



- ACE American Insurance Company
- Illinois Union Insurance Company
- Westchester Fire Insurance Company
- Westchester Surplus Lines Insurance Company

# ACE Advantage<sup>®</sup> Employed Lawyers' Professional Liability Application

**The Policy for which you are applying is written on a claims-made and reported basis. Only claims first made against the Insured and reported to the Insurer during the Policy Period are covered subject to the Policy provisions.**

**The Limits of Liability stated in the Policy are reduced, and may be exhausted, by Claims Expenses. Claims Expenses are also applied against the Retention amount, if any. If you have any questions about coverage, please discuss them with your insurance agent.**

Please answer all questions completely. If there is insufficient space to complete an answer, please continue on a separate sheet indicating the question number. This Application must be completed, signed, and dated by a president, officer, director or equivalent executive of the Company. If a Policy is issued, this Application will attach to and become part of the Policy, therefore, it is important that all questions are answered accurately. Please include all attachments referenced throughout the Application and complete any supplemental pieces referenced within the Application. *Please also attach a separate sheet as needed to fully answer any question for which there is insufficient space to do so in the application question itself.* Please type or print.

The information requested in this Application is for underwriting purposes only and does not constitute notice to the Insurer under any Policy of a Claim or potential Claim. All such notices must be submitted to the Insurer pursuant to the terms of the Policy, if and when issued.

1. **GENERAL INFORMATION**

- A. Name of Company applying for this insurance: \_\_\_\_\_
- B. Principal address: \_\_\_\_\_
- C. City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
- D. Date of incorporation: \_\_\_\_\_ State of Incorporation: \_\_\_\_\_
- E. Total number of Employed Lawyers: \_\_\_\_\_
- F. Please list the names of all attorneys employed by the Applicant and by any company controlled by the Applicant, in their capacity as such. (Attach a separate sheet if necessary.):

LAWYER'S NAME	TITLE	PRINCIPAL AREA'S OF PRACTICE

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G. Total number of staff supervised by attorneys including clerical and paralegal: \_\_\_\_\_

H. If outside legal firms are used, provide the law firms' names below as well as a description of the work referred:

NAME OF LAW FIRM	WORK REFERRED

**2. COMPANY INFORMATION**

A. Please attached a copy of the Company's latest annual report, SEC 10K, and most recent SEC Form 10Q, including the most recent available audited financial statements with all notes and schedules, and any other relevant financial materials. If the Company has made a public offering of debt or equity within the past twenty-four (24) months, please attach prospectuses.

B. If no annual report is available, please provide a general description of the business of the Company: \_\_\_\_\_

C. Company type (check all that apply):

- Public Held                     
 Privately Held                     
 For-Profit                     
 Not-For-Profit

Is the Company considering a public offering of debt or equity within the next eighteen (18) months?                       Yes  No

D. Does the Company have an indemnification policy or practice applicable to Employed Lawyers?                       Yes  No

1. If "yes", does the indemnification policy apply whether or not the Employed Lawyer is a Director or Officer of the Company?                       Yes  No

2. If an indemnification policy exists, please provide a copy of the indemnification provisions, policies or agreements.

**3. LEGAL DEPARTMENT INFORMATION**

A. Does any Employed Lawyer issue written legal opinions:

1. To the Board of Directors of the Company?                       Yes  No

2. To Outside Entities in which the Company has an equity or other interest?                       Yes  No

3. To Third Parties?                       Yes  No

4. With respect to Tax Treatment of Corporate Securities or registration statements filed with any securities commission?  Yes  No
5. Other:  Yes  No

If "yes", please describe the types of opinions issued and the recipients thereof. (Attach a separate sheet if necessary.) \_\_\_\_\_

- B. Please indicated the percentage of work performed and the number of Employed Lawyers working in each area referenced below:

TYPE OF LEGAL SERVICES PERFORMED	PERCENTAGE OF WORK	NUMBER OF LAWYERS
Contract Drafting, Review, Approval		
Copyright, Patent, Trademark		
Collection or Repossession		
Corporate Finance		
Corporate Transactional		
Environmental Compliance		
ERISA or Employee Benefits		
International Law		
Labor Relations		
Litigation		
Other Regulatory Compliance		
Moonlighting (representation of clients other than the Company)		
Pro Bono		
Real Estate		
Securities		
Taxation		
Utility Regulation		
Other: _____		
Other: _____		

- C. Do Employed Lawyers of the Company ever sign registration statements of the corporation or any affiliated company?  Yes  No
- D. Does the Company permit or require Employed Lawyers to represent the Company or other parties as an attorney of record in judicial, administrative, or other proceedings?  Yes  No

If yes, please explain in more detail the precise circumstances in which such representation occurs: (Attach a separate sheet if necessary.) \_\_\_\_\_

- E. Does the Company permit or require the legal department or any Employed Lawyer to issue legal opinions, including but not limited to tax opinions, to parties outside the corporation where such opinion is requested?  Yes  No

If yes, please explain in more detail the precise circumstances where such opinions are issued:  
(Attach a separate sheet if necessary.) \_\_\_\_\_

- F. Does any Employed Lawyer represent individual employees, directors, or officers of the Company as an attorney of record during judicial, administrative, or other proceedings?  Yes  No

If yes, please explain in more detail the precise circumstances in which such representation occurs:  
(Attach a separate sheet if necessary.) \_\_\_\_\_

- G. Does any Employed Lawyer prepare, review, comment on, or approve financial statements, proxy statements, prospectuses, registration statements, annual or quarterly reports, or other reports filed with federal or state agencies or released to shareholders or the public regarding the Company?  Yes  No

If yes, please describe the role of the Employed Lawyer(s) in such preparation, review, comment or approval. (Attach a separate sheet if necessary.) \_\_\_\_\_

- H. Does the Company wish to have coverage provided for Employed Attorney's when representing clients other than the Company otherwise known as "moonlighting"?  Yes  No

- I. Does any Employed Lawyer provide personal legal services in an individual capacity to any director, officer, or employee of the Company?  Yes  No

If yes, what types of personal legal services are provided? \_\_\_\_\_

What percentage of any such Employed Lawyer's time is devoted to the provision of such personal legal services? \_\_\_\_\_

- J. Does the Company or legal department have written policies or procedures with regard to the following:

1. Training of newly hired Employed Lawyers?  Yes  No
2. Continuing legal education for Employed Lawyers?  Yes  No
3. Circulation and updating of commonly used form documents within the legal department?  Yes  No
4. Litigation docket control within the legal department?  Yes  No
5. Preparation and approval of legal opinions to or for the use of entities other than the Company?  Yes  No
6. Employee hiring, termination, and promotion and the investigation and reporting of employee complaints under any federal, state, or local antidiscrimination statutes or regulation?  Yes  No

If "no" to any of the above, please describe any relevant unwritten policies and procedures.  
(Attach a separate sheet if necessary.) \_\_\_\_\_

K. Has any Employed Attorney been in private practice anytime within the last five years?  Yes  No

If yes, please provide full details. \_\_\_\_\_

4. **INSURANCE INFORMATION**

A. Please provide the following Employed Lawyers Liability policy information:

CURRENT & LAST 4 YEARS	PROFESSIONAL LIABILITY CARRIER	LIMITS	RETENTION	PREMIUM
Current Year				
Prior Year				
2 <sup>nd</sup> Prior Yr				
3 <sup>rd</sup> Prior Yr				
4 <sup>th</sup> Prior Yr				

B. What is the expiring policy period: \_\_\_\_\_ to \_\_\_\_\_.

C. Has any insurance been declined, cancelled or not renewed in the past five years?  Yes  No

If yes, please explain: \_\_\_\_\_

D. Limit of Liability requested:

Each Claim (Other than a Securities Claim)

- \$ 1,000,000       \$ 2,000,000       \$ 3,000,000  
 \$ 4,000,000       \$ 5,000,000       Other \$ \_\_\_\_\_

Each Securities Claim

- \$ 1,000,000       \$ 2,000,000       \$ 3,000,000  
 \$ 4,000,000       \$ 5,000,000       Other \$ \_\_\_\_\_

Aggregate

- \$ 1,000,000       \$ 2,000,000       \$ 3,000,000  
 \$ 4,000,000       \$ 5,000,000       Other \$ \_\_\_\_\_

E. Retention requested for Company:

Each Claim

- \$ 5,000       \$ 10,000       \$25,000  
 \$50,000       \$100,000       Other \$ \_\_\_\_\_

Each Securities Claim

- \$ 1,000                       \$ 2,500                       \$ 5,000  
 \$ 7,500                       \$ 10,000                       Other \$ \_\_\_\_\_

F. Does the Company carry Directors & Officer’s liability insurance?  Yes  No  
 If yes, what insurance company is the coverage placed with? \_\_\_\_\_

5. **CLAIMS EXPERIENCE**

A. After inquiry, do any of the Principals, Partners, Officers, or Employed Lawyers, have knowledge of any act, error, omission or circumstance which may give rise to a claim against any proposed insured?  Yes  No

If yes, attach full particular.

B. Have any professional liability (E&O) claims been made during the past five (5) years against the applicant or any of its past or present partners, executive officers, directors, salespersons (whether employees or independent contractors), employees or predecessors in business?  Yes  No

If yes, please describe (in the form of an attachment) the incident which caused the claim, the date it occurred, the amount of reserve or indemnity paid and the estimated expenses paid as respects the claim.

C. After inquiry, has any Employed Lawyer ever been the subject of a reprimand or disciplined by, or refused admission to, a bar association, court or administrative agency?  Yes  No

If yes, please provide the name of the Employed Lawyer and a brief explanation. \_\_\_\_\_

6. **SECURITIES (SUPPLEMENTAL SECTION)**

A. Please list securities offerings and private placements handled in the past two years:

YEAR	NAME OF INSURER	TYPE OF BUSINESS	UNDERWRITER	ACCOUNTANT	DOLLAR SIZE OF OFFERING

- B. Do you handle speculative stocks?  Yes  No
- C. Do Employed Attorney's of the company issue legal opinions with respect to registration statements filed with any securities commissions?  Yes  No
- D. Are these statements normally approved by outside counsel?  Yes  No
- E. Describe any other professional services, including investment counselor services, you render that make you liable for claims under the Securities Acts of 1933 and 1934 and the extent to which you render such services. \_\_\_\_\_
- F. Has any Employed Lawyer ever been an SEC staff member?  Yes  No  
If yes, give the name of the lawyer and the period so employed? \_\_\_\_\_
- G. Has any Employed Lawyer ever practiced before the SEC?  Yes  No  
If yes, give the name of the lawyer and the details of the practice. \_\_\_\_\_
- H. Has any Employed Lawyer ever been cautioned by the SEC or disqualified from appearing or practicing before the SEC?  Yes  No  
If yes, give details. \_\_\_\_\_
- I. Please describe in narrative form what steps are taken by the Company to satisfy the "due diligence" requirement under Section 11 of the Securities Act of 1933? \_\_\_\_\_

7. **FRAUD WARNING STATEMENTS**

**NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND AND 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.

**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 (or any supplemental application, questionnaire or similar document) containing any false, incomplete or misleading information is guilty of a felony of 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 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 MARYLAND APPLICANTS:** Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully 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 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 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 OREGON APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance or statement of claim containing any materially false information, or conceals information for the purpose of misleading, commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

**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, VIRGINIA AND 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.

**NOTICE TO ALL OTHER APPLICANTS:**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

**BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT ALL STATEMENTS MADE IN THIS APPLICATION AND ATTACHMENTS HERETO ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED OR MISREPRESENTED IN THIS APPLICATION, SUPPRESSED OR CONCEALED. THE UNDERSIGNED AGREES THAT IF AFTER THE DATE OF THIS APPLICATION AND PRIOR TO THE EFFECTIVE DATE OF ANY POLICY BASED ON THIS APPLICATION, ANY OCCURRENCE, EVENT OR OTHER CIRCUMSTANCE SHOULD RENDER ANY OF THE INFORMATION CONTAINED IN THIS APPLICATION INACCURATE OR INCOMPLETE, THEN THE UNDERSIGNED SHALL NOTIFY THE INSURER OF SUCH OCCURRENCE, EVENT OR CIRCUMSTANCE AND SHALL PROVIDE THE INSURER WITH INFORMATION THAT WOULD COMPLETE, UPDATE OR CORRECT SUCH INFORMATION. ANY OUTSTANDING QUOTATIONS MAY BE MODIFIED OR WITHDRAWN AT THE SOLE DISCRETION OF THE INSURER.**

**COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE INSURER'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED. THE APPLICANT AGREES THAT THIS APPLICATION, IF THE INSURANCE COVERAGE APPLIED FOR IS WRITTEN, SHALL BE THE BASIS OF THE CONTRACT WITH THE INSURER, AND BE DEEMED TO BE A PART OF THE POLICY TO BE ISSUED AS IF PHYSICALLY ATTACHED THERETO. THE APPLICANT HEREBY AUTHORIZES THE RELEASE OF CLAIMS INFORMATION FROM ANY PRIOR INSURERS TO ACE AMERICAN INSURANCE COMPANY, ILLINOIS UNION INSURANCE COMPANY, WESTCHESTER FIRE INSURANCE COMPANY, OR WESTCHESTER SURPLUS LINES INSURANCE COMPANY.**

This Application shall be maintained on file by the Insurer, shall be deemed attached as if physically attached to the proposed Policy, and shall be considered as incorporated into and constituting a part of the proposed Policy.

This Application must be reviewed, signed and dated by a president, officer, director or equivalent executive of the Company.

By: \_\_\_\_\_

Please Print or Type Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR FLORIDA APPLICANTS ONLY:**

Agent Name: \_\_\_\_\_

Agent License Identification Number: \_\_\_\_\_

**FOR IOWA APPLICANTS ONLY:**

Broker: \_\_\_\_\_

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

**FOR ARKANSAS, MISSOURI AND WYOMING APPLICANTS ONLY:**

**PLEASE ACKNOWLEDGE AND SIGN THE FOLLOWING DISCLOSURE TO YOUR APPLICATION FOR INSURANCE:**

**THE APPLICANT UNDERSTANDS AND ACKNOWLEDGES THAT THE POLICY FOR WHICH IT IS APPLYING CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT CLAIMS EXPENSES WILL REDUCE THE POLICY'S LIMITS OF LIABILITY AND MAY EXHAUST THEM COMPLETELY. SHOULD THAT OCCUR, THE APPLICANT SHALL BE LIABLE FOR ANY FURTHER CLAIMS EXPENSES AND DAMAGES.**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

(President, Officer, Director or equivalent)