

YOU'RE INVITED

THE
\$SMART
SERIES

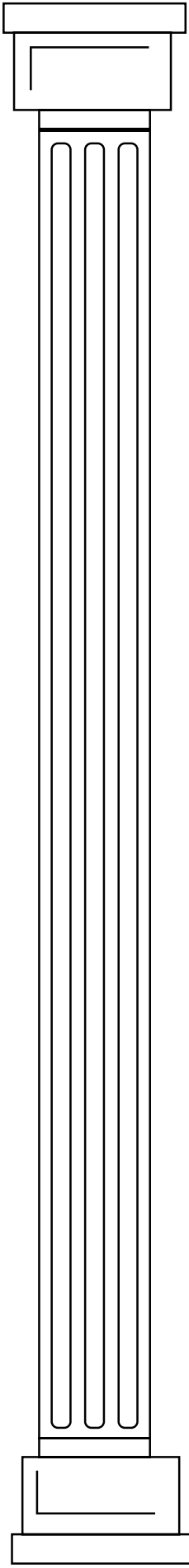
To participate in a professional
liability insurance program
designed exclusively
for

Design Professionals

presented by

FLAG INSURANCE SERVICES

A Target Capital Company



***YOU DON'T HAVE TO SEARCH THE
WORLD OVER OR EVEN SURF
THE NET FOR AN EXCEPTIONAL
PROFESSIONAL LIABILITY POLICY***

LET FLAG HELP YOU...

Oh, the times, they are a changin! Never has this saying been more true than it is today. The professional liability insurance market has changed, Now the rules are different, premiums are up, quality coverage harder to find and policies harder to place.

Flag understands the rules and has found the quality products to present to our clients.

Here is a brief overview of our policy:

Coverage Offerings include:

- Worldwide Coverage
- "A+" Rated carrier
- Innocent Insured Protection
- Reduced Deductible for Claims Resolved Through Mediation
- No Exclusion for Copyright Infringement
- Free Death or Disability Extended Claims Reporting Period
- Reimbursement of Expenses When Requested to Attend Trial

Featured Services and Client Benefits include:

- Free Contract Review Services
- Toll-Free Telephone Access to Claims Staff
- Toll-Free Advice Line
- Prompt Attention from Claims Representatives
- Individual Risk Underwriting
- Loss Control Program

Optional Coverage Offerings include:

- Defense Costs in Addition to the Limit of Liability (Limit to Limit)
- First Dollar Defense Coverage

Limits Available

- Available Policy Limits up to \$5,000,000 each claim/
\$5,000,000 Annual Aggregate

Deductibles

- Available From \$2,500 to \$50,000

With the experience of our underwriters, exceptional policy terms and the superior service of our agency makes doing business with FLAG a genuine value.

This flyer discusses topics in a broad and general manner only. It does not purport to interpret any policy wording nor imply the existence of coverage for any claim that might arise in connection with such topic under any policy of insurance.

PROFESSIONAL LIABILITY INSURANCE

APPLICATION - COVER PAGE

To make the completion of our application easier we have prepared this “application-cover page”

If any information sheet does not apply, discard it.

THE BASIC APPLICATION MUST BE COMPLETED

Basic Application	EAP EEO 2 02 02	5
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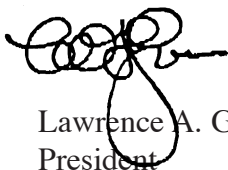
COMPLETE ONLY THOSE THAT ARE APPLICABLE

INFORMATION SHEET	Form Number	PGS.
Claim/Circumstance	EAP EEO 5 02 02	2
Joint Venture Information Sheet	EAP EEO 6 02 02	2
Design/Build Information Sheet	EAP EEO 7 02 02	2
Construction Management	EAP EEO 8 02 02	2

In addition to the above please include any other material that may have been requested or referred to. This would include a copy of your letterhead, listings of additional locations, etc.

WE SUGGEST YOU SEND A COMPLETED APPLICATION VIA MAIL, OR IF A QUOTATION IS NEEDED WITHIN 72 HOURS, YOU MAY FAX IT TO US AT 954-724-7445.

THANK YOU



Lawrence A. Galpern,
President

The background of the entire page is a grayscale, slightly blurred image of the United States flag, showing the stars and stripes.

BASIC APPLICATION



FLAG INSURANCE SERVICES

A Target Capital Company

5701 Pine Island Road • Fort Lauderdale, FL 33321



EVEREST

ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY APPLICATION

IMPORTANT NOTICE

THIS APPLICATION IS FOR A CLAIMS-MADE INSURANCE POLICY. CLAIM EXPENSES WILL REDUCE THE LIMIT OF LIABILITY. THE DEDUCTIBLE APPLIES TO BOTH DAMAGES AND CLAIM EXPENSES.

1. a. Name of Applicant/Firm: _____
- b. Principal Business Address: _____
 City: _____ County: _____ State: _____ ZIP Code: _____
 Business Phone: _____ Fax: _____ Internet address: _____
- c. **Please list all branch offices on a separate sheet and include a breakdown of the staff at each location.**
2. a. Applicant's practice is: Full-time (more than 30 hours/week) Part-time
- b. Date current firm was established: _____
- c. If the firm is less than two years old, attach a resume for the principal(s).
- d. If part-time, specify other employment: _____
3. List all pre-existing entities, including name changes, acquisitions and mergers, date of existence and nature of the change. Attach additional details if necessary. Firms that are accepted for coverage will be listed on the policy.

Name of Predecessor Firm	Dates in Existence	Nature of Change
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Total Staff (include branch offices): Indicate part-time by ½

	Officers, partners, owners	Employees
Licensed architects	_____	_____
Licensed engineers	_____	_____
Technical staff	_____	_____
Administrative staff	_____	_____

5. List professional society memberships:

<input type="checkbox"/> AIA	<input type="checkbox"/> NSPE	<input type="checkbox"/> ACEC	<input type="checkbox"/> ASLA	<input type="checkbox"/> ASCE	<input type="checkbox"/> ASME
<input type="checkbox"/> ASID	<input type="checkbox"/> ASGCA	<input type="checkbox"/> Other (please specify): _____			

6. What percentage of professional employees have participated in continuing education programs within the last two years? _____ %

7. a. Does the firm currently carry professional liability insurance? Yes No
If "yes", provide details of insurance history below:

Insurance Company	Policy Period	Limit of Liability	Deductible	Premium
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

b. Retroactive date on current policy: _____

8. Is the firm covered by any professional liability specific project policy? Yes No

If "yes", provide the name and address of project, name of insurance company and term of policy: _____

9. Does the firm carry general liability insurance? Yes No

10. Specify the services provided by the firm: (Note: Total must equal 100%)

Architecture	_____ %	Civil Engineering	_____ %
Interior Design	_____ %	Land Surveying	_____ %
Landscape Architecture	_____ %	Traffic Engineering	_____ %
Golf Course Architecture	_____ %	Communication Engineering	_____ %
Electrical Engineering	_____ %	Environmental Engineering	_____ %
Mechanical Engineering	_____ %	Structural Engineering	_____ %
HVAC Engineering	_____ %	Process Engineering	_____ %
Other (specify): _____	_____ %		

11. If the firm's practice includes fees passed through to consultants for architectural, engineering or surveying services:
a. Specify the types of services provided by consultants: _____

b. Percentage of consultants that carry professional liability insurance: _____ %

c. Consultant's fees should be specified in question 12.d.

12. Specify annual revenues:

	Second Past Fiscal Year	Last Complete Fiscal Year	Projection for Current Year
	From _____ (mo/yr) To _____	From _____ (mo/yr) To _____	From _____ (mo/yr) To _____
a. Projects insured separately	\$ _____	\$ _____	\$ _____
b. Joint Venture projects	\$ _____	\$ _____	\$ _____
c. Fees from abandoned projects	\$ _____	\$ _____	\$ _____
d. Fees passed through to consultants	\$ _____	\$ _____	\$ _____
e. Direct Reimbursables	\$ _____	\$ _____	\$ _____
f. All other professional services	\$ _____	\$ _____	\$ _____
g. ANNUAL TOTAL REVENUES	\$ _____	\$ _____	\$ _____

13. Indicate the services provided by the firm: (Note: must total 100%):

a. Feasibility studies.....	_____ %
b. Design only, no construction phase services.....	_____ %
c. Design with observation of construction.....	_____ %
d. Design with construction management services*.....	_____ %
e. Construction management without design*.....	_____ %
f. Complete responsibility for construction, including design**.....	_____ %
g. Other (specify): _____	_____ %

*Complete the Construction Management Information Sheet.

**Complete the Design/Build Information Sheet.

14. Indicate the types of projects undertaken (Note: must total 100%):

Airports	___%	Environmental Impact Statements	___%	Religious	___%
Apartments	___%	Highways/Roads	___%	Sewer/Water Lines	___%
Bridges less than 500 feet	___%	Hospitals	___%	Shopping Centers	___%
Bridges greater than 500 feet	___%	Hotels/Motels	___%	Site Development	___%
Condominiums	___%	Industrial	___%	Subdivisions/Tract Housing	___%
Convention Centers	___%	Marine/Naval	___%	Subsidized Housing	___%
Correctional Facilities	___%	Mass Transit Lines	___%	Tunnels	___%
Custom Homes	___%	Municipal Water Systems	___%	Warehouses	___%
Dams	___%	Office Buildings	___%	Wastewater Treatment	___%
Educational	___%	Parking Garages	___%		
Other (specify): _____					___%

15. Indicate the types of clients (Note: must total 100%):

Commercial	_____%	Institutional	_____%
Contractors	_____%	Lending Institutions	_____%
Design Professionals	_____%	Owners who act as builders	_____%
Developers	_____%	Other (specify): _____	_____%
Governmental	_____%		
Industrial	_____%		

16. What percentage of annual billings come from your largest single client? _____%

17. Has the firm participated in any of the following projects or services in the last 10 years?

Projects constructed outside the U.S.A.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Nuclear or Atomic	<input type="checkbox"/> Yes <input type="checkbox"/> No
Amusement Rides or Water Slides	<input type="checkbox"/> Yes <input type="checkbox"/> No	Refinery or Chemical	<input type="checkbox"/> Yes <input type="checkbox"/> No
Asbestos Testing or Abatement	<input type="checkbox"/> Yes <input type="checkbox"/> No	Phase I, II or III Site Assessments	<input type="checkbox"/> Yes <input type="checkbox"/> No
Hazardous or Toxic Waste	<input type="checkbox"/> Yes <input type="checkbox"/> No	Runways or Taxiways	<input type="checkbox"/> Yes <input type="checkbox"/> No
Laboratory Testing or Analysis	<input type="checkbox"/> Yes <input type="checkbox"/> No	Stadiums or Arenas	<input type="checkbox"/> Yes <input type="checkbox"/> No
Landfills	<input type="checkbox"/> Yes <input type="checkbox"/> No	Soils Engineering	<input type="checkbox"/> Yes <input type="checkbox"/> No
Machinery, Equipment or Product Design	<input type="checkbox"/> Yes <input type="checkbox"/> No	Superfund	<input type="checkbox"/> Yes <input type="checkbox"/> No
Mines	<input type="checkbox"/> Yes <input type="checkbox"/> No		

If "yes", please provide details of the project(s), including project named, location, client, billings, constructions values and completion date.

18. Does the firm or any enterprise financially related to the firm or its principals, partners, directors or officers engage in any of the following:

- Construction, erection, fabrication or installation..... Yes No
- Manufacture, sale or distribution of any product or process..... Yes No
- Real estate development..... Yes No

If "yes", provide full details.

19. Has the firm ever provided any professional services on projects for which the firm or a related person or enterprise has acted as a general contractor by providing or subletting construction?..... Yes No

If "yes", provide full details or complete the Design/Build Information Sheet.

20. a. Does the firm wholly or partly own, manage or control any other enterprise?..... Yes No

If "yes", provide full details.

b. Is the firm wholly or partly owned, managed or controlled by any other enterprise?..... Yes No

If "yes", provide full details.

21. Does the firm provide professional services for any client in which any member of the firm or their relatives own a financial interest or serves as an officer, director, trustee or partner?..... Yes No

If "yes", provide the name of the client, project, percentage of equity interest, nature of relationship, gross billings for the last year and type of services.

22. Has the firm participated in a Joint Venture in the last five years?..... Yes No

If "yes", please attach a Joint Venture Information Sheet or statement providing full details for each joint venture project.

23. a. Does the firm use written contracts on every project?..... Yes No

b. If "no", please indicate the percentage of projects during the last 12 months that used verbal contracts: _____% Describe circumstances under which verbal agreements are used: _____

c. What percentage of professional services are rendered under AIA or EJCDC standard forms of agreement? _____%

d. When non-standard contracts including "letter agreements" and modified AIA or EJCDC contracts are used, are they reviewed by the firm's legal counsel prior to signing?..... Yes No

24. a. Has the firm adopted a policy against suing for fees?..... Yes No

b. Please indicate the number of suits filed for the collection of fees during the last two years: _____

25. Have any claims involving professional services been made against the firm or any predecessor firm in the last ten years?..... Yes No

If "yes", complete a Claim/Circumstance Information Sheet or attach full details, including actions taken to prevent similar claims in the future.

26. Has the firm or any predecessor firm reported a potential claims to a professional liability insurer in the last five years? Yes No

If "yes", complete a Claim/Circumstance Information Sheet or attach full details.

27. After inquiry, is any member of the firm or a predecessor firm aware of any circumstance that could possibly result in a professional liability claim being made against them? Yes No

If "yes", complete a Claim/Circumstance Information Sheet or attach full details.

28. 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", please attach a statement providing full details.

29. Attach a list of the firm's five largest completed projects. Include the project name, client, location, services rendered, billings, construction values and completion date.

30. Attach a list of the firm's five largest current projects, including the details requested in question 29.

31. Please attach any literature, including government forms, brochures or descriptive information which is sent to new or prospective clients, that describes the firm's capabilities and practice.

WARNING

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. IN SOME JURISDICTIONS, INSURANCE FRAUD MAY ALSO BE SUBJECT TO CRIMINAL AND/OR (NY: SUBSTANTIAL) CIVIL PENALTIES. IN MAINE AND VIRGINIA, INSURANCE BENEFITS MAY ALSO BE DENIED.

BY SIGNING THIS APPLICATION I HEREBY AUTHORIZE THE INSURANCE COMPANY TO USE THE INFORMATION CONTAINED IN THIS APPLICATION AND IN THEIR FILES FOR THE PURPOSE OF UNDERWRITING THIS INSURANCE.

THE APPLICATION MUST BE SIGNED BY AN OWNER, PARTNER OR PRINCIPAL.

Signed _____ Date _____

(Please print name.)

Title _____

Licensed Insurance Agent _____ Lawrence A. Galpern _____

SIGNING THIS APPLICATION OR INCLUDING PREMIUM WITH ITS SUBMISSION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE.

Application must be signed and dated to be considered for quotation. A properly completed, signed and dated, original application will allow for prompt issuance of coverage should quotation be offered and accepted.

Complete and return to:

FLAG INSURANCE SERVICES
A Target Capital Company

Toll Free 800-748-3524 • Facsimile 954-724-7445
5701 Pine Island Road • Fort Lauderdale, FL 33321

INFORMATION SHEETS



FLAG INSURANCE SERVICES

A Target Capital Company

5701 Pine Island Road • Fort Lauderdale, FL 33321

INSTRUCTIONS:

This information sheet is to be completed for each claim or potential claim/circumstance which may give rise to a professional liability claim. COMPLETE ONE INFORMATION SHEET FOR EACH SUCH CLAIM OR CIRCUMSTANCE.

If space is insufficient to answer any question fully, attach a separate sheet.

1. Name of Applicant: _____

2. Name of Claimant: _____

3. Names of Additional Defendants: _____

4. Name and Address of Project: _____

5. Date Claim Made: _____

6. Indicate whether: Claim / Suit
 Potential Claim
 Counterclaim from fee dispute
 Arbitration
 Other: _____

7. Provide dates during which professional services were rendered on the project:

Beginning: _____ (mo/yr) Ending: _____ (mo/yr)

8. If claim/circumstance has been reported to a professional liability insurer, please indicate:

a. Name of carrier: _____

b. Deductible applicable to claim/circumstance: _____

c. Date claim/circumstance reported: _____

9. Provide full details of claim/circumstance including:
- a. Description of services rendered
 - b. Allegations of claim/circumstance:
 - c. Description of events leading to claim/circumstance:
 - d. Actions taken to prevent a similar claim/circumstance in the future:

10. If claim/circumstance is still OPEN, provide:

- a. Claimant's demand amount: _____
- b. Insurance Company's expense reserve: _____
Insurance Company's indemnity reserve: _____
- c. Expenses paid to date (including deductible): _____
- d. Current status:

11. If claim/circumstance is CLOSED, provide:

- a. Indemnity payment made: _____
- b. Expenses paid (including deductible): _____
- c. Date claim/circumstance closed: _____

I UNDERSTAND THAT THIS INFORMATION SHEET IS ATTACHED TO AND IS MADE PART OF THE ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY APPLICATION AND IS SUBJECT TO THE SAME REPRESENTATIONS AND CONDITIONS.

Signature of Owner, Partner or Principal _____ Date _____

(Please print name)

Title

INSTRUCTIONS:

Please complete one information sheet for each joint venture project. If space is insufficient to answer any question completely, please attach a separate sheet.

1. Name of Applicant/Firm: _____

2. General Project Information: _____
 - a. Legal Name of Joint Venture Entity: _____
 - b. Name and description of project: _____

 - c. Location of project: _____

 - d. Owner of project: _____

3. Other Joint Venture Member(s): _____
 - a. Name and location of other member firm(s): _____

 - a. Services rendered by other member(s): _____

4. Specify services sublet or subcontracted to other firms: _____

5. Total Joint Venture Construction Values: _____

6. Joint Venture billings: _____
 - a. Total Joint Venture billings: _____
 - b. Total billings to be collected by each Joint Venture member: _____
 - c. Total billings to be collected by Applicant during each of the following time periods:
Second past fiscal year: _____
Immediate past fiscal year: _____
Projection for current fiscal year: _____

7. Project Schedule:
 - a. Joint Venture contract signing date: _____

b. Design dates: Beginning: _____

Ending: _____

c. Percentage of design completed: _____

d. Construction Dates: Beginning: _____

Ending: _____

e. Percentage of Construction completed: _____

8. Has the Applicant's joint venture professional liability been insured to date? Yes No If "yes", please provide full details of coverage, including name of insurer, limit of liability, deductible and expiration date of coverage.

9. Has the other member's joint venture professional liability been insured to date? Yes No If "yes", please provide details as requested in question 8.

10. Does, has or will the applicant maintain any ownership interest in the joint venture project? Yes No If "yes", provide the percentage of ownership maintained ____%.

11. Have any claims involving professional services performed on this project ever been made against the Applicant, other Joint Venture members, predecessors in business or any other person for whom coverage is requested? Yes No If "yes", provide full details, including name of claimant, allegations of claim, date of claim, demand amount, amount paid and current status of the claim.

12. After inquiry, is the Applicant, predecessors in business or any other person for whom insurance is requested aware of any act, error, omission or circumstance which may result in a claim being made against them with respect to this project? Yes No If "yes", provide complete details and indicate if such circumstance has been reported to current or past liability carrier.

I UNDERSTAND THAT THIS INFORMATION SHEET IS ATTACHED TO AND IS MADE A PART OF THE ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY APPLICATION AND IS SUBJECT TO THE SAME REPRESENTATIONS AND CONDITIONS.

Signature of Owner, Partner or Principal _____ Date _____

(Please print name)

Title



**ARCHITECTS and ENGINEERS PROFESSIONAL LIABILITY
DESIGN/BUILD INFORMATION SHEET**

1. Name of Firm: _____

2. Design/Build contractual relationships: _____

Indicate which types of Design/Build arrangements are used by the Applicant firm:

Contractor or other entity as prime: Applicant is retained by prime entity for design services only. (If this is the only type of Design/Build commitment undertaken, this supplement is not required.)

Design firm as prime: Sign contract with owner to be single point contact for design and construction; the actual construction work is sublet to a contractor.
Number of projects in the past five years:

Design/Build entity is a shell or joint venture: Design firm and contractor create an entity which signs the contract but performs no actual services; design is sublet to design firm and construction is sublet to contractor.
Number of projects in the past five years:

Design/Build entity exists as an ongoing business enterprise; both design and construction are provided in-house.
Number of projects in the past five years:

Other (please detail)

Number of projects in the past five years:

3. Indicate the types of contracts used for Design/Build services:

Your standard contract* Professional association contract form

Client contract form* Other*

*Attach a sample of these contract forms.

4. Indicate the types of insurance purchased by the firm for Design/Build projects:

General Liability Builders Risk Surety Bond

5. Estimate the number of "fast track" projects (construction ongoing while design is being completed) in the last years.

6. Construction Values:

	<u>Second past fiscal year</u>	<u>Last complete fiscal year</u>	<u>Projection for current year</u>
Design Only:	\$ _____	\$ _____	\$ _____
Design/Build:	\$ _____	\$ _____	\$ _____
Construction Only:	\$ _____	\$ _____	\$ _____

7. List the five largest Design/Build projects in the last five years:

<u>Name of Project</u>	<u>Location</u>	<u>Type of Project</u>	<u>Construction Value</u>	<u>Completion Date</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____



**ARCHITECTS and ENGINEERS PROFESSIONAL LIABILITY
CONSTRUCTION MANAGEMENT
INFORMATION SHEET**

Name of Firm: _____

1. Estimate the number of projects in the last five years for each of the following categories: (Projects may be counted more than once.)

_____ Act as the owner's representative for overseeing construction and resolving issues on the owner's behalf.

_____ Responsibility for hiring the general contractor and/or the construction subcontractors.

_____ Responsibility for construction scheduling

_____ Responsibility for construction site safety

_____ Responsibility for construction quality

_____ Authority to stop work on the project

_____ "At risk" for construction costs

_____ "Fast track" projects (construction ongoing while design is being completed)

_____ Other construction management services (please describe):

2. Indicate the type of contracts used for Construction Management services:

Your standard contract*

Professional association contract form

Client contract form*

Other*

*Attach a sample of these contract forms.

3. Indicate the type of insurance purchased by the firm for Construction Management projects:

General Liability

Builders Risk

Surety Bond

4. Based on construction values, list the five largest Construction Management projects in the last five years:

<u>Name of Project</u>	<u>Location</u>	<u>Type of Project</u>	<u>Construction Value</u>	<u>Completion Date</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____