

	<b>Miscellaneous PROtect<sup>SM</sup> Professional Liability Insurance New Business Application</b>
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**IMPORTANT NOTICE**

THIS IS AN APPLICATION FOR A POLICY THAT IS WRITTEN ON A CLAIMS-MADE BASIS AND COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF EXERCISED. CLAIMS MUST BE REPORTED TO THE INSURER IN ACCORDANCE WITH THE REPORTING PROVISIONS OF THE POLICY. THE LIMITS OF LIABILITY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED BY AMOUNTS INCURRED AS DEFENSE COSTS. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE PROVIDED WITH YOUR INSURANCE AGENT OR BROKER.

BY COMPLETING THIS APPLICATION, THE APPLICANT IS APPLYING FOR COVERAGE WITH EITHER **COLONY INSURANCE COMPANY, COLONY SPECIALTY INSURANCE COMPANY** OR **PELEUS INSURANCE COMPANY**, AN AUTHORIZED SURPLUS LINES INSURER OR **ARGONAUT INSURANCE COMPANY**, A LICENSED INSURER.

**APPLICANT'S INFORMATION**

Legal Name Of Applicant:

Business Address:

City:  State:

Zip Code:

Business Phone:  Web Address:

Date Established:  Policy Effective Date:

Risk Management Contact:

Sole Proprietor  
  Partnership  
  Corporation  
  Professional Corporation  
  Franchise  
  LLC  
 Other (describe):

Please list all branch offices:

**CURRENT COVERAGE**

1.	Carrier	Policy Period	Limit	Deductible	Premium

2. Retroactive Date (Prior Acts):

Has the Applicant, predecessor in business or any person for whom coverage is requested had professional liability coverage declined, canceled, rescinded or non-renewed?  Yes  No  
*(Missouri Applicants - Do not answer this question)*

If "Yes", please provide full details (if required, please attach additional sheet).

**FIRM'S PRACTICE**

3. Provide a complete description of the Firm's operations/services.

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4. Indicate the specific types of claims or exposures for which coverage is desired, and describe procedures employed by the Firm to avoid or reduce claims.

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5. Individuals - Please list all owners, partners and officers (attach separate sheet, if necessary).

Name	Title	Years in Profession	Education/Professional Certification

6. a. Have you completed any M&A activity in last three (3) years? Yes No  
 If "Yes", please provide full details.

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b. Are any significant changes in nature or size of Applicant's Firm anticipated in next twelve (12) months? Yes No  
 If "Yes", please provide full details.

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7. Please provide the following information about the Applicant's three (3) largest clients:

Client Name	Client Industry	Services Performed	Percentage of Revenue
			%
			%
			%

**REVENUE INFORMATION**

	Previous Fiscal Year	Current Fiscal Year	Projection for Next Fiscal Year
U.S. Total Gross Revenues	\$	\$	\$
# of Employees			

9. Does the company use independent contractors and/or subcontractors? Yes No  
 If "Yes", please answer the questions below:

a. Please check which of these provisions are contained in your contracts with independent or sub-contractors:  
 Indemnification/hold harmless for their work product     Ownership of intellectual property rights

b. Does the company require independent contractors to carry professional liability insurance? Yes No

c. What percentage of revenue is derived from subcontractors?  %

**OWNERSHIP INTEREST**

10. In last five (5) years, has the Firm provided professional services to clients in which Firm, any Firm member or any related individual served as an officer, director, trustee or partner or owned an equity or financial interest?

If "Yes", provide the following information:

Client	Type of Business	Annual Fees	Positions Held	Services Rendered	Equity Percentage
		\$			%
		\$			%
		\$			%

**CLIENT RELATIONSHIP**

11. a. Please identify which of the following provisions are included in your standard contract wording:

Provision	In Favor of Applicant	In Favor of Client	Mutually Beneficial
Hold Harmless	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indemnification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limitation of Liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ownership of Intellectual Property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disclaimer of Warranties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- b. How do you manage the review and approval of client contract wording or modifications to your contract wording?

- c. How many times have you sued a client for fees in the last three (3) years?

- d. Please provide a specimen copy of contract with clients.

Attached

**RISK MANAGEMENT**

12. a. Does the Applicant have membership(s) in any Professional Organizations, Associations or Societies?  Yes  No

- b. If "Yes, please list name(s) of organization(s).

13. Has the Firm provided professional services within the past five (5) years to clients who subsequently entered into bankruptcy or receivership?  Yes  No

14. a. Does the Firm have a written quality control document?  Yes  No

- b. Does the Firm have a written system for screening and evaluating new clients?  Yes  No

If "No" to any of the above, describe the procedures and systems used (attach separate sheet, if necessary).

15. Education, Training, Management:
- a. Please attach resume of each owner, partner, and principal and professional/technical employees Attached
  - b. Do all employees (including management) attend at least one (1) educational seminar annually? Yes No
  - c. Is educational material presented and reviewed with all employees at least semi-annually? Yes No
  - d. What percentage of employees has less than two (2) years of business related experience?  %
16. a. Does your organization have a social engineering fraud risk management strategy in place, including an employee training and awareness program? Yes No
- b. Do you independently verify written, electronic or telephonic instructions to transfer, pay or deliver funds or data with call backs to senior management at previously known or designated phone number? Yes No

### CYBER AND NETWORK SECURITY

17. a. Do you buy a separate stand-alone cyber insurance policy? Yes No
- b. If "Yes", what carrier?
- c. If "Yes", what limit and deductible?
18. How many records do you store?
- |     |                      |
|-----|----------------------|
| PII | <input type="text"/> |
| PHI | <input type="text"/> |
19. a. Do you distribute corporate security policies and make sure all employees receive them? Yes No
- b. Do you train employees and re-train employees in key areas such as:
- Acceptable use of computer systems and emails? Yes No
  - Secure password policies? Yes No
20. Do you perform frequent backups and have a re-image process in place and do you test your system re-imaging and back-up process to make sure it works properly? Yes No
21. Do you have and use the following technological defenses:
- a. Encryption for all records and confidential data? Yes No
  - b. Firewalls? Yes No
  - c. Anti-virus? Yes No
  - d. Intrusion detection? Yes No
  - e. Data loss prevention? Yes No

**CLAIMS HISTORY**

If any of the below questions are "Yes", complete a Claims Supplement Application or attach a statement providing full details.

22. In last five (5) years, have any claims involving professional services ever been made against the Firm, predecessors in business or any other person for whom coverage is requested? Yes No

**NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS, DEFENSES OR REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 22 IS EXCLUDED FROM THE PROPOSED INSURANCE.**

23. Has the Firm or any predecessor Firm reported a potential claims to a professional liability insurer in the last five (5) years? Yes No

24. After inquiry, does the Firm, predecessors in business or any other person for whom coverage is requested, have knowledge of any actual or alleged act, error, omission or circumstance which may result in a claim being made against them or any other basis to reasonably anticipate a claim being made against them? Yes No

If "Yes", have you reported same to your current insurer? Yes No

**NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS, DEFENSES OR REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 24 IS EXCLUDED FROM THE PROPOSED INSURANCE.**

25. Has any member of the Firm ever been the subject of a complaint to authorities or disciplinary action as a result of the professional activities? Yes No

If "Yes", how many?

26. In the last five (5) years have you or anyone in your Firm received any complaints concerning products or services provided by you or anyone else on your behalf? Yes No

If "Yes", how many?

**FRAUD STATEMENT/SIGNATURES**

**THE FRAUD STATEMENT APPLICABLE TO YOU APPEARS ON THE FOLLOWING PAGE OF THIS INSURANCE APPLICATION. PLEASE READ IT CAREFULLY AND SIGN YOUR APPLICATION.**

**FRAUD STATEMENT****(Not applicable in the states mentioned below where a specific warning applies.)**

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 committing a fraudulent insurance act, and may be subject to a civil penalty or fine.

**Alabama**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.

**Arkansas, District of Columbia, Louisiana, Rhode Island, West Virginia**

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.

**Colorado**

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.

**Florida**

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 of the third degree.

**Kansas**

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

**Kentucky**

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.

**Maine**

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 denial of insurance benefits.

**Maryland**

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**New Jersey, New Mexico**

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.

**Ohio**

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.

**Oklahoma**

**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.

**Oregon**

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

**Pennsylvania**

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.

**Pennsylvania (Auto)**

Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.

**Tennessee, Virginia, Washington**

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.

**New York**

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.

**New York (Auto)**

Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, 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 value of the subject motor vehicle or stated claim for each violation.

<b>SIGNATURES</b>
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**DO NOT SIGN UNTIL YOU HAVE READ THE CONTENTS OF THIS APPLICATION AND THE APPLICABLE FRAUD WARNING(S).**

I have reviewed the contents of this application and with my signature, I declare to the best of my knowledge that all statements herein are true and no material facts have been suppressed or misstated. I am also aware that my operation may be inspected by the Insurance Company.

APPLICANT/NAMED INSURED	
APPLICANT/NAMED INSURED SIGNATURE	DATE

**Agent/Broker:**

Are you personally familiar with this Applicant's operations?

Yes  No

Did your office control this risk in the past year?

Yes  No

AGENT'S OR BROKER'S NAME AND ADDRESS	TELEPHONE NUMBER	LICENSE NO.
AGENT'S OR BROKER'S SIGNATURE		DATE



	<b>Miscellaneous PROtect<sup>SM</sup> Franchisors Supplemental Application</b>
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BY COMPLETING THIS APPLICATION, THE APPLICANT IS APPLYING FOR COVERAGE WITH EITHER **COLONY INSURANCE COMPANY**, **COLONY SPECIALTY INSURANCE COMPANY** OR **PELEUS INSURANCE COMPANY**, AN AUTHORIZED SURPLUS LINES INSURER OR **ARGONAUT INSURANCE COMPANY**, A LICENSED INSURER.

**INSTRUCTIONS –**

- Answer all questions. The information provided herein is considered material to our underwriting and pricing decision for the policy or additional coverage under consideration at the time this supplemental application is submitted.
- This form must be completed, dated and signed by an authorized officer of the Applicant to include this completed form as part of the Application.

1. Applicant Name (as identified in the application submitted for the proposed insurance):

2. Please provide answers to the following:

How long has the Applicant been in franchising?

How many units does the Applicant own?

What is the total number of franchised units?

What is the total number of units opened in the last year?

What is the total number of units closed in the past year?

3. Does any subsidiary of the Applicant provide services to the franchisees? Yes No  
 If "Yes", please provide full details.

4. Does the Applicant have a franchise disclosure compliance program? Yes No  
 If "Yes", please provide full details.

5. Does the Applicant have a franchise disclosure regulation or general compliance officer? Yes No  
 If "Yes", does this person have additional responsibilities? Yes No  
 If "Yes", please describe the other responsibilities.

6. Briefly describe the process for qualifying and selecting prospective franchisees.

7. Does the Applicant sell franchises utilizing salespersons who are not employed by the Applicant? Yes No  
 If "Yes", please describe sales personnel and their compensation structure.



8. Has the Applicant conducted background checks on sales personnel?  Yes  No  
 If "Yes", briefly explain the procedure.

9. Does the Applicant have programs for instructing sales personnel on legal restrictions?  Yes  No  
 If "Yes", briefly explain the procedure.

10. Describe any established procedures, precautions or safeguards the Applicant has in place with respect to resolving disputes with franchisees.

11. Provide the name of the law firm(s) (if any) which has assisted, or currently assists the Applicant with franchise contracts and/or franchise registration/disclosure matters and/or franchise disputes.

12. For each franchise sold, does the Applicant maintain records of the following information:

a.	Date of first contact?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
b.	Method of contact?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
c.	Date and place of first personal meeting?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
d.	Dates and places of subsequent contacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
e.	Identity of persons who met with franchisee and subjects discussed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
f.	Method by which franchisee learned about franchiser?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
g.	Franchise applications?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
g.	Investigative reports or tests regarding prospective franchisees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
i.	Sales related correspondence, memoranda and notes of conference?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
j.	Identity and involvement of professional advisors to franchisee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
k.	Copies of Franchise Disclosure Document(s) or offering circular(s) and contract(s) delivered, including dates of delivery?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
l.	Descriptions of any negotiations of the terms of a Franchise Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
m.	Copies of all executed agreements, including riders, addenda and exhibits?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
n.	Properly completed and signed receipts to all offering circulars, Franchise Disclosure Document(s), contracts and other disclosure materials delivered to franchisees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
o.	Date(s) any agreements were executed by each party?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
p.	Consideration and date paid?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
q.	Date(s) and place(s) training was commenced and completed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
r.	Evidence that franchisees successfully completed training?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
s.	Site selection and the Applicant's role therein?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
t.	Construction of the outlet and the Applicant's role therein?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
u.	Applicant's assistance in connection with the opening of the franchisee's business?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable

13. The following information should be attached to the submission:

Copy of the Franchise Disclosure Document or franchise offering circular and all exhibits and amendments	<input type="checkbox"/> Attached
Copies of all current state orders of registration	<input type="checkbox"/> Attached
Schedule of all current franchisees listed by state	<input type="checkbox"/> Attached
Schedule of franchisees currently in default under their franchise agreements and type of default	<input type="checkbox"/> Attached
Copy sample franchise agreement	<input type="checkbox"/> Attached
Copy of operating manual and/or similar materials	<input type="checkbox"/> Attached

**THIS SUPPLEMENTAL APPLICATION IS INCORPORATED BY REFERENCE INTO THE PRIMARY APPLICATION**

APPLICANT'S SIGNATURE	DATE
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