



STEADFAST INSURANCE COMPANY

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY INSURANCE APPLICATION

NOTICE: This is an application for claims made and reported insurance with "Claim Expenses" included within the limits of liability. Such insurance, if accepted by the Company, applies only to those "Claims" first made against the "Insured" and reported in writing to the Company while the policy is in force and may additionally limit coverage applicable to negligent acts committed prior to the inception of the "Policy Period".

- A. Please answer all the questions.
B. If a question is not applicable, state N/A. Attach additional information as necessary.
C. The application must be signed and dated by an authorized officer, partner or principal of the Applicant.

PLEASE ATTACH THE FOLLOWING AND (X) THE APPROPRIATE BOX:

Table with 3 columns: Attached, N/A, and Description. Rows include: Brochures, advertisements or other descriptive literature about the Applicant, its subsidiaries, operations and services; Copies of standard contracts and engagement/proposal letter used with clients; Sample reports given to clients; Biographical sketches of principals, officers and professional staff; Copy of the Internal Control and/or Quality Control procedures; Most recent annual report; Latest 10-K and 10-Q reports filed with the SEC, if a public company; Target Market - Client Profile.

I. GENERAL INFORMATION

- 1. Name of Applicant:
2. Address of Applicant's Principal office: City State Zip
3. Name(s) and Location(s) of all branch offices:
4. Applicant's Web address:
5. Year Applicant was established:
6. Applicant is: Individual Partnership Corporation Other, please describe:
7. Is Applicant publicly traded? If yes, ticker symbol:
If no, does applicant plan an Initial Public Offering within the next 12 months?

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8. Number of professionals employed at Applicant Firm: \_\_\_\_\_ Clerical Staff: \_\_\_\_\_

9. During the past five (5) years:

(a) Has the name of the Applicant Firm been changed? If yes, please explain:  Yes  No

(b) Has any other business been acquired, merged or consolidated with the Applicant Firm?  Yes  No

If yes, please provide details:

10. Is the Applicant Firm:

(a) Controlled, owned, affiliated or associated with any other firm, corporation or company?  Yes  No  
If yes, please explain:

(b) Providing any services to such business enterprises? If yes, please explain:  Yes  No

11. Name and location of all subsidiaries or affiliates for which coverage is desired:

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12. Please give the names of any professional organizations or associations of which the Applicant Firm or its principals are members:

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**II. SERVICES PROVIDED**

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13. Please provide a description of services offered by the Applicant:

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\_\_\_\_\_

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\_\_\_\_\_

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If Applicant Firm's services can be classified into any of the following categories please complete the appropriate Supplemental Application:

- \_\_\_\_\_ Consultants
- \_\_\_\_\_ Third Party Administrators
- \_\_\_\_\_ Title Agents, Abstractors and Escrow Agents

14. Please describe only the services offered by the Applicant Firm for which coverage is desired and the percentage of total revenue:

SERVICE	% OF REVENUE
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

**III. APPLICANT'S PROFILE**

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15. Complete with Applicant Firm's gross revenues:

	Year	US and Canada	Number of Clients	International	Number of Clients
Next Year (Projected)		\$		\$	
Current Year		\$		\$	
Prior Year		\$		\$	
2 Years Prior		\$		\$	

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16. Indicate the percentage of the Applicant Firm's gross revenues that are derived from services provided to the following industries:

Industry	% Revenues	Industry	% Revenues
Computer Related		Financial	
Health/Medical		Business Services	
Manufacturing		Transportation/Utilities	
Education		Games/Entertainment/Gambling	
Communications		Legal	
Government		Agricultural/Mining	
Scientific/Engineering		Construction/Real Estate	
Wholesale/Retail Trade		Consumer/Home Products	
Power & Utility Industries		Pollution/Environmental	
Security and/or Privacy		Fire, Security or other emergency	
Aerospace/Defense			
Other (please describe)			
		<i>TOTAL</i>	<i>100 %</i>

17. List Applicant Firm's five (5) largest clients, a description of the services performed and the revenues received/anticipated for the last, current and next years:

Name of Client	Description Of Services	Last Year	Current Year	Next Year (Projected)
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$

18. (a) Describe the Applicant Firm's client selection process:

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- (b) Does the Applicant Firm perform credit checks on all clients?  Yes  No
- (c) Is management's approval required for all new clients?  Yes  No
- (d) Does the Applicant Firm maintain a system to avoid conflicts of interest?  Yes  No

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IV. CONTRACTS AND LICENSING AGREEMENTS

19. Does Applicant Firm use *standard written* contracts or agreements with every client?  Yes  No

If not, please set forth how often (% or #) and under what circumstances a *standard written* contract is NOT used:

\_\_\_\_\_

\_\_\_\_\_

20. Do the Applicant Firm's *standard, written* contracts contain:

- (a) Hold harmless or indemnity agreements injurious to applicant?  Yes  No
- (b) Hold harmless or indemnity agreements injurious to client?  Yes  No
- (c) Guarantees or warranties?  Yes  No
- (d) A specific description of the services applicant will provide to client?  Yes  No
- (e) Clauses defining the responsibilities of each party?  Yes  No
- (f) Clauses limiting the liability of the applicant?  Yes  No
- (g) A "force majeure" limitation clause?  Yes  No

21. Has the *standard, written* contract referenced above, been reviewed and approved by legal counsel?  Yes  No

Name of Legal Counsel \_\_\_\_\_

22. When a *non-standard* contract is used, or when *deviations to the standard* contract are made, are such contracts or deviations reviewed and approved by legal counsel?  Yes  No  
 If not, who has the authority to make changes?

\_\_\_\_\_

23. Are all mid-term changes or modifications to a contract or service agreement made in writing?  Yes  No

24. Does legal counsel review and approve brochures, advertising or other similar literature describing Applicant's products/services?  Yes  No

V. SUBCONTRACTORS

25. Does the Applicant Firm use subcontractors?  Yes  No

(a)

Services Subcontracted:	Percentage of Total Revenue Subcontracted:
	%
	%
	%
	%

(b) Do all independent contractors enter into a written agreement with Applicant Firm?  Yes  No

(c) Does Applicant Firm require subcontractors to carry their own errors & omissions insurance?  Yes  No

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26. Describe the experience/qualification requirements for independent contractors or vendors:

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27. Describe how Applicant Firm monitors and manages the quality of services performed by its independent contractors or vendors.

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**VI. QUALITY CONTROLS/ RISK MANAGEMENT**

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28. Does the Applicant Firm have a disaster recovery plan?  Yes  No

If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_

29. Have any of the Applicant Firm's products or services been certified by a professional certification organization or industry association?  Yes  No

If yes, please identify those products and services and the certifying association/organization:  
\_\_\_\_\_  
\_\_\_\_\_

30. Does the Applicant Firm have any certification and/or training requirements for their professional employees?  Yes  No

If yes, please describe requirements, and identify the percent of employees that currently meet those requirements:  
\_\_\_\_\_  
\_\_\_\_\_

31. Does Applicant Firm have a document/contract retention plan?  Yes  No

If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_

32. Does Applicant Firm have formal customer complaint resolution procedures?  Yes  No  
If written, are they attached?  Yes  No

If not written, please describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

33. Does the Applicant Firm offer customer support services? If yes, please describe:  Yes  No

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34. Describe Applicant Firm's procedures for resolving disputes with clients/customers over fees or charges, should they arise:

\_\_\_\_\_

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35. Does the Applicant Firm have a formalized training program for newly hired professional employees?  Yes  No

If yes, please describe: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**VII. HISTORICAL INFORMATION**

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36. Within the past three years, has the Applicant experienced any project delays or past due contract issues with any customer?  Yes  No

If yes, please describe: \_\_\_\_\_

37. Within the last three years, have any of the Applicant's customers requested refund of their payment because of issues with Applicant's services?  Yes  No

If yes, please describe: \_\_\_\_\_

38. Within the past three years, have any of the Applicant's customers withheld payments due to contract disputes?  Yes  No

If yes, please describe: \_\_\_\_\_

39. Within the past three years, has Applicant sued any customers for non-payment of fees?  Yes  No

If yes, please describe: \_\_\_\_\_

40. Describe the types of negligent acts, incidents, circumstances or exposures which the Applicant Firm believes could result in a professional liability or errors and omissions "Claim" or expose the Applicant Firm to a professional liability or errors and omissions claim:

\_\_\_\_\_

\_\_\_\_\_

41. Have any lawsuits or "Claims" been made against the Applicant Firm, its predecessors, subsidiaries, partners, officers, or employees during the past five (5) years?  Yes  No\*\*

\*\*If YES, ATTACH THE DATE AND A DESCRIPTION OF "CLAIM(S)", AS WELL AS CURRENT LOSS INFORMATION AND "CLAIM" STATUS.

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42. Have any actions have been taken to minimize the chance of a similar "Claim"?  Yes  No

If yes, please describe:

\_\_\_\_\_

\_\_\_\_\_

43. Has the Applicant Firm or any of its principals, partners officers or directors been the subject of any disciplinary action by any governmental body or professional association within the last five (5) years?  Yes  No

44. Is Applicant Firm or its partners, officers, employees or subsidiaries aware of any actual or alleged errors, omissions, offenses or circumstances which may reasonably be expected to result in a "Claim" being made against the Applicant Firm or any proposed insured person or entity?  Yes  No

If yes, please explain:

\_\_\_\_\_

\_\_\_\_\_

45. List any similar insurance carried during the past five (5) years. If none, check here: \_\_\_\_\_ NONE

"Policy Period"	Insurance Company	Claims Made Coverage	Limit Per "Claim"/Aggregate	Deductible	Premium	"Retroactive Date"
		Yes or No	/			
		Yes or No	/			
		Yes or No	/			
		Yes or No	/			
		Yes or No	/			

46. Has any application for similar insurance, made on behalf of the Applicant Firm or any of its predecessors in business, been declined or has any such insurance ever been rescinded, canceled or been refused renewal?  Yes  No

If yes, please explain:

\_\_\_\_\_

\_\_\_\_\_

47. Coverage requested:

Limit:  \$1,000,000  \$5,000,000  \$10,000,000 Other: \_\_\_\_\_

Deductible: \_\_\_\_\_ each claim (\$10,000 minimum)

**THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY, NOR DOES IT OBLIGATE THE COMPANY TO ISSUE A POLICY OR INSURE ANY SERVICES. HOWEVER, IT IS AGREED THAT SHOULD A POLICY BE ISSUED, THIS APPLICATION WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.**

**NOTICE:**

**THE LIMIT OF LIABILITY IN THE POLICY, IF ISSUED, MAY BE REDUCED OR COMPLETELY EXHAUSTED BY "CLAIM EXPENSES." IN SUCH EVENT, THE COMPANY SHALL NOT BE LIABLE FOR ANY JUDGMENT, SETTLEMENT OR "CLAIM EXPENSES" WHICH ARE IN EXCESS OF THE LIMITS OF LIABILITY STATED ON THE DECLARATIONS PAGE OF POLICY.**

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**THE SELF INSURED RETENTION IN THE POLICY, IF ISSUED, APPLIES TO "CLAIM EXPENSES" AS WELL AS TO "DAMAGES."**

**THE UNDERSIGNED(S) CERTIFIES THAT HE/SHE IS THE DULY AUTHORIZED REPRESENTATIVE(S) OF EACH PROPOSED "INSURED" WHICH SUBMITS THIS APPLICATION TO THE STEADFAST INSURANCE COMPANY FOR A POLICY OF INSURANCE. THE STATEMENTS AND INFORMATION ABOVE AND ALL SCHEDULES AND DOCUMENTS SUBMITTED, OF WHICH THE UNDERWRITER RECEIVES NOTICE, ARE DEEMED PARTS OF THE APPLICATION (ALL OF WHICH SCHEDULES AND DOCUMENTS SHALL BE DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO), AND THE WORD "APPLICATION" REFERS TO ALL OF THE FOREGOING.**

**EACH PROPOSED "INSURED" REPRESENTS THAT THE STATEMENTS SET FORTH IN THE APPLICATION ARE TRUE AND CORRECT, AND THAT REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN INFORMATION SUFFICIENT FOR ACCURATE COMPLETION OF THIS APPLICATION. IT IS FURTHER AGREED BY EACH PROPOSED "INSURED" THAT EACH POLICY OR RENEWAL THEREOF, IF ISSUED, IS ISSUED IN RELIANCE UPON THE TRUTH OF THE REPRESENTATIONS AND INFORMATION IN THE APPLICATION.**

**EACH PROPOSED "INSURED" UNDERSTANDS AND AGREES THAT ANY INSURANCE POLICY ISSUED BY THE COMPANY SHALL BE SUBJECT TO RESCISSION IF THIS APPLICATION CONTAINS ANY MISREPRESENTATIONS OR OMISSIONS MATERIAL TO THE ACCEPTANCE OF THE RISK BY THE COMPANY.**

**IF THE INFORMATION SUPPLIED ON THIS APPLICATION OR ATTACHMENTS THERETO CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES.**

\_\_\_\_\_  
SIGNED BY AUTHORIZED OFFICER, PARTNER OR PRINCIPAL

\_\_\_\_\_  
PRINT OR TYPE NAME & TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PHONE NUMBER