

# BEDFORD UNDERWRITERS, LTD.

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## APPLICATION FOR LAWYERS PROFESSIONAL LIABILITY INSURANCE (Claims Made and Reported Basis)

### APPLICANT'S INSTRUCTIONS:

1. Answer all questions. If more details are required, please attach a separate sheet.
2. Application must be signed and dated by owner, partner or officer.
3. PLEASE READ CAREFULLY THE STATEMENTS AT THE END OF THIS APPLICATION.

### 1. APPLICANT INFORMATION:

a. Full name of applicant:

b. Principal Business Address:

c. Please list any secondary locations on a separate sheet and include number of lawyers at each location.

#### COMPLETE THE INSURED SUPPLEMENT

d. (i) Number of attorneys \_\_\_\_\_ (iii) Number of clerical or support staff \_\_\_\_\_  
(ii) Number of Paralegals or law clerks \_\_\_\_\_ (iv) Other - please describe \_\_\_\_\_

e. Specify if: [ ] Partnership [ ] Corporation Year established: \_\_\_\_\_

f. (i) **Limits of Liability include Damages and Claim Expenses.**

Limits of Professional Liability Requested: \$ \_\_\_\_\_  
(Limits and Deductible in policy will govern coverage.)

(ii) **Deductible applies to Damages and Claim Expenses for each claim.**

Deductible Requested: \$ \_\_\_\_\_ Effective Date Requested: \_\_\_\_\_

### 2. BUSINESS OPERATIONS

a. List on separate attachments the names of all predecessor firms whose assets and liabilities the Firm assumed during the past 10 years, include the name(s) of the firm(s), the year established, the number of lawyers, and the location.

b. Does the firm share or lease space with any other firm or entity? [ ] Yes [ ] No  
If so, please advise of the entity' name and the specific circumstances on a separate attachment.

c. Please advise of any foreign affiliated or associated firms and provide a detailed narrative of the name of the relationship on a separate attachment.

d. Provide corporate brochure(s) and/or firm resume.

e. (i) Does any member of the Firm while rendering legal services also provide investment counselor services or provide tax opinions on tax shelters? [ ] Yes [ ] No

If yes, please describe the nature of the services provided and the types of clients to which such services are provided on separate attachment.

(ii) Does any member of the firm on behalf of its clients perform legal services involving the formation or sale of syndications or limited partnerships? [ ] Yes [ ] No

If yes, on separate attachment, describe services performed and details, including number of formed during the past two years, total dollar amount of each and the nature of the investment.

**2. BUSINESS OPERATIONS (CONTD.)**

f. Indicate the approximate percentage of gross billable dollars from practice devoted to:

Admiralty/Maritime _____%	Criminal _____%	Syndication/Development _____%
Anti-Trust/Trade Reg. _____%	Domestic Relations _____%	Securities Law*: Federal SEC _____%
Banking _____%	Entertainment _____%	State _____%
Bankruptcy _____%	Estate/Probate/Trust _____%	Private Placements _____%
BI/PI Defendants _____%	International Law _____%	Bonds _____%
BI/PI Plaintiffs: Anticipated fees per case less that \$25,000 _____%	Labor _____%	Taxation Preparation _____%
Anticipated fees per case greater than or equal to \$25,000 _____%	Litigation: Plaintiff _____%	Opinions _____%
Collection/Repossession _____%	Defense _____%	Other** _____%
Communications _____%	Municipal _____%	_____ %
Copyright/Patent/TM _____%	Oil and Gas _____%	
Corporate (general) _____%	Public Utilities _____%	
Corp. Mergers/Acquisitions _____%	Real Estate Closings _____%	<b>TOTAL INCOME: 100 %</b>
	Escrow/Title _____%	

\* Complete Securities Supplement.

\*\* Over 5% Specify.

g. Are any major changes foreseen in the percentage shown in question (f) for the current fiscal year?  Yes  No  
If yes, please provide narrative details on a separate attachment.

h. Specify the firm's total gross revenues:

Last fiscal year:	From _____ to _____	Gross Revenues	\$ _____
Estimate current fiscal year:	From _____ to _____	Gross Revenues	\$ _____

i. Is any lawyer listed in the Insured Supplement serving as a director, officer or partner of or exercising any fiduciary control over any entity other than the firm?  Yes  No  
If yes, complete the Outside Interests Supplement

**REFER TO POLICY EXCLUSIONS REGARDING THESE ACTIVITIES**

j. Other than those positions referenced in question (i), does the firm or any lawyer or employee of the firm ever invest in the business of a client?  Yes  No  
If yes, please provide on separate attachment full details of such relationship.

**REFER TO POLICY EXCLUSIONS REGARDING THESE ACTIVITIES**

k. Except as listed in question i and j, does the firm or any of its members engage in any occupation, business or profession other than the practice of law?  Yes  No  
If yes, please provide narrative details on a separate attachment.

l. (i) Are custodial accounts (i.e., money, securities and other property held on behalf of clients) audited by an independent, outside auditor?  Yes  No

(ii) Are two signatures required for all withdrawals of funds from custodial accounts?  Yes  No

m. With respect to the total of all custodial accounts other than retainer fees, what is the average dollar amount and the maximum dollar amount held or maintained on behalf of the firm's clients?

Average: \$ \_\_\_\_\_ Maximum: \$ \_\_\_\_\_

n. Does the firm maintain a fidelity bond covering all employees?  Yes  No

**2. BUSINESS OPERATIONS (CONTD.)**

o. (i) Please describe by separate attachment the firm's procedures for the acceptance of new business including conflict of interest checks and who has the authority to accept new business.

(ii) Does the firm make use of engagement letters with its new clients?  Yes  No

**3. HISTORY**

a. Over the past five years, has the Firm opened or closed any branch office or had a single loss of 25% or more of the lawyers of the Firm?  
If yes, please provide details by separate attachment.  Yes  No

b. (i) Has the firm or any predecessor firm or any lawyer listed in the Insured Supplement ever had any insurance company or Lloyd's decline, cancel, refuse to renew or accept only on special terms any professional liability insurance?  
If yes, please explain:  Yes  No

(ii) Has any lawyer listed in the Insured Supplement ever been the subject of a reprimand or disciplinary action or refused admission to the Bar?  
If yes, please explain on a separate attachment.  Yes  No

(iii) During the past seven years, has any professional liability claim or suit been made against any lawyer listed in the Insured Supplement or against the firm or any predecessor firm?  
If yes, a SUPPLEMENTAL CLAIM INFORMATION form must be completed for each claim.  Yes  No

(iv) After inquiry, does the firm or any person proposed for this insurance have knowledge of any incident, circumstance, act, error, omission or personal injury which may give rise to a claim?  
If yes, provide a complete description of each on a separate attachment. It is agreed that if there be knowledge of any such incident, circumstance, error, omission or personal injury, any claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.  Yes  No

c. Please provide a list by separate attachment of all clients that represent 5% or more of the firm's total billable dollars or contribute \$1,000,000 or more to the firm's income annually.

d. List lawyers professional liability insurance carried for each of the past five years. IF NONE, STATE NONE.

Inception	Expiration	Insurance Company	Policy No.	Limit of Liability	Deductible	Premium
From 19____	To 19____	_____	_____	_____	_____	_____
From 19____	To 19____	_____	_____	_____	_____	_____
From 19____	To 19____	_____	_____	_____	_____	_____
From 19____	To 19____	_____	_____	_____	_____	_____
From 19____	To 19____	_____	_____	_____	_____	_____

**3. HISTORY (CONTD.)**

e. Year 2000 systems problem:

- (i) Do your computer systems store a four-digit year? [ ] Yes [ ] No
- (ii) If NO, please attach a description of corrective measures taken to resolve the systems problem presented by the year 2000, including the date upon which you anticipate the problem will be solved.
- (iii) If it is computerized, have you tested your docket control software for year 2000 compliance? [ ] Yes [ ] No

NOTICE TO APPLICANT: The coverage applied for is SOLELY AS STATED IN THE POLICY, which provides coverage on a "CLAIMS MADE" basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD unless the extended reporting period option is exercised in accordance with the terms of the policy.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information or conceals, for the purpose of misleading, information concerning any fact thereto commits a fraudulent insurance act, which is subject to criminal and civil penalties.

WARRANTY: I warrant to the Insurer, that I understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Insurer evidence its acceptance of this application by issuance of a policy. I authorize the release of claim information from any prior insurer to Shand Morahan & Company, Inc., **Ten Parkway North, Deerfield, Illinois 60015.**

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Title (Officer, partner, etc.)

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

SIGNING this application does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance, but one copy of this application will be attached to the policy, if issued.

**INSURED SUPPLEMENT**

**APPLICATION FOR LAWYER'S PROFESSIONAL LIABILITY INSURANCE**

Indicate the names of all lawyers who are presently officers, partners, employed lawyers, of counsels or retired partners of the Firm and complete the requested information for each lawyer. **Please note that coverage responds only for acts performed on behalf of the firm.**

Name of Lawyers	Designation O - Officer P - Partner E - Employed Lawyers OC - Of Counsel RP - Retired Partner	Member of Management Committee or Governing Body (Yes/No)	Year Admitted to Bar	Years of Full-Time Practice	Specialty, if any	Member in Good Standing of the Following State Bar(s)

I/We understand information submitted herein becomes a part of my/our professional liability application and is subject to the same representations and conditions.

\_\_\_\_\_  
Name of Applicant\* Title

\_\_\_\_\_  
Signature of Applicant Date

**\*MUST BE SIGNED BY A MEMBER OF THE FIRM'S MANAGEMENT COMMITTEE OR GOVERNING BODY.**

**OUTSIDE INTERESTS SUPPLEMENT  
APPLICATION FOR LAWYER'S PROFESSIONAL LIABILITY INSURANCE**

FIRM: \_\_\_\_\_

Name of Lawyer	Name of Business	Position Held	Nature of Business	% of Equity Interest		Client of Applicant (Yes/No)	D&O Insurance (Yes/No)
				Individual	Firm & All Lawyers and Their Spouses and Immediate Family Members Combined		

\_\_\_\_\_  
Name of Applicant\*

\_\_\_\_\_  
Title (Officer, partner, etc.)

\_\_\_\_\_  
Signature of Applicant\*

\_\_\_\_\_  
Date

**\*MUST BE SIGNED BY A MEMBER OF THE FIRM'S MANAGEMENT COMMITTEE OR GOVERNING BODY.**

**SECURITIES SUPPLEMENT  
APPLICATION FOR LAWYER'S PROFESSIONAL LIABILITY INSURANCE**

(Complete Only if the Firm does Securities Offerings, Private Placements or Bond Work)

FIRM: \_\_\_\_\_

1. Indicate the approximate amount of billable dollars derived from securities exempt and non-exempt work including federal SEC, state securities, private placements and bonds:  
\$ \_\_\_\_\_

2. Briefly describe your SEC practice qualifications including whether any lawyers of the Firm involved in such activities have in the past been SEC staff members, practiced before the SEC or been cautioned or disqualified by the SEC. Provide narrative by separate attachment.

3. (a) Indicate by a check those procedures employed by the Firm in security (exempt and non-exempt) matters including private placements and bonds:

Investigate client _____		Check on federal reporting systems for prior criminal convictions _____
Investigate other participants _____		Court/regulatory investigation _____
Investigate other professionals _____		SEC filings filed and in order _____
Checklist _____		Check on tax opinion _____
On-site inspections _____		Render tax opinion _____
Review of corporate character _____		Check on prior injunctive actions in the SEC _____
Check on feasibility study _____		

(b) If the firm uses procedures other than those listed in 3(a) above, please describe by separate attachment.

4. Using the chart on the following page, list securities offerings (exempt and non-exempt), private placements and bond offerings handled in the past two years including the year, name of insurer, type of transaction, type of business, underwriter, accountant, dollar size of offering and party represented by Firm.

I/We understand information submitted herein becomes a part of my/our professional liability application and is subject to the same representations and conditions.

\_\_\_\_\_  
Name of Applicant\*

\_\_\_\_\_  
Title (Officer, partner, etc.)

\_\_\_\_\_  
Signature of Applicant\*

\_\_\_\_\_  
Date

**\*MUST BE SIGNED BY A MEMBER OF THE FIRM'S MANAGEMENT COMMITTEE OR GOVERNING BODY.**

<b>Year</b>	<b>Name of Issuer</b>	<b>Type of Transaction Indicate: P = Private Placement F = Federal Securities S = State Securities B = Bond</b>	<b>Indicate: Primary Offering = 1 Subsequent Offering = 2</b>	<b>Type of Business</b>	<b>Underwriter</b>	<b>Accountant</b>	<b>Dollar Size of Offering and Description of Security</b>	<b>Indicate Party Represented by Firm: *I = Insurer *U = Underwriter L = Lender IC = Insurance Co. P = Purchaser Others - specify</b>

\*Indicate by an Asterisk if acting as Bond Counsel.

## SUPPLEMENTAL CLAIM INFORMATION FOR LAWYERS PROFESSIONAL LIABILITY INSURANCE

### APPLICANT'S INSTRUCTIONS:

1. Answer all questions. If more details are required, please attach a separate sheet.
2. Application must be signed and dated by owner, partner or officer.
3. This form is to be completed by Applicant who has been involved in any claim or suit or aware of an incident which may give rise to a claim.
4. **Complete one form for each claim or incident.**
5. PLEASE READ CAREFULLY THE STATEMENTS AT THE END OF THIS APPLICATION.  
(PLEASE TYPE OR PRINT)

<b>APPLICANT INFORMATION</b>	
a.	Firm Name: _____
b.	Claimant Name: _____
c.	Name of Individual(s) at Firm Involved in Claim: _____
d.	Indicate whether: _____ Claim/Suit, or _____ Incident
e.	Date of alleged error: _____ Date of claim: _____
f.	Additional defendants: _____
g.	<b>IF CLOSED:</b> Total Loss Paid including Deductible: \$ _____ Indicate whether _____ Court judgment, or _____ Out of court settlement <b>IF PENDING:</b> Claimant's settlement demand? \$ _____ Defendant's offer for settlement? \$ _____ Insurer's loss reserve? \$ _____ Deductible? \$ _____ Is claim in Suit? [ ] Yes [ ] No If yes, Amount asked in summons? \$ _____
h.	Name of Insurer: _____
i.	Description of claim: (Provide enough information to allow evaluation, and use reverse side if additional space is required.) (i) Alleged act, error or omission upon which Claimant bases claim: _____ _____ (ii) Description of case and events: _____ _____ (iii) Description of the type and extent of injury or damage allegedly sustained: _____ _____
j.	Firm's evaluation of likelihood of liability: _____
k.	Explain what action has been taken by the firm to prevent recurrence of the same type of claim. _____
I/We understand information submitted herein becomes a part of my/our professional liability application and is subject to the same representations and conditions.	
_____	_____
Name of Applicant*	Title (Officer, partner, etc.)
_____	_____
Signature of Applicant*	Date
<b>*MUST BE SIGNED BY A MEMBER OF THE FIRM'S MANAGEMENT COMMITTEE OR GOVERNING BODY.</b>	