

# ARCH SPECIALTY INSURANCE COMPANY

A Nebraska Corporation

Administrative Offices: 55 Madison Ave, Morristown, NJ 07962

Tel: (800) 817-3252

## Application for:

### Design Professional Liability Insurance

(Claims-Made and Reported Basis)

This insurance coverage you are applying for is written on a CLAIMS MADE AND REPORTED basis. Only claims which are first made against you and reported to the Company during the Policy Period are covered subject to the policy provisions. The Limits of Liability stated in the Policy are reduced by Claim Expenses. Claim Expenses may also be applied against the Deductible. If you have any questions about the coverage, please discuss them with your insurance broker or agent.

#### Coverage Requests:

Limits: \_\_\_\_\_

Deductibles: \_\_\_\_\_

Limits: \_\_\_\_\_

Deductibles: \_\_\_\_\_

#### FIRM PROFILE

1. Firm Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
E-Mail / Web-Page Address: \_\_\_\_\_  
Branch Offices: (*List Branch offices on separate sheet*)

2. Key Contact and/or Risk Manager:  
Name: \_\_\_\_\_ Title: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

3. Date Firm was established: Month: \_\_\_\_\_ Day: \_\_\_\_\_ Year: \_\_\_\_\_

4. Firm is: Corporation; Partnership; Professional Corporation; Sole Proprietorship; Other\_\_\_\_\_

5. Has the name of your Firm ever changed, or been party to any acquisition, consolidation, dissolution or merger?  
*If "Yes" please detail changes on separate sheet in chronological order.* Yes  No

6. Total Staff	Architects	Engineers	Land Surveyors	Landscape Architects	All Other	TOTAL
Licensed Staff						
Unlicensed Staff						

7. Identify the primary state(s) in which you perform your professional services:

State:	%	State:	%	State:	%	State:	%	State:	%
--------	---	--------	---	--------	---	--------	---	--------	---

8. **Disciplinary Action.** Have any Principals, Partners, Officers, Directors or licensed professional employees ever been subject to disciplinary action by authorities as a result of their professional activities? Yes  No   
*If "Yes", please provide details on a separate sheet.*

**ACCOUNTING DATA**

9. Provide Gross Billings derived from professional services for the past reporting period (12 months), whether or not collected, *including fees paid to consultants*. (Newly established firms should use an estimate for the Upcoming Year.)

	<u>Last 12 Months</u>	<u>Construction Values</u>
<b>Total Revenues (gross billings)</b>	\$ _____	\$ _____
➤ Revenues insured under separate project policies*	\$ _____	\$ _____
➤ Fees for Projects permanently abandoned*	\$ _____	NA _____
➤ Foreign Projects Billings*	\$ _____	\$ _____
➤ Non Professional Revenues	\$ _____	NA _____
➤ All other billings (ODC's, expenses, etc.)	\$ _____	\$ _____

**Total Revenues for each of past 5 years:**

\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
1st year prior	2nd year prior	3rd year prior	4th year prior	5th year prior

**\* Provide details on a separate sheet**

**10. Firm's Activities**

Provide percentage of gross billings for the last reporting period (12 months), whether or not collected, *including fees paid to consultants*. (**Note:** This section should total 100% )

<b>SERVICES</b>	<b>% of Gross Billings or Construction Values (see 9. above)</b>
Feasibility Studies, reports where no design is completed:	%
Design Only, with no construction phase duties:	%
Design, with observation of construction:	%
Observation of Construction only:	%
Construction Management only:	%
Design with Construction Responsibility: (Construction subcontracted)	%
Construction with Design Responsibility (Design subcontracted):	%
Other (Describe): _____	%

**PRACTICE DETAILS**

**11. Professional Services**

Based on your Firm's net billings, please indicate the approximate percentage of services listed below which are performed by your Firm. *Do not include services of your consultants*. (**Note:** This section should total 100% )

Acoustical Engineering	%	Forensic Engineering	%	Nuclear Engineering	%
Architecture	%	HVAC Engineering	%	Process Engineering	%
Chemical Engineering	%	Hydrological Engineering	%	Geotechnical	%
Civil Engineering	%	Interior Design	%	Structural Engineering	%
Communication Engineering	%	Land Surveying	%	Testing Labs	%
Construction Management	%	Landscape Architecture	%	Other (detail below)	%
Electrical Engineering	%	Mechanical Engineering	%		%
Environmental Engineering*	%	Naval/Marine	%		%

**\*Note:** If Environmental Engineering or Consulting services are greater than 10% of the total billings or Environmental Contracting coverage is desired, complete the Environmental Supplement.

**12. Subcontracted Services**

Does your firm subcontract professional services? Yes  No

If "Yes," indicate the percentage of professional billings subcontracted and the types of professional service subcontracted: \_\_\_\_\_

Does your firm obtain certificates of professional liability insurance from your subconsultants? Yes  No

If No, please explain: \_\_\_\_\_

**13. Other Services**

Based on your Firm's Gross Billings, indicate the approximate percentages of activities listed below in which your firm is involved. (**Note:** This section need not total 100%.)

Asbestos Related Work	%	Ground Testing/Soil Analysis	%	Services Provided for Real Estate Transfers	%
Building Design	%	Inspection Services	%	Site Development	%
Continuing Service	%	Instrumentation/Controls	%	Software Development/ Sales	%
Cost Estimating	%	Lead Related Work	%	Subsurface Soil Exploration/Drilling Operations	%
Destructive Testing	%	Machine/Equipment Design	%	Traffic/Transportation	%
Environmental Impact Statements	%	Pipelines	%	Underground Utility Locating	%
Fast Track, Turnkey or Prototype Projects	%	Product Design	%	UST	%
Foundations, Sheeting and Shoring Design	%	Residential Subdivisions	%	Wetland Delineation	%

**14. A Project Type**

Based on your Firm's gross billings, indicate the approximate percentages of the projects listed below in which your firm is engaged. (**Note:** This section should total 100%)

Airports	%	Landfills	%	Schools/Colleges	%
Amusement Rides	%	Libraries	%	Sewage Systems	%
Apartments	%	Manufacturing/Industrial	%	Shopping Centers/Retail	%
Arenas/Stadiums	%	Mass Transit	%	Superfund/Pollution	%
Bridges	%	Mines	%	Telecommunications	%
Condominium/Townhouses	%	Municipal Buildings	%	Theaters	%
Residential	%	Nuclear/Atomic	%	Tract Homes	%
Commercial	%	Office Buildings	%	Tunnels	%
Convention Centers	%	Parking Structures	%	Warehouses	%
Dams	%	Petro/Chemical	%	Wastewater Treatment Plants	%
Harbors/Piers/Ports	%	Pools/Playgrounds	%	Water Systems	%
Hospitals/Healthcare	%	Pre-engineered Buildings/Structures	%	Utilities	%
Hotels/Motels	%	Private/Residential Dwellings	%	Other: _____	%
Industrial Waste Treatment	%	Recreational	%	Other: _____	%
Jails	%	Roads/Highways	%	Other: _____	%

**B.** Has the Applicant undergone any substantial changes in the percentages of item **14.A.** during the past 2 years or anticipate any significant changes in the next 12 months? Yes  No

If "Yes" please give details: \_\_\_\_\_

**C. Largest Current Projects**

On a separate sheet, attach a list of your ten largest projects in the past 2 years. Include type of structure, services performed, construction values, professional fees and project location.

**D. Condominiums/Townhouses**

In the past ten years has your firm, predecessor or any other insured provided any professional services related to Residential Condominiums and/or Townhouses? **Yes**  **No**

If yes, please complete the following: Total Number of Condominium/Townhouse projects \_\_\_\_\_  
 Approximate Total Construction Value: \$ \_\_\_\_\_

**15. Firm's Clients**

**A.** Please indicate the approximate percentage of your Firm's Gross Billings in Item 9. that were derived from the following client categories: (**Note: This section should total 100%**)

Attorneys	%	Government Local	%	Owners (who act as their own builder)	%
Commercial	%	Institutional	%	Real Estate Developers	%
Contractors	%	Industrial	%	Other: (specify)	%
Government Federal	%	Lending Institutions	%		
Government State	%	Other Design Professionals	%		

**B.** What percentage of your firm's business is from repeat clients? \_\_\_\_\_%

**C.** Does any one contract or client represent more than 25% of annual work? **Yes**  **No**

If "Yes" please give details: \_\_\_\_\_

**16. Is your firm or any subsidiary, Parent or other Organization related to your Firm, engaged in:**

- A.** Actual construction, fabrication or erection? **Yes**  **No**
- B.** Development, sale or lease of computer software to others? **Yes**  **No**
- C.** Real estate development? **Yes**  **No**
- D.** Manufacturing, sale, leasing or distribution of any product? **Yes**  **No**

**If any answers for A - D are "Yes", use a separate sheet to provide full details, including a description of the services performed, construction value involved and fees received.**

**17. Are any of the Principals, Partners, Directors or Employees of your Firm involved in any activities described in Item 16? If "Yes", provide details on a separate sheet.** **Yes**  **No**

**18. Affiliation With Other Firms**

Is your Firm controlled, owned or associated with any other firm, corporation, or company, or does your Firm own or control any other entity? **If "Yes", provide details on a separate sheet.** **Yes**  **No**

**19. Does your Firm render services on behalf of any entity in which any Principal, Partner, Officer or Director of your Firm, or an immediate family member of such Person is a Principal, Partner, Officer, or Director? If "Yes", provide details on a separate sheet.** **Yes**  **No**

**EQUITY OWNERSHIP**

- 20.A.** Does your Firm or any Principal, Partner, Officer, Director or Shareholder of your Firm or an immediate family member of any such person have an ownership interest in any project where professional services are being or are rendered by your Firm? **Yes**  **No**
- B.** Does your Firm seek coverage for these projects? **Yes**  **No**   
**If "Yes" and greater than 20%, provide details on a separate sheet.**

**JOINT VENTURES**

- 21.A.** Does your Firm participate in joint ventures? **If "Yes", on a separate sheet of paper, please identify your joint venture projects, partners and allocation of responsibilities.** **Yes**  **No**
- B.** Does your Firm obtain insurance certificates of professional liability from Joint Venture Partners? If "No", please explain below: **Yes**  **No**

**RISK MANAGEMENT/LOSS PREVENTION**

- 22.A Does your firm follow written in-house quality control procedures? Yes  No
- B. Does your firm use a computer assisted drafting program? Yes  No   
If "Yes", what percentage of design is done using the CAD program? \_\_\_\_\_%
- C. Does your firm have an in-house program of continuing education for professional employees? Yes  No
- D. Does your firm use written contracts on every project? Yes  No   
If "No", provide the percentage of the projects where oral agreements were used: \_\_\_\_\_%
- E. Does your firm seek a limitation of liability clause in contracts with clients? Yes  No   
If so, what percentage of your contracts contain such a clause? \_\_\_\_\_%
- F. Specify the approximate percentage of your firm's professional services rendered under AIA or EJCDC standard forms of agreement: \_\_\_\_\_%
- G. If non-standard contracts or modified AIA or EJCDC contracts or "letter" agreements are used, are they reviewed by the firm's legal counsel for liability implications prior to signing? Yes  No
- H. Does your firm negotiate into its contracts a provision for alternative dispute resolution such as mediation? If "Yes", what percentage of your contracts contain such a provision? \_\_\_\_\_% Yes  No

23. **Professional Associations.** Please list your firm's and/or principals' KEY professional associations:

24. **Current General Liability Insurance Coverage.** Please identify your firm's current General Liability Insurance Coverage.

Insurance Company: \_\_\_\_\_  
Limits: \_\_\_\_\_ Deductible: \_\_\_\_\_

**25. Professional Liability Insurance History**

- A. Retroactive date on current policy: \_\_\_\_\_
- B. Does your current policy have specific project excess coverage for any projects? Yes  No   
*If "Yes", provide details on a separate sheet.*
- C. Do you currently have First Dollar Defense Coverage? Yes  No
- C. Has your Firm, or any Principal, Partner, Officer or Director or any predecessor firms, ever been declined for Professional Liability Insurance coverage or has any such coverage ever been canceled or non-renewed? *If "Yes", provide details on a separate sheet. (Note: Not Applicable in Missouri.)* Yes  No

26. Please detail your Architects and Engineers Professional Liability coverage five-year history:

COMPANY	TERM	LIMITS	DEDUCTIBLE	PREMIUM

**CLAIMS INFORMATION**

- 27. A. Has any claim been made or legal action been brought in the past 10 years (or made earlier and still pending) against your firm, its Predecessors, or any past or current Principal, Partner, Officer or Director of your firm? Yes  No   
*If "Yes", please supply on a SEPARATE SHEET details of the claim such as date, allegation, plaintiff, paid indemnity, reserve, deductible, insurer's evaluation of claim, etc.*
- B. Is your Firm (after proper inquiry of every Principal, Partner, Officer or Director or other prospective insured party) aware of any circumstances, incidents, situations or accidents during the past 10 years which may

result in claims or demands being made against your Firm, its predecessors in business, or any of the present or past Principals, Partners, Officers or Directors? **Yes**  **No**

***If "Yes", provide details on a separate sheet.***

**C.** Is your Firm aware of any deficiencies or alleged deficiencies in work where your firm, predecessor or any other Insured performed professional services or aware of any deficiencies or alleged deficiencies in work by others for whom your firm is legally responsible during the last five years? **Yes**  **No**

***If "Yes", provide details on a separate sheet.***

**D.** Does the Applicant or any other party proposed for insurance have knowledge of injury to people or damage to property during the past five years on or at projects where the Applicant has rendered professional services? **Yes**  **No**

***If "Yes," provide details on a separate sheet.***

**28.** Please provide the following:

- A.** Financial statement.
- B.** Insurance Company Loss Runs for the past ten years.
- C.** Company brochure describing services.

**NOTICE: ANY PERSON WHO, KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON, SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION MAY BE GUILTY OF INSURANCE FRAUD.**

**NOTICE TO ARKANSAS, LOUISIANA AND NEW MEXICO 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 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 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.

**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 in the third degree.

**NOTICE TO KENTUCKY APPLICANTS:** Any person who knowingly and with the 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 MAINE APPLICANTS:** It is a crime to 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 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 claims 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.

**NOTICE TO OHIO APPLICANTS:** 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.

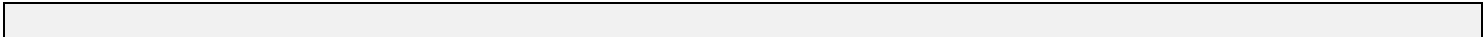
**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO PENNSYLVANIA APPLICANTS:** Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any fact 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 intent to defraud, presents false information in an insurance request form, or who presents, helps, or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) no more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three , or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

**NOTICE TO TENNESSEE & VIRGINIA 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 include imprisonment, fines and denial of insurance benefits.

**NOTICE TO 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 include imprisonment, fines, and denial of insurance benefits.



THE APPLICANT WARRANTS THAT THE STATEMENTS AND FACTS MADE IN THIS APPLICATION ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

Applicant acknowledges a continuing obligation to report to us as soon as practicable any material changes in the facts or statements above, and in each supplementary application, which applicant becomes aware after signing the application.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S WRITTEN ACCEPTANCE OF COMPANY'S QUOTATION AND COMPANY'S WRITTEN ACKNOWLEDGMENT OF SUCH ACCEPTANCE IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. NO COVERAGE SHALL ATTACH UNTIL A BINDER OF INSURANCE HAS BEEN ISSUED. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY.

I/We hereby warrant that the above statements and particulars are true and I/we agree that this application shall be the basis of the contract with the insurance company.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Signature of Director/Partner/Principal

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title of Director/Partner/Principal (printed or typed)

Producer: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Please Return Application to:**

**Arch Insurance Group  
55 Madison Ave, 2nd Fl.  
Morristown, NJ 07960  
Fax: (973) 206-8081**