS SUPPLEMENTAL APPLICATION

Applicant Name:

1.
  - a. How long has the Applicant been franchising?
  - b. How many units does the Applicant own?
  - c. What is the total number of franchised units?
  
2. Does any subsidiary of the applicant provide services to the franchises?  
Yes                      No                      If yes, provide details.
  
3.
  - a. Does the Applicant have a franchise directors compliance program?  
Yes                      No                      If yes, provide details.
  
  - b. Does the Applicant have a franchise disclosure regulation or general compliance office?  
Yes                      No                      If yes, what is there name?  
Does this person have additional responsibilities? Yes                      No  
If yes, describe other responsibilities.
  
  - c. Provide the background and the employment history of the person identified above.
  
4. Briefly describe the process for selecting and qualifying prospective franchisers.
  
5. Does the Applicant debrief prospective franchisers prior to execution of the franchise agreement?
  
6. For each franchise sold, does the Applicant maintain records of the following information?
  - a. Date of first contact.    Yes                      No                      Not Applicable\_
  - b. Method of contact.        Yes                      No                      Not Applicable\_
  - c. Date and place of first personal meeting.  
Yes                      No                      Not Applicable\_
  - d. Identity of persons who met with franchisers and subjects discussed.    Yes                      No                      Not Applicable\_
  - e. Date in which franchise learned about franchiser.  
Yes                      No                      Not Applicable\_
  - f. Franchise Applications.    Yes                      No                      Not Applicable\_
  - g. Investigative reports or test regarding prospective franchises.  
Yes                      No                      Not Applicable

- h. Rates, related correspondence, memoranda and notes of conference.           Yes       No       Not Applicable
- i. Identify and investigate professional advisor(s) to franchise.           Yes       No       Not Applicable
- j. Copies of franchise offering and contracts delivered and dates of delivery.           Yes       No       Not Applicable
- k. Description of any negotiations of the terms of a Franchise contract.           Yes       No       Not Applicable
- l. Copies of all executed agreements and riders, addenda and exhibits.           Yes       No       Not Applicable
- m. Properly completed, signed receipts to all offering circulars, contracts and other disclosure materials delivered to franchisers.           Yes       No       Not Applicable
- n. Date(s) any agreements were executed by each party.           Yes       No       Not Applicable
- o. Consideration and date paid.           Yes       No       Not Applicable
- p. Date and prices(s) franchise was commenced and completed.           Yes       No       Not Applicable
- q. Evidence that franchisers successfully completed training.           Yes       No       Not Applicable
- r. Applicants assistance in connection with the opening of the franchisers business.   Yes       No       Not Applicable
7. a. Does the Applicant sell franchisers utilizing salespersons who are not employed by the applicant?           Yes       No  
If yes, identify the sales personnel.
- b. Has the applicant conducted a background check on its sales personnel?           Yes       No  
If yes, briefly explain the procedure.
8. Describe any established procedure, precautions or safeguards the Applicant has in place with respect to resolving disputes with franchises.
9. Provide the name of the law firm(s) (if any) which has assisted, or currently assists the Applicant with franchise contracts and/or franchise registration/disclosure statements and/or franchise disputes

10. Provide the name and address of the Applicant's current accounting firm.

It is understood and agreed that this supplemental application shall become part of the application for Professional Liability Errors & Omissions Insurance.

Date:

Name of Applicant:

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Signature of person authorized  
to execute on behalf of the  
Applicant

WORLD WIDE WEB ADDRESS:

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# Supplementary Page

Please reference the number of the question to which these responses apply.