

National Casualty Company

Home Office
Scottsdale, Arizona
Administrative Office:
8877 North Gainey Center Drive • Scottsdale, Arizona 85258
1-800-423-7675

ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY INSURANCE APPLICATION (CLAIMS MADE BASIS)

THIS APPLICATION IS FOR A CLAIMS-MADE INSURANCE POLICY

NOTICE TO THE INSURED

THIS IS A CLAIMS-MADE POLICY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER. EXCEPT FOR THE EXTENDED REPORTING PERIOD, THERE IS NO COVERAGE FOR CLAIMS REPORTED AFTER TERMINATION OF COVERAGE. DURING THE FIRST SEVERAL YEARS OF THE CLAIMS-MADE RELATIONSHIP, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES, AND AN INSURED CAN EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF OVERALL RATE LEVEL INCREASES, UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY.

OPTION 1: THE DEDUCTIBLE AMOUNT SHOWN IN THE POLICY WOULD BE APPLIED TO BOTH DAMAGES AND CLAIM EXPENSE IF THE APPLICANT SELECTS THIS OPTION. CLAIM EXPENSE WOULD BE CHARGED AGAINST THE DEDUCTIBLE AND WOULD NOT EXCEED FIFTY PERCENT (50%) OF SUCH DEDUCTIBLE. THE COMPANY WOULD ASSUME ANY CLAIM EXPENSE OVER THIS AMOUNT.

OPTION 2: THE DEDUCTIBLE AMOUNT SHOWN IN THE POLICY WOULD BE APPLIED TO DAMAGES FOR EACH WRONGFUL ACT BUT WOULD NOT BE APPLIED TO CLAIM EXPENSE IF THE APPLICANT SELECTS THIS OPTION.

New Application Renewal Application Expiring Policy Number: _____
Limits Requested: \$ _____ Deductible Requested: \$ _____

Firm Name/Address/Structure

1. Firm Name: _____
Street Address: _____
City: _____ State: _____ Zip Code: _____
Branch Offices? Yes No
(If "Yes," please list Branch Offices on separate sheet.)
Website Address: _____
2. Key Contact and/or Risk Manager:
Name: _____ Title: _____ Telephone: _____
3. Date Firm was established: _____
4. Firm is: Corporation Partnership Professional Corporation Sole Proprietorship
 Other _____
5. Has the name of the Firm ever changed or been party to any acquisition, consolidation, dissolution or merger? Yes No
If "Yes," please detail changes on separate sheet in chronological order.

6. Total Staff:

	Architects	Engineers	All Other	TOTAL
Principals, Partners, Officers & Directors				
Licensed Staff (excluding above)				
Unlicensed Staff				

7. Please show the number of employees who left the firm in the past twelve (12) months:

- a. Management _____
- b. Professional Staff _____

8. Identify the state(s) in which any Staff and the Firm is licensed to perform professional services and the percent of revenues generated:

State	%	State	%	State	%	State	%	State	%

Accounting Year Data

9. Gross Billings and Construction Values—Domestic Operations:

Fiscal Year Dates:	Projected Fiscal Year: _____ mm/dd/yyyy	Current Fiscal Year: _____ mm/dd/yyyy	Last Completed Year: _____ mm/dd/yyyy
a. Subcontracted Services:	\$	\$	\$
b. Projects Insured Under Separate Project Policies:	\$	\$	\$
c. Permanently Abandoned Projects:	\$	\$	\$
d. Feasibility Studies, Master Plans, Reports:	\$	\$	\$
e. Direct Reimbursables:	\$	\$	\$
f. All Other Billings:	\$	\$	\$
TOTAL GROSS BILLINGS:	\$	\$	\$
TOTAL CONSTRUCTION VALUES:	\$	\$	\$

10. Design/Build—Construction Values—Complete *only* if the Firm is doing Design/Build work:

	Projected Fiscal Year: _____ mm/dd/yyyy	Current Fiscal Year: _____ mm/dd/yyyy	Last Completed Year: _____ mm/dd/yyyy
a. All Operations:	\$	\$	\$
b. Design/Construction:	\$	\$	\$
c. Design Only—No Construction:	\$	\$	\$
d. Construction Only—No Design:	\$	\$	\$
TOTAL CONSTRUCTION VALUES:	\$	\$	\$

11. **Firm's Activities:**

Provide the percentage of *gross* billings for the last reporting period twelve (12) months, *whether or not collected*, including fees paid to consultants.

Services	% of Gross Billings or Construction Values
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)	
TOTAL	

Practice Details

12. **Professional Services:**

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

Acoustical Engineering	%	Forensic Engineering	%	Nuclear Engineering	%
Architecture	%	HVAC Engineering	%	Process Engineering	%
Chemical Engineering	%	Hydrological Engineering	%	Geo Technical	%
Civil Engineering	%	Interior Design	%	Structural Engineering	%
Communication Engineering	%	Land Surveying/ Construction Stakeout	% %	Testing Labs	%
Construction Management	%	Landscape Architecture	%	Other: (specify) _____	%
Electrical Engineering	%	Mechanical Engineering	%		
Environmental Engineering*	%	Naval/Marine	%	TOTAL	100%

*Note: If Environmental Engineering or Consulting services are indicated, please attach a narrative description of these services.

13. **Subcontracted Services:**

Does the Firm subcontract professional services?..... Yes No

If "Yes," indicate the percentage of professional billings subcontracted and types of professional services subcontracted:..... _____%

Does the Firm obtain insurance certificates of professional liability from subconsultants? Yes No

If "No," please explain: _____

14. **Other Services:**

- a. Based on the Firm's *gross billings*, indicate the approximate percentages of activities listed below in which the Firm is involved. (Note: This section *need not* total 100%.)

Asbestos Related Work	%	Ground Testing/Soil Analysis	%	Site Development	%
Building Design	%	Inspection Services	%	Software Development/Sales	%
Cost Estimating	%	Instrumentation/ Controls	%	Subsurface Soil	%
Destructive Testing	%	Lead Related Work	%	Underground Utility Locating	%
Environmental Impact Statements	%	Machine/Equipment Design	%	Wetland Delineation	%
Fast Track, Turnkey or Prototype Projects	%	Pipelines	%	Other: (specify) _____	%
Foundations, Sheet piling and Shoring Design	%	Product Design	%		

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

Airports	%	Manufacturing/Industrial	%	Sewage Treatment Plants	%
Amusement Rides	%	Mass Transit	%	Shopping Centers/ Retail	%
Apartments	%	Mines	%	Superfund/Pollution	%
Arenas/Stadiums	%	Municipal Buildings	%	Telecommunications	%
Bridges 499 ft. and under Bridges 500 ft. and over	% %	Nuclear/Atomic	%	Theaters	%
Condominium/Townhouses	%	Office Buildings	%	Tract Homes	%
Commercial	%	Parking Structures	%	Traffic/Transportation	%
Convention Centers	%	Petro/Chemical	%	Tunnels	%
Dams	%	Pools/Playgrounds	%	Underground Storage Tanks	%
Harbors/Piers/Ports	%	Pre-engineered Buildings/Structures	%	Utilities	%
Hospitals/Healthcare	%	Private Dwellings (Custom)	%	Warehouses	%
Hotels/Motels	%	Religious/Churches	%	Wastewater Treatment Plants	%
Industrial Waste Treatment	%	Residential	%	Water Systems	%
Jails	%	Roads/Highways	%	Other: (specify) _____	%
Landfills	%	Schools/Colleges	%		%
Libraries	%	Sewage Systems	%	TOTAL	100%

c. Has the Firm undergone any substantial changes in the percentages in 14.a. and 14.b. during the past two years or anticipate any significant changes in the next twelve (12) months? Yes No
 If "Yes," please give details: _____

d. **Condominiums/Townhouses:**

In the past ten (10) years has the 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 the Firm's gross billings in question 9. that were derived from the following client categories: (Note: This section should total 100%.)

Attorneys	%	Government Local	%	Owners (acting as their own builder)	%
Commercial	%	Institutional	%	Real Estate Developers	%
Contractors	%	Industrial	%	Other: (specify) _____	%
Government Federal	%	Lending Institutions	%		%
Government State	%	Other Design Professionals	%	TOTAL	100%

b. What percentage of the Firm's business is from repeat clients? %

c. Does any one contract or client represent more than twenty-five percent (25%) of annual work? Yes No
 If "Yes," provide actual percentage of revenue: _____% and also attach a list of current projects for these client(s).

16. Is the Firm or any subsidiary, Parent or other Organization related to the 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 are "Yes," use a separate sheet to provide full details, including a description of the services performed, construction value involved and fees received.

17. Is the firm engaged in projects located outside of the United States, its territories or Canada? Yes No

If "Yes," please provide the total percent of foreign projects %

18. Is the Firm controlled, owned and/or associated with any other firm, corporation or company or does the Firm own or control any other entity? Yes No

If "Yes," provide details: _____

19. a. Other than the applicant Firm, does the Firm or any Principal, Partner, Officer, Director or Shareholder of the Firm or an immediate family member of any such person have more than a fifteen percent (15%) combined ownership interest or act as the managing partner in any entity or project for which professional services have been or are to be rendered? Yes No

b. Does the Firm render services on behalf of any other entity in which any Principal, Partner, Officer, Director or Shareholder of the Firm or an immediate family member of any such person is a Partner, Officer, Director, Shareholder or employee? Yes No

Joint Ventures

- 20. a. Does the Firm participate in joint ventures?..... Yes No
If "Yes," on a separate sheet of paper, please identify the joint venture projects, partners and allocation of responsibilities.
- b. Does the Firm obtain insurance certificates of professional liability from Joint Venture Partners? Yes No
If "No," please explain: _____

Risk Management/Loss Prevention

- 21. a. Does the Firm follow written in-house quality control procedures?..... Yes No
- b. Are all staff members familiar with these procedures? Yes No
- c. Does the Firm have an in-house program of continuing education for professional employees? Yes No
- d. How many professional employees of the Firm have attended at least six hours of continuing education in the past twelve (12) months? _____% All
- e. Does the Firm use written contracts on every project?..... Yes No
If "No," provide the percentage of the projects where oral agreements were/are used: _____%
- f. Does the Firm seek a limitation of liability clause in contracts with clients? Yes No
If so, what percentage of contracts contains such a clause? _____%
- g. Specify the approximate percentage of the Firm's professional services rendered under AIA or EJCDC standard forms of agreement: _____%
- h. 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
- i. Does the Firm have procedures for monitoring or collecting outstanding fees?..... Yes No
- j. Does the Firm have a pre-screening methodology for potential clients?..... Yes No
- k. Does the Firm negotiate contract provisions for alternative dispute resolution such as mediation? Yes No
If so, what percentage of contracts contains such a provision? _____%

22. **Professional Associations:** Please list the Firm's and/or Principal's professional associations. ie: American Institute of Architects, National Society of Professional Engineers, etc: _____

23. **Current General Liability Insurance Coverage:** Please identify the Firm's current General Liability Insurance Coverage:
 Insurance Company: _____
 Limits: \$ _____
 Effective/Expiration Dates: _____

24. **Professional Liability Insurance History:**
- a. Retroactive date on current policy: _____
 - b. Does the Firm's current policy have specific project excess coverage for any projects?..... Yes No
If "Yes," provide details: _____
 - c. Does the Firm currently have First Dollar Defense Coverage? Yes No
 - d. Has the Firm, or any Principal, Partner, Officer or Director of any predecessor firms, ever been declined for Professional Liability Insurance coverage or has any such coverage ever been canceled or nonrenewed? (*Not applicable to Missouri applicants*) Yes No
If "Yes," provide details: _____

25. Please detail the Firm's Architects and Engineers Professional Liability coverage five year history:

Company	Policy Period	Limits	Deductible	Premium
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$

26. Have any Principals, Partners, Officers or Directors ever been subject to disciplinary action by authorities as a result of their professional activities? Yes No

If "Yes," please give full details: _____

27. a. Has any claim ever been made against the Firm, its Predecessors in business, any of the present Partners, Directors, or Officers of the Firm or, to the knowledge of the Applicant, against any past Partners, Officers or Directors of the Firm? Yes No

b. After proper inquiry of every Principal, Partner, Officer or Director or other prospective insured party, is the Applicant aware of any circumstances, incidents, situations or accidents during the past ten (10) years which may result in claims being made against the Firm, its Predecessors in business, or any of the present or past Principals, Partners, Officers or Directors? Yes No

c. After proper inquiry of every Principal, Partner, Officer or Director or other prospective insured party, is the Applicant aware of any deficiencies or alleged deficiencies in work where the Firm, Predecessor in business or any other prospective insured performed professional services, or aware of any deficiencies or alleged deficiencies in work by others for whom the Firm is legally responsible during the last five years? Yes No

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 Firm has rendered professional services? Yes No

If "Yes" to a., b., c. or d. above, please complete the **Supplemental Claim Information Form**.

28. Please provide the following:

- a. Sample contract used if other than standard AIA or EJCDC contract.
- b. Most current annual Financial Statement—if available.
- c. Five years of currently dated, company issued loss runs.
- d. Principals' Resumes—if applicant has been in business for less than three years.
- e. **Largest Current Projects:** On a separate sheet, attach a list of the Firm's ten (10) largest projects in the past two years. Include type of structure, services performed, construction values, professional fees and project location.

THE APPLICANT REPRESENTS 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 change in the facts and statements above, and in each supplementary application, for which applicant becomes aware after signing the application.

Completion of this form does not bind coverage. Applicant's acceptance of Company's quotation is required prior to binding coverage and policy issuance. It is agreed that this form shall be the basis of the contract should a policy be issued.

I/We hereby declare 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.

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.

DATED THIS _____ DAY OF _____, 20_____

SIGNATURE OF AUTHORIZED DIRECTOR/PARTNER/PRINCIPAL: _____

TITLE: _____

PRODUCER: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____