

Insurance Company Professional Liability Insurance Policy Application

NOTICE: THIS IS AN APPLICATION FOR A CLAIMS-MADE AND REPORTED POLICY, WHICH SUBJECT TO ITS PROVISIONS APPLIES ONLY TO CLAIMS WHICH ARE BOTH FIRST MADE AGAINST THIS INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. DEFENSE COSTS ARE INCLUDED WITHIN THE LIMIT OF LIABILITY. THE INFORMATION CONTAINED AND STATEMENTS MADE WITHIN THIS APPLICATION ARE INCORPORATED INTO, AND WILL FORM THE BASIS OF, ANY POLICY OF INSURANCE ISSUED BY RLA INSURANCE INTERMEDIARIES, LLC. THE APPLICANT AND ALL SIGNORS OF THIS APPLICATION WARRANT THAT THE INFORMATION CONVEYED IS TRUE AND CORRECT.

Please fully answer all questions and submit requested information. Bold-faced terms are defined in the Policy and have the same meaning in the **Application**. Any information provided, whether physically attached or available on the Applicant's web site, shall be deemed incorporated into this **Application**. The **Insurer** will hold the **Application** (and all materials submitted herewith) in confidence.

A. General Information

1. **Named Insured:** _____
 Address: _____
 City: _____ State: _____ Zip Code: _____
 Website: _____
 Date of Incorporation/Formation: _____
 State of Incorporation/Formation: _____ FEIN: _____
 Nature of Business: _____

2. **Named Insured's** representative to receive notices from **Insurer**:
 Name: _____
 Title: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____
 Telephone: _____ Email address: _____

3. Number of Officers: _____ Number of Employees: _____

4. Nature of Business (check all that apply):
 Property/Casualty Life, Accident & Health Reinsurance
 Surety Other: _____

B. Coverage Requested

1. Effective Date: _____
2. Limit of Liability: \$ _____ aggregate for the **Policy Period**
3. Retention: \$ _____ each **Claim**

C. Ownership

1. What is the ownership structure of **Named Insured**?
 Stock Mutual Captive Risk Retention Group
 Other _____

2. If Stock, answer the following questions:
 a. Did the **Named Insured** convert to a stock company in the last thirty-six (36) months? Yes No

b. Number of **Named Insured's**

- (i) Common equity shares outstanding: _____
- (ii) Common equity shareholders: _____

c. Percentage of **Named Insured's** common equity shares owned directly or beneficially by all directors and officers as a group: _____%

3. If Mutual, answer the following:

a. Does the **Named Insured** intend to begin the process demutualizing within the next twelve (12) months? Yes No

If yes, please provide details on the Supplemental Information Form (S.I.F.).

D. Corporate Changes

1. Has the **Company** in the past thirty-six (36) months completed or agreed to, or does it contemplate within the next twelve (12) months, any of the following:

- a. Merger, acquisition or consolidation with another entity? Yes No
- b. Sale, distribution or divestiture of any assets or stock other than in the ordinary course of business in an amount exceeding 25% of the **Named Insured's** consolidated assets? Yes No
- c. Any registration for a public offering or private placement of securities? Yes No

If yes to any of the above, please provide details on the Supplemental Information Form (S.I.F.)

E. Financials

1. Provide the following information for the **Company**:

	Current Year (Est.)	Prior Year End	Two Years Prior
Direct Written Premium	\$	\$	\$
Net Written Premium	\$	\$	\$
Policyholder Surplus	\$	\$	\$
Net Operating Income	\$	\$	\$
Combined Ratio			
A.M. Best Rating			

2. If any **Company** has been downgraded by A.M. Best in the past thirty-six (36) months, is the outlook currently stable? Yes No

3. List the five states with the largest premium volume for the **Company** and provide the approximate Direct Written Premium (DWP) for each state along with its respective percentage of the total DWP.

State	Direct Written Premium	% of Total Direct Written Premium
	\$	
	\$	
	\$	
	\$	
	\$	

4. **Attach a breakdown (by percentage) of all lines of business written by the Company as of the most recent year end.**

5. Does the **Company** generate any premium from a Managing General Agent (MGA)? Yes No
If yes, please complete the MGA Supplement.

6. Does the **Company** plan on entering any new lines of business or significantly altering their current lines of business? Yes No
If yes, please provide details on the Supplemental Information Form (S.I.F.).

F. Professional Services

1. Indicate which of the following **Professional Service(s)** are provided by the **Company** and the revenues derived from that service(s). Complete the subsequent questions in Section VI if applicable.

		Annual Revenues
a. Claims Handling & Adjusting	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
b. Actuarial Consulting		
(i) Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
(ii) Non-Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
c. Consulting/Risk Management		
(i) Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
(ii) Non-Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
d. Personal Injury Rehabilitation Services		
(i) Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
(ii) Non-Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
e. Premium Financing		
(i) Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
(ii) Non-Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
f. Safety Engineering/Loss Control*		
(i) Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
(ii) Non-Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
g. Salvage & Subrogation		
(i) Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
(ii) Non-Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
h. Insurance Pool/Captive Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
i. Utilization Review	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
j. Third Party Administrator (TPA)*	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
k. Insurance Agency/Brokerage Operations*	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
l. Asset Management*	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
m. Financial Planning*	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
n. Investment Advisory*	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
o. Mutual Fund Operations*	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
p. Securities Broker/Dealer Operations*	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
q. Other: _____		
(i) Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
(ii) Non-Policyholders?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
r. Other: _____		

(i) Policyholders? Yes No \$ _____
(ii) Non-Policyholders? Yes No \$ _____
TOTAL REVENUES: \$ _____

***If Yes, please complete the respective Supplement(s).**

2. Claims Handling & Adjusting

a. What is the total number of claims handled by the **Company** in the:

- (i) Current Year? _____
(ii) Prior Year? _____

b. Provide the number of Claims Personnel for the current and prior year.

Type of Claims Personnel	Total Number in the Prior Year	Total Number in the Current Year	Total Number in the Field Claims Offices in the Current Year
Claims Officers, Managers, Adjusters/Examiners			
Administrative			
Other:			
Total Claim Personnel:			

c. Are there any education/experience requirements for the Claims Adjusters/Examiners? Yes No

If yes, please describe. _____

d. Is there a formal training program for the Claims Adjusters/Examiners? Yes No

e. Does the **Company** have a manual detailing all claims handling procedures? Yes No

If yes, is it distributed to all Claims Personnel? Yes No

f. If the **Company's** claims handling & adjusting process is decentralized (claims handled in both the **Company's** home office and field offices), answer the following:

- (i) What percentage of total claims is handled by the field offices? _____%
(ii) What is the total number of field offices? _____
(iii) What types of claims are NOT handled by the field offices? _____

(iv) Do any of the field offices have the authority to settle/deny claims? Yes No
If yes, please attach details (i.e. settlement threshold, authority levels, additional approvals, involvement of legal counsel, etc.) on the Supplemental Information Form (S.I.F.).

(v) How often are the field offices audited for compliance?

g. Does the **Company** use a Third Party Administrator (TPA) for outside adjustment services? Yes No

If Yes, provide a copy of a standard contract and answer the following:

- (i) What is the name(s) of the TPA(s) used? _____
(ii) What percentage of total claims is handled by the TPA? _____%
(iii) Does the TPA have authority to settle/deny claims? Yes No
If yes, please attach details (i.e. settlement threshold, authority levels, additional approvals, involvement of legal counsel, etc.) on the Supplemental Information Form (S.I.F.).

(iv) How often is the TPA audited for compliance? _____

h. Are all of the **Company's** claim files audited? Yes No
If yes, please attach a description of the audit process (i.e. how often, who performs them, are there written procedures, documentation needed, etc.) and if no, please attach an explanation for exceptions, on the Supplemental Information Form (S.I.F.).

i. Are all complaints/disputes reported to the **Company** recorded and monitored? Yes No
If yes, please attach a description of the process for resolving a complaint/dispute (i.e. are there written procedures, involvement of legal counsel, etc.) and if no, please attach an explanation for exceptions, on the Supplemental Information Form (S.I.F.).

j. Does the **Company** have established procedures in effect for the handling of claims, suits, or threats of suit against the **Insureds** alleging errors or omissions, bad faith or seeking punitive or extra contractual damages? Yes No
If yes, please answer the following:

(i) What year were these procedures first established? _____ Yes No

(ii) Have there been any changes to these procedures in the past twelve (12) months? Yes No

(iii) How often are these procedures reevaluated? _____

(iv) Who is the senior representative responsible for monitoring and assessing all such claims, suits and threats?

(a) Name: _____

(b) Title: _____

(c) Department: _____

Please provide a complete description of these procedures (including any reporting thresholds) on the Supplemental Information Form (S.I.F.).

k. Is there a separate department/unit that monitors ECO/Bad Faith matters? Yes No

3. Consulting/Risk Management

a. Describe the consulting and/or risk management services provided by the **Company**. _____

b. Does the **Company** always require written agreements when providing these services? Yes No
If no, describe the exceptions.

Attach a copy of a standard contract.

4. Insurance Pool/Captive Management

a. Does the **Company** provide any management services to an Insurance Pool(s) and/or Captive Insurance Company(ies) which in does not participate in? Yes No

If yes, provide the name(s) of the Insurance Pool(s) and/or Captive Insurance Company(ies) along with a list of the respective services provided. _____

b. Does the **Company** always require written agreements when providing these services? Yes No
If no, describe the exceptions.

Attach a copy of a standard contract.

5. Personal Injury Rehabilitation Services
- a. What is the total number of Personal Injury Rehabilitation Specialists employed? _____
- b. Does the **Company** use outside firms for these services? Yes No
 If yes, what percentage of this service is performed by outside firms? _____%
6. Premium Financing
- a. Does the **Company** uses outside firms for these services? Yes No
 If yes, what percentage of this service is performed by outside firms? _____%
- b. Describe the procedures followed by the **Company** to ensure compliance with the Fair Credit Reporting Act. _____

7. Describe the Other Professional Service(s) provided by the **Company** as indicated in question 18 above. _____

G. Reinsurance

1. Provide details on the **Named Insured's** current reinsurance that it purchases.
- a. Quota Share: _____
- b. Excess of Loss: _____
- c. Other: _____
2. Indicate if the following are addressed in the **Company's** reinsurance contracts:
- a. Punitive or Exemplary Damages: Silent Specifically included Specifically excluded
- b. Multiple Damages: Silent Specifically included Specifically excluded
- c. Extra Contractual Obligations: Silent Specifically included Specifically excluded
3. Provide the names of all Treaty Reinsurers along with their A.M. Best Rating and participation.

Name of Treaty Reinsurer	A.M. Best Rating	Reinsurance Participation

4. Has the **Company** had any disputes with their reinsurers in the last twelve (12) months regarding reinsurance recoverables? Yes No
- If yes, provide details on the Supplemental Information Form (S.I.F.).**

H. Regulatory/Compliance

1. Provide the dates of the last three (3) regulatory examinations along with the name of the examining agency:
 - a. Date: _____ Agency: _____
 - b. Date: _____ Agency: _____
 - c. Date: _____ Agency: _____

2. Has the **Company** complied with all recommendations from the last regulatory examination? Yes No
If no, please attach explanation including a copy of the most recent recommendations and management's response on the Supplemental Information Form (S.I.F.).

3. Has the **Company** ever received an order to "Cease and Desist" from any regulatory agency or entered into any type of written agreement with any regulatory agency concerning its operations? Yes No
If yes, please provide details on the Supplemental Information Form (S.I.F.).

4. Does the **Company** have an Internal Audit Department (or equivalent function)? Yes No
If yes, how many full time employees are in this department? _____

5. Does the **Company** have a Compliance Department (or equivalent function)? Yes No
If yes, how many full time employees are in this department? _____

6. Is the **Company** currently under any type of regulatory investigation or inquiry? Yes No
If yes, please provide details on the Supplemental Information Form (S.I.F.).

I. Claims Experience

1. Has any judgments, settlements, payments, claims or suits asserting bad faith seeking punitive, exemplary, multiple or extra contractual damages been made during the past five (5) years against the **Insureds** or any predecessors in business? Yes No
If yes, please attach details (i.e. date reported to the Company, the current status, description of the facts/circumstances surrounding the action, demand for damages and reserves) on the Supplemental Information Form (S.I.F.).

2. Does any person(s) or entity(ies) applying for insurance have knowledge or information of any fact, circumstance or actual or alleged act, error or omission which might give rise to a claim(s) under the proposed policy? Yes No

IT IS UNDERSTOOD AND AGREED THAT, WITHOUT LIMITING ANY RIGHTS OF THE UNDERWRITER, IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.

If yes, please provide details of such act, error or omission and an explanation of why same might give rise to a claim on the Supplemental Information Form (S.I.F.).

J. Prior Insurance

1. Does the **Company** currently have insurance company professional liability coverage? Yes No
If no, skip the questions below and answer the warranty statement that follows.
 - a. Insurer: _____
 - b. Limit of Liability: _____
 - c. Deductible(s)/Retention(s): _____
 - d. Policy Period: From _____ To _____
 - e. Pre-set allocation/co-insurance: _____
 - f. Number of years of uninterrupted coverage with current insurer: _____
 - g. First year of professional liability coverage: _____

2. Has any person(s) or entity(ies) applying for this coverage given written notice under the provisions of any prior or current professional liability coverage of any specific fact or circumstance which might give rise to a claim being made against any person(s) or entity(ies) applying for this coverage? Yes No
If yes, please provide details on the Supplemental Information Form (S.I.F.).

3. Have any insurers made any loss payments on behalf of any person(s) or entity(ies) applying for this coverage under any policy identified above or any similar insurance? Yes No
If yes, please provide details on the Supplemental Information Form (S.I.F.).

4. Has any policy or application for similar insurance on the **Company's** behalf or its predecessor(s) in business ever been declined, cancelled, rescinded or refused renewal? Yes No
If yes, please attach details (i.e. name of the insurance carrier, year and reason for such declination, cancellation, rescission or refusal to renew on the Supplemental Information Form (S.I.F.).)

K. Attachments

The following material must be attached to this signed and dated application. Please check off materials as attached.

The **Company's** most recent:

1. Annual Report to Stockholders
2. 10-K report filed with the Securities and Exchange Commission
3. Audited financial statement
4. CPA letter to management on internal controls and management's response
5. Convention statement
6. A certified copy of the provisions of the **Company's** Charter or By-Laws governing indemnification and limitation of liability of **Directors and Officers**
7. All proxy statements and notices of Annual Meetings of Stockholders within the last twelve (12) months
8. All certifications filed by any of the **Directors and Officers** with the Securities and Exchange Commission within the last twelve (12) months
9. A list of all direct and indirect **Subsidiaries** proposed for coverage including the following for each:
 - Nature of Business
 - Percentage of Ownership
 - Date Acquired or Created
 - State/Country of Incorporation

L. Warranty

The undersigned authorized owner, partner, director, or officer represents and warrants on behalf of the Named Insured and all persons/entities for whom insurance is being sought that to the best of his/her knowledge and belief after diligent inquiry, the statements set forth herein and attached hereto are true. It is understood that the statements in this Application, including material submitted to or obtained by the underwriter, are material to the acceptance of the risk, and relied upon by the underwriter. The Insureds further agree that in the event of any material misrepresentation or omission in the Application, including materials submitted to or obtained by the underwriter, this Policy shall be void.

The undersigned authorized officer of the applicant declares that the statements set forth herein are true. The undersigned agrees that if the information supplied on this **Application** changes between the date of this **Application** and the effective date of the insurance, that he/she will immediately notify the **Insurer** of such changes, and the **Insurer** may withdraw or modify any outstanding quotations or authorizations or agreements to bind the insurance.

Signing this **Application** does not bind the applicant or the **Insurer** to complete the insurance, but it is agreed that this **Application** shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the Policy.

SIGNED: _____ DATE: _____

PRINTED NAME: _____ TITLE: _____

Fraud Prevention – General Warning

NOTICE: Any person who knowingly, or knowingly assist another, files an application for insurance or claim containing any false, incomplete or misleading information for the purpose of defrauding or attempting to defraud an Insurance Company may be guilty of a crime and may be subject to criminal and civil penalties and loss of insurance benefits.

NOTICE TO ARKANSAS 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 for 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 insurance company files a statement of claim containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with 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 LOUISIANA 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 MAINE 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 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 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 civil fines and criminal 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 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.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud knowingly 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 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 conceal 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 intention to defraud includes false information in an application for insurance or file, assist or abet in the filing of a fraudulent claim to obtain payment of a loss or other benefit, or files more than one claim for the same loss or damage, commits a felony and if found guilty shall be punished for each violation with a fine of no less than five thousands dollars (\$5,000), not to exceed ten thousands dollars (\$10,000); or imprisoned for a fixed term of three (3) years, or both. If aggravating circumstances exist, the fixed jail term may be increased to a maximum of five (5) years; and if mitigating circumstances are present, the jail term may be reduced to a minimum of two (2) years.

NOTICE TO TENNESSEE 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 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 WEST VIRGINIA 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.

Supplemental Information Form (S.I.F.)

Instructions: Use this form to provide additional information or request descriptions or explanations necessary to provide a true and complete response to all questions, statements or requests for information contained in the **Application**. Please identify the number of each question or statement on the **Application** to which your responses relate. If necessary, make additional copies of this form. Please sign all forms and staple the completed forms to the **Application**.

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Date: _____

Signed: _____