

*Risk Management Supplement*

*Underwritten by The Hanover Insurance Company*

**CLAIMS-MADE NOTICE**

THIS IS A SUPPLEMENT FOR PROFESSIONAL LIABILITY COVERAGE WHICH IS PROVIDED ON A CLAIMS-MADE BASIS; THEREFORE, THIS POLICY PROVIDES NO COVERAGE FOR CLAIMS ARISING OUT OF WRONGFUL ACTS WHICH TOOK PLACE PRIOR TO THE RETROACTIVE DATE STATED IN THE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS ACTUALLY MADE OR INCIDENTS REPORTED AGAINST YOU WHILE THE POLICY REMAINS IN EFFECT. ALL COVERAGE UNDER THIS POLICY CEASES UPON TERMINATION OF THIS POLICY EXCEPT FOR THE AUTOMATIC EXTENDED REPORTING PERIOD OF 60 DAYS OR AN EXTENDED REPORTING PERIOD OF 12, 24 OR 36 MONTHS THAT YOU MAY CHOOSE TO PURCHASE. POTENTIAL GAPS MAY ARISE UPON EXPIRATION OF THE EXTENDED REPORTING PERIODS. DURING THE FIRST SEVERAL YEARS OF THE CLAIMS-MADE RELATIONSHIP, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES. YOU CAN EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF OVERALL RATE LEVEL INCREASES, UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY.

**CLAIM EXPENSES WITHIN LIMITS**

This Policy will be written on a claim expenses within limits basis unless otherwise endorsed. The Limit of Liability can be completely exhausted by claim expenses and we have no liability for legal defense costs or for the amount of any judgment or settlement in excess of the limits stated in your policy. Claim expenses will be applied against the deductible. Please read and review your policy carefully.

**INSTRUCTIONS**

Whenever used in this Application, the term **Firm** shall mean the **Named Insured** proposed for insurance, and **You** or **Your(s)** shall mean the persons, entities and subsidiaries, proposed for insurance unless otherwise stated.

**CONTACT INFORMATION**

1. Full Legal Name of **Firm** (include all **Firm** names, franchise affiliations, trading names and DBAs under which the **Firm** operates, including **Predecessor Firms**):

**NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.**

**CLASS 2 CODE:**

☐ **ARCHITECT 2-14013**

☐ **ENGINEER 2-14054**

☐ **INTERIOR DESIGN 2-14198**

☐ **LAND SURVEYORS 2-14078**

2. Scope of Services: *Please detail services (must equal 100%).*

- \_\_\_\_% Feasibility studies, opinions, forensic, expert witness, or reports that will not result in construction.  
 \_\_\_\_% Site Design (i.e., Conceptual Design)  
 \_\_\_\_% Surveys, including topography, boundary and construction staking.  
 \_\_\_\_% Design only with no construction phase services.  
 \_\_\_\_% Design with responsibility for periodic observation during the construction phase to ensure design compliance.  
 \_\_\_\_% Design with direct authority over construction contractors.  
 \_\_\_\_% Construction phase services without responsibility for preparing the drawings and specifications.  
 100%

3. Contract Forms:

a. How frequently does the **Firm** use: *(Must equal 100%.)*

- \_\_\_\_% Standard industry forms (national, state, local; other approved)?  
 \_\_\_\_% Non-standard forms approved by an independent authority?  
 \_\_\_\_% Purchase Order Agreements?  
 \_\_\_\_% Email Contracts or Agreements?  
 \_\_\_\_% Other non-standard forms?  
 \_\_\_\_% Verbal contracts? Please describe circumstances where verbal contracts are utilized by the **Firm**:  
 \_\_\_\_\_

- b. What percentage of the **Firm's** contracts include Limitation of Liability clauses that limit **Your** liability to \$250,000 or less? \_\_\_\_\_%

4. Internal Loss Prevention: Does the **Firm** have written procedures for:

- a. In House quality control procedures ☐Yes ☐No  
 b. Change Order procedures ☐Yes ☐No  
 c. BIM quality control procedures or guidelines ☐Yes ☐No  
 d. Green Design and sustainability quality control procedures ☐Yes ☐No  
 e. Risk Management Procedures ☐Yes ☐No  
 f. Screening/pre-qualification of clients, consultants, and contractors ☐Yes ☐No  
 g. Procedure for monitoring and collecting outstanding fees ☐Yes ☐No

5. Does the **Firm** participate in Peer Review sponsored by AIA, NSPE, or another organization? ☐Yes ☐No

6. Continuing Education:

- a. Does the **Firm** have an in-house Continuing Education Program for employees? ☐Yes ☐No  
 b. In the last twelve (12) months, what percentage of the **Firm's** licensed professionals have:  
 1) Completed six or more hours of continuing education? \_\_\_\_\_%  
 2) Attended a Risk Management Seminar? \_\_\_\_\_%

**DECLARATIONS AND NOTICE**

The undersigned, acting on behalf of the **Firm**, represents that the statements set forth in this application are true and correct and that thorough efforts were made to obtain requested information from all of **You** to facilitate the proper and accurate completion of this application.

The undersigned agree that the information provided in this application and any material submitted herewith are the

representations of all of **You** and that they are material and are the basis for issuance of the insurance **Policy** provided by **Us**. The undersigned further agree that the application and any material submitted herewith shall be considered attached to and a part of the **Policy**. Any material submitted with the application shall be maintained on file (either electronically or paper) with **Us**.

It is further agreed that:

- If any of **You** discover or become aware of any material change which would render the application inaccurate or incomplete between the date of this application and the **Policy** inception date, notice of such change will be reported in writing to **Us** as soon as practicable;
- Any **Policy** issued will be in reliance upon the truthfulness of the information provided in this application.
- The signing of this application does not bind the **Firm** to purchase insurance.

The information requested in this application is for underwriting purposes only and does not constitute notice to **Us** under any policy of a **Claim** or **Potential Claim**.

**NOTICE TO NEW YORK RESIDENTS: 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.**

SIGNATURE OF **FIRM'S** AUTHORIZED REPRESENTATIVE

Date

Signature\*\*

Title

\_\_\_\_\_  
\*\*This application must be signed by the chief executive officer, president, chief financial officer, managing partner or owner of the **Firm** acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

**A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.**

Please submit this Application including appropriate documentation to:

The Hanover Insurance Company  
333 W. Pierce Road, Suite 300  
Itasca, IL 60143