

**Professional Liability Brokers
& Consultants, Inc.**
175 E. Hawthorn Parkway, #310
Vernon Hills, IL 60061

**APPLICATION FOR SPECIFIED PRODUCTS AND
COMPLETED OPERATIONS LIABILITY INSURANCE
(CLAIMS MADE BASIS)**

APPLICANT'S INSTRUCTIONS:

1. Answer all questions. If the answer to any question is NONE, please state NONE.
2. Application must be signed and dated by owner, partner or officer.
3. PLEASE READ CAREFULLY THE STATEMENTS AT THE END OF THIS APPLICATION.

(PLEASE TYPE OR PRINT)

1. APPLICANT

- a. Full name of all entities to be Named Insureds:

- b. Principal address:

- c. Corporation Partnership Proprietorship Other
- d. Years in business under present name:
- e. Describe present or prior affiliation with other firms:

- f. Proposed effective date for this insurance:
- g. Estimate for new policy year: SALES / RECEIPTS \$

2. SPECIFIED PRODUCTS AND COMPLETED OPERATIONS

- a. Only those products and services specified below will be considered for coverage.

| Products and Services (Or Specific Categories) | Applicant Acts As A/An: | | | | | No. of Years | % of Gross Sales | Does Applicant Install? | Repair Or Service? | Products Sold To: | | | | |
|---|----------------------------|---|---|---|----|-----------------|------------------------|----------------------------|--------------------------|----------------------|---|----|---|---|
| | M | W | R | I | MR | | | | | W | R | MR | C | O |
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M - manufacturer R - retailer MR - manufacturers rep. O - other (describe):
W - wholesaler I - importer C - consumer - direct

- b. Have you discontinued or are you considering discontinuing any product to be covered by this insurance? Yes No
If yes, please describe fully:

Yes No

- c. Do you import component parts?
- d. Do you export products or have foreign operations?
- e. Are any of your products or services known to be used in connection with aircraft/missiles/aerospace?
- f. Are any of your products or services subject to registration/regulation/review by any government agency?

PLEASE EXPLAIN ANY "YES" ANSWERS:

3. CLAIM HISTORY – 5 years or more

a) Total aggregate losses, from the ground up, including defense costs:

| <u>Policy Period</u> | <u>No. of Claims</u> | <u>TOTAL AMOUNTS PAID</u> | | <u>AMOUNTS IN RESERVE</u> | | <u>Total Incurred</u> | <u>Date Eval.</u> |
|----------------------|----------------------|---------------------------|-----------|---------------------------|-----------|-----------------------|-------------------|
| | | <u>BI</u> | <u>PD</u> | <u>BI</u> | <u>PD</u> | | |

b) Describe individual losses, valued \$5,000 or more from the ground up, including defense costs:

c) Are you aware of any other incidents, conditions, circumstances, defects or suspected defects which may result in claims against you? Yes No If yes, give details.

4. SALES AND MARKETING

a. Total Sales or Receipts for all products and services

| | | |
|-------------------|-------------------|-------------------|
| Past 12 months \$ | 1st Prior Year \$ | 2nd Prior Year \$ |
|-------------------|-------------------|-------------------|

Describe any significant change in product sales mix between any prior year and next year's projection:

Yes No

- b. Do you wish to provide your customers with Vendors coverage?
- c. Do you wish to be insured against Purchase Order Contractual liability exposures?

5. PROCESSING AND QUALITY CONTROL

Yes

No

a. Processing

- 1) Do others manufacture, assemble, package or install products under your name or label?
- 2) Do you manufacture, assemble, package or install products for others under their name or label?

PLEASE EXPLAIN ANY "YES" ANSWERS

b. Quality Control and Recordkeeping

Yes

No

- 1) Are written quality control and testing procedures followed?
- 2) How long are quality control and testing records kept?
- 3) Can you identify your product from those of competitors?
- 4) Do your records indicate when each product was manufactured?
- 5) Do your records show to whom and the date each product was sold?
- 6) Do your records show who supplied the component parts going into your products?
- 7) Do you require certificates evidencing Products Liability insurance from suppliers?

PLEASE EXPLAIN ANY "NO" ANSWERS

6. LOSS PREVENTION, LOSS CONTROL, CLAIM DEFENSE

a. Who designs your products?

Yes

No

b. Are designs reviewed, tested and verified by others?

c. Do you maintain records of changes in designs, advertisements and sales brochures?

d. Are all instructions, operating manuals, advertisements and warranties periodically reviewed by Legal Counsel to avoid misunderstandings relative to product safety or intended use?

e. Are your products designed, tested, labeled and manufactured to meet or exceed all applicable government and industry standards?

f. List your memberships in any industry product-standard organizations:

g. Do you have a specific program to withdraw known or suspected defective products from the market?

h. Have you ever recalled or are you considering recalling any known or suspected defective products from the market?

| | | |
|--|----------------------------|--------------------------|
| 7. | <u>INSURANCE REQUESTED</u> | <u>PRESENT INSURANCE</u> |
| a) Limits of Liability: | \$ | \$ |
| b) Deductible/S.I.R.: | \$ | \$ |
| c) Retroactive Date: | | |
| d) Present Insurer: | | |
| e) Has any insurer ever cancelled, restricted or refused to renew your products liability insurance? Yes No | | |
| If yes, please attach details. | | |

NOTICE TO APPLICANT: The coverage applied for is SOLELY AS STATED IN THE POLICY, which provides coverage on a "CLAIMS MADE" basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD unless the extended discovery period option is exercised in accordance with the terms of the policy.

WARRANTY: I warrant to Shand, Morahan & Company, Inc., Underwriting Manager for the Insurer, that I understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Insurer evidence its acceptance of this application by issuance of a policy. I authorize the release of claim information from any prior insurer to Shand, Morahan & Company, Inc., Shand, Morahan Plaza, Evanston, Illinois 60201.

Signature of Applicant: _____ Date: _____

Title (officer, partner, etc.): _____

SIGNING this application does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance, but one copy of this application will be attached to the policy, if issued.

(Attach brochures, catalogs, labels, instructions, service agreements, financial data, etc.)

Question #

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| ADDITIONAL EXPLANATION TO THE QUESTIONS DESIGNATED |
|---|

Supplementary Page

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