



**NEW BUSINESS APPLICATION
ARCHITECTS & ENGINEERS PROFESSIONAL LIABILITY POLICY**

NOTICE: THIS IS A CLAIMS MADE POLICY. COVERAGE OF THIS POLICY IS LIMITED GENERALLY TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AND REPORTED IN WRITING TO US WHILE THE POLICY IS IN FORCE. PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE THEREUNDER WITH YOUR INSURANCE AGENT OR BROKER.

NOTICE: THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY THE AMOUNTS INCURRED FOR LEGAL DEFENSE. AMOUNTS INCURRED FOR LEGAL DEFENSE, JUDGMENTS OR SETTLEMENTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE OR SELF-INSURED RETENTION.

FIRM INFORMATION:

Name of Applicant: _____

Address: _____

Street _____

City _____ State _____ Zip Code _____

Telephone _____ Fax _____ E-mail _____

Date Established (MM/DD/YY): ____ / ____ / ____

Addresses of Branch Offices	Date Established	Percentage (%) of Applicant's Total Revenues
		%
		%
		%
		%

Firm Type: Sole Proprietorship Partnership Corporation Professional Corporation Other _____

During the past five years has the name of the Applicant been changed or has any other business been purchased or any merger or consolidation taken place? Yes No

If yes, please give full details (including dates): _____

Staff Composition	Number of Employees
Principals, Partners, Officers and Directors	
Licensed Professional Staff	
Non-Licensed Professional Staff	
Draftsmen and Other Technical Personnel	
Clerical and Accounting Employees	
Total Staff	

How many professional employees have left the Applicant in the last twelve (12) months? _____

What Professional Societies & Associations does the Applicant and their professional staff belong to?

Is the Applicant controlled or owned by any other entity or individual not employed by the Applicant? Yes No

If Yes, please provide details: _____

Does the Applicant or any of its professional staff own an interest in any other entity? Yes No

If yes, please provide the following details:

Owner Name	Amount Ownership Interest	Entity Name	Relation to Applicant	Nature of Activities	Entity's Gross Revenues in Past Year
	%				\$
	%				\$

Does the Applicant provide professional services to any of the above entities? Yes No

Does the Applicant subcontract services from any of the above entities? Yes No

Does the Applicant provide professional services on projects in which any principal, officer, director or shareholder or an immediate family member of such person retains any ownership interest in excess of 10%? Yes No

If yes, please attach a complete description of the project, identify all individuals holding an ownership interest and include their respective amount of ownership interest.

FINANCIAL INFORMATION:

Please attach a copy of the firm's past two (2) years financial statements.

Gross Revenues: Please include amount of revenues from professional services.
If there are abandoned projects please provide details and associated revenues.
Do not include direct reimbursable expense such as travel costs, meals, per diem etc.

	Fiscal Year End (MM/DD/YY)	Total Gross Revenues	Subconsultant Revenues	Separately Insured Project Revenues
Projected for Current Year	___/___/___	\$	\$	\$
Last Fiscal Year	___/___/___	\$	\$	\$
Two Years Ago	___/___/___	\$	\$	\$
Three Years Ago	___/___/___	\$	\$	\$

Estimate for Next Year	___/___/___	\$	\$	\$
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What percentage (%) of the Applicant's revenues are generated from overseas services? _____%

Please list the countries services are provided in: _____

What percentage (%) of the Applicant's revenues are generated from Technology Services? _____%
If greater than 5% please complete Technology Supplemental Application

Does the Applicant's firm collect any revenue on line or otherwise engage in any ecommerce operations?
If NO check here _____, if YES then please complete Technology Supplemental Application

Does the Applicant's firm collect private personal information?
If NO check here _____, if YES then please complete Technology Supplemental Application

PRACTICE INFORMATION:

Please provide information on the Applicant's largest projects for the past fiscal year. A Large Project Supplemental Questionnaire is attached.

Please indicate the percentage of the following disciplines of service in which the Applicant is engaged: (Total Must Equal 100%)

DISCIPLINES OF SERVICE	% REVENUES	DISCIPLINES OF SERVICE	% REVENUES
Acoustical Engineering	%	Interior Design	%
Architecture	%	Laboratory Testing (excluding soils and construction materials testing)	%
Chemical Engineering	%	Landscape Architecture	%
Civil Engineering	%	Land Surveying	%
Civil Wastewater Engineering	%	Mechanical Engineering	%
Communication Engineering	%	Mining Engineering	%
Construction/Project Management	%	Naval/Marine Engineering	%
Electrical Engineering	%	Process Engineering	%
Environmental Engineering	%	Soil/Geotechnical Engineering	%
HVAC Engineering	%	Structural Engineering	%
Illumination Engineering	%	Other (please specify)	%

Please indicate the percentage of the following services:

Feasibility studies, master plans, reports, surveys	%
Design without supervisory services	%
Design & Observation	%
Construction/Project Management: Agency	%
Construction/Project Management: At-Risk	%
Construction observation without design	%

Inspection services on existing structures or roads and highways	%
Inspections of homes/commercial properties for prospective buyers or lenders	%
Manufacture, sale or distribution of any product or process	%
Development, sale or leasing of computer software to others	%
Other (describe)	%

**Please indicate the approximate percentage of revenues derived from the following project types:
(Total Must Equal 100%)**

RESIDENTIAL	% REVENUES	INDUSTRIAL	% REVENUES
Apartments	%	Chemical / Pharmaceutical Plants	%
Condominiums	%	Mines/Quarries	%
Multi-Family - Townhouses	%	Oil Refineries/Pipelines	%
Single Family – Subdivisions	%	Power Plants/Nuclear Facilities	%
Single Family – Custom	%	Processing/Manufacturing Facilities	%
Other (describe)	%	Other (describe)	%
INSTITUTIONAL		INFRASTRUCTURE	
Churches	%	Airport Runways	%
Convalescent/Retirement Facilities	%	Bridges/Trestles	%
Correctional Facilities/Jails	%	Dams/Reservoirs	%
Courthouses	%	Marine/Offshore Facilities/Docks/Piers	%
Hospitals	%	Mass Transit Systems	%
Colleges & Universities	%	Roadways and Highways	%
Private Schools	%	Utilities	%
Public Schools: K – 12	%	Water/Wastewater Treatment Systems	%
Other (describe)	%	Other (describe)	%
GENERAL BUILDING		ENVIRONMENTAL	
Airport Terminals	%	Phase I Property Assessments	%
Libraries / Museums	%	Phase II & III Property Evaluations	%
Hotels/Motels	%	Wetland Mitigation	%
Offices	%	Asbestos Abatement	%
Parking Garages	%	Mold Abatement	%
Restaurants	%	Remediation Engineering	%
Retail/Malls/Shopping Centers	%	Waste Brokering	%
Other (describe)	%	Other (describe)	%
RECREATIONAL FACILITIES			

Amusement Parks	%	Arenas/Sports Facilities	%
Casinos	%	Convention Centers	%
Parks/ Playgrounds/Pools	%	Other (describe)	%

What percentage of the Applicant's professional services are provided using the following project delivery methods:

DELIVERY METHOD	% REVENUES
Design/Bid/Build	
Design/Build – Contractor Led	
Design/Build – Designer Led	
Fast Track (provide details)	
Engineer/Procure/Construct (EPC)	

Does the Applicant or any subsidiary, parent or otherwise related entity engage in actual construction, erection, manufacturing, fabrication or real estate development? Yes No

If yes, please give details: _____

CLIENTELE:

What percentage of the Applicant's professional services are attributable to the following types of clients:

PRIVATE SECTOR	% Revenues	PUBLIC SECTOR	% Revenues	FOREIGN	% Revenues
Contractors	%	Local Government	%	Private Owner	%
Design Professionals	%	State Government	%	Governmental	%
Developers	%	Federal Government	%	Design Professionals	%
Owners	%	Other (describe)	%	Other (describe)	%
Other (describe)	%				

What percentage of Applicants work is derived from repeat clients? _____%

Does the Applicant work with other firms in Joint Ventures? Yes No

If yes, please provide the following information:

Joint Venture Name	Project Name	Joint Venture Partners	Applicant's % Interest	Services Provided	Separately Insured
					Yes <input type="checkbox"/> No <input type="checkbox"/>
					Yes <input type="checkbox"/> No <input type="checkbox"/>

RISK MANAGEMENT:

Does the Applicant have a written in-house quality control procedure? Yes No

Does the Applicant subscribe to MASTERSPEC? Yes No

What percentage of projects incorporate specifications based upon or derived from MASTERSPEC? _____%

Do client deliverables undergo an internal peer review? Yes No
 Describe: _____

Does the Applicant perform project file audits on a routine basis? Yes No
 Describe: _____

Has the Applicant participated in a peer review program? Yes
No

If yes, please describe and provide the date(s) of the review. _____
What percentage of the Applicants professional services are performed under the following contract types:

Professional Association Contract	_____%
Firm's Standard Agreement	_____%
Firm's Letter Agreement	_____%
Client Drafted Agreement	_____%
Purchase Orders	_____%
Verbal Agreements	_____%

Are all non-standard agreements reviewed by Applicant's legal counsel or insurance broker before they are executed?
Yes No Explain: _____

What % of the Applicant's contracts include a waiver of consequential damages? _____%

What % of Applicant's contracts use limitation of liability provisions, where the firm's liability is limited to:

- A specific \$ amount which is less than your insurance limit? _____%
- A specific \$ amount equal to your insurance limit? _____%
- Other, explain: _____

Does the Applicant require a signed contract before a project number is assigned or services begin? Yes No
 Explain: _____

Does the Applicant have:

- An in-house continuing education program for professional employees? Yes No
- Procedures to evaluate and screen potential new clients? Yes No
- Procedures for monitoring and collecting outstanding fees? Yes No

Does Applicant subcontract services: Yes No

- What percentage (%) of the Applicant's subconsultants are insured for professional liability: _____%
- Type of work subcontracted? _____
- Is evidence of insurance required from consultants? Yes No
- Are certificates annually updated for each consultant? Yes No

Please describe additional risk management procedures and processes that are utilized to manage risk:

CURRENT INSURANCE INFORMATION:

Please provide a copy of the Applicants current policy and provide the following details regarding the Applicant's Architects and Engineers Professional Liability Insurance Coverage for the last five (5) years beginning with the most current year:

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

Retroactive Date: _____

Does the current policy afford first dollar defense? Yes No Shared claims expense? Yes No

Is the Applicant currently insured under a Comprehensive General Liability policy? Yes No

Insurance Company	Limits	Effective Date

TECHNOLOGY INFORMATION

For any online service Applicant operates or for any website content Applicant posts, Does Applicant have a qualified attorney review all content prior to posting? Yes No
 Do not have online service or website

If yes, does the review include screening the content for the following?
 Copyright Infringement Yes No
 Trademark Infringement Yes No
 Invasion of Privacy Yes No

Does Applicant have a policy for removing controversial material: (libelous, slanderous, etc) from Applicant's websites or any online service? Yes No N/A

Does Applicant have a policy for removing infringing material (copyright, trademark, etc) from websites or any online services? Yes No N/A

Has Applicant ever received a complaint or cease or desist concerning the content of Applicant's website, online service or any publications created or distributed by the Applicant (libelous, slanderous, copyright, trademark, etc)? Yes No N/A

If Yes, how did you respond to such complaints and in what time frame?

Computer Systems Controls
 Has the Applicant suffered any known intrusions (i.e., unauthorized access) of its Computer Systems in the most recent past twelve (12) months? Yes No N/A

If Yes, please describe such intrusions and any damage that resulted

CLAIM AND CIRCUMSTANCE INFORMATION:

Please attach a current copy of carrier loss runs for the past ten (10) years.

Have any of the Applicant's principals, partners, directors or officers ever been subject to disciplinary action by authorities as a result of their professional activities? Yes No

If yes, please provide details: _____

Has any application for Architects and Engineers Professional Liability Insurance made on behalf of the firm, any predecessors in business or present partners in a prior firm ever been declined or has the insurance ever been canceled or renewal refused? Yes No

If yes, please give details: _____

Has any claim or legal action been brought against the Applicant, its predecessor(s) or any past principal, partner, director, officer in the past ten (10) years? Yes
No

If yes, please attach details stating:

- a. Date when claim was made;
- b. Date the alleged act, error or omission giving rise to the claim was committed;
- c. Claimant and project name;
- d. Allegations / nature of the claim;
- e. Amount of damages sought;
- f. Legal expenses incurred and reserved;
- g. Damages paid and/or reserved; and
- h. Status (open / closed).

After inquiry, is the Applicant, its predecessor(s) or any other person or entity for which coverage is requested aware of any act, error, omission or circumstance (including, but not limited to any unresolved job dispute, fee disputes or accident) which may possibly result in a claim being made against them? Yes No

If yes, please attach details stating:

- a. Project name;
- b. Potential claimants;
- c. Allegations / nature of the dispute;
- d. Extent of damages or injury sustained.

Please describe all corrective action(s) the Applicant has undertaken to improve claim history:

NOTICES

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT S(HE) IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

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 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 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 CONFINMENT 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."

THE INSURER SHALL NOT OFFER AN **OPTIONAL EXTENSION PERIOD** FOR THIS POLICY IN NEW MEXICO.

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: "ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURY, 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 OREGON 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 MAY BE GUILTY OF INSURANCE FRAUD WHICH MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES, INCLUDING BUT NOT LIMITED TO FINES, DENIAL OF INSURANCE BENEFITS, CIVIL DAMAGES, CRIMINAL PROSECUTION AND CONFINEMENT IN STATE PRISONS."

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 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 TENNESSEE AND 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."

WARNING

THE UNDERSIGNED DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE SIGNING OF THIS APPLICATION DOES NOT BIND THE UNDERSIGNED TO COMPLETE THE INSURANCE. IT IS REPRESENTED THAT THE STATEMENTS CONTAINED IN THIS APPLICATION AND THE MATERIALS SUBMITTED HERewith ARE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND HAVE BEEN RELIED UPON BY THE INSURER IN ISSUING ANY POLICY. THE INSURER IS AUTHORIZED TO MAKE ANY INVESTIGATION AND INQUIRY IN CONNECTION WITH THIS APPLICATION AS IT DEEMS NECESSARY.

THIS APPLICATION AND MATERIALS SUBMITTED WITH IT SHALL BE RETAINED ON FILE WITH THE INSURER AND SHALL BE DEEMED ATTACHED TO AND BECOME PART OF THE POLICY IF ISSUED. PROVIDED, HOWEVER, THIS PARAGRAPH DOES NOT APPLY IN THE STATES OF UTAH AND WISCONSIN.

NOTE TO UTAH AND WISCONSIN RESIDENTS: ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE MADE A PART HEREOF PROVIDED THIS APPLICATION AND SUCH MATERIALS ARE ATTACHED TO THE POLICY AT THE TIME OF ITS DELIVERY.

IT IS AGREED IN THE EVENT THERE IS ANY MATERIAL CHANGE IN THE ANSWERS TO THE QUESTIONS CONTAINED IN THIS APPLICATION PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE INSURER IN WRITING AND ANY OUTSTANDING QUOTATIONS MAY BE MODIFIED OR WITHDRAWN AT THE INSURER'S DISCRETION.

NOTHING CONTAINED HEREIN OR INCORPORATED HEREIN BY REFERENCE SHALL CONSTITUTE NOTICE OF A CLAIM OR POTENTIAL CLAIM SO AS TO TRIGGER COVERAGE UNDER ANY CONTRACT OF INSURANCE.

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED, THIS STATEMENT IS INCORPORATED IN AND BECOMES A PART OF SUCH POLICY.

The undersigned authorized representative of the Applicant hereby acknowledges that he/she is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment of settlement to the extent that such exceeds the limit of liability of this policy.

The undersigned authorized representative of the Applicant hereby further acknowledges that he/she is aware that legal defense costs that are incurred shall be applied against the deductible or self-insured retention amount.

Signed: _____

Date: _____

Print Name: _____
(Owner, Partner, Authorized Officer)

Title: _____

10/3/05 - DB