



8722 S. Harrison St. Sandy, UT 84070  
P.O. Box 4439 Sandy, UT 84091  
877-678-7342 • Fax 800-478-9880

## CONTRACTUAL LIABILITY

### General Information

Proposed Effective Date: \_\_\_\_\_

Applicant's Name: \_\_\_\_\_

Applicant's Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

E-Mail: \_\_\_\_\_ County: \_\_\_\_\_

Business Telephone Number: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Physical Location of Business (if different): \_\_\_\_\_

Population within 50 miles: \_\_\_\_\_

#### Other Locations Used:

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Please list any other names the business is or has been known by: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Producer No.: \_\_\_\_\_ Producer's Name: \_\_\_\_\_

Producer's E-mail: \_\_\_\_\_

Detailed description of business activities (specifically, and by location): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Is this a new business?  Yes  No If no, how many years have you been in business? \_\_\_\_\_

Applicant is:  Individual  Corporation  Partnership  Joint Venture

Other (please describe): \_\_\_\_\_

Annual Payroll: \$ \_\_\_\_\_

Total Number of Employees: \_\_\_\_\_ Full-Time: \_\_\_\_\_ Part-Time: \_\_\_\_\_

Does your company have within its staff of employees, a position whose job description deals with product liability, loss control, safety inspections, engineering, consulting, or other professional consultation advisory services?  Yes  No

If yes, please tell us:

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

E-Mail: \_\_\_\_\_ Business Telephone No.: ( ) \_\_\_\_\_

Fax: ( ) \_\_\_\_\_ Years with Company: \_\_\_\_\_

Employee's Responsibilities: \_\_\_\_\_

### 1. Insurance History

Who is your current insurance carrier (or your last if no current provider)? \_\_\_\_\_

Provide name(s) for all insurance companies that have provided Applicant insurance for the last three years:

	Coverage:	Coverage:	Coverage:
Company Name			
Expiration Date			
Annual Premium	\$	\$	\$

Has the Applicant or any predecessor or related person or entity ever had a claim?  Yes  No

Attach a five year loss/claims history, including details. (REQUIRED)

Have you had any incident, event, occurrence, loss, or Wrongful Act which might give rise to a Claim covered by this Policy, prior to the inception of this Policy?

Yes  No

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

Has the Applicant, or anyone on the Applicant's behalf, attempted to place this risk in standard markets?

Yes  No

If the standard markets are declining placement, please explain why: \_\_\_\_\_  
 \_\_\_\_\_

**2. Desired Insurance**

**Limit of Liability:**

Per Act/Aggregate

OR

Per Person/Per Act/Aggregate

<input type="radio"/>	\$50,000/\$100,000	<input type="radio"/>	\$25,000/\$50,000/\$100,000
<input type="radio"/>	\$150,000/\$300,000	<input type="radio"/>	\$75,000/\$150,000/\$300,000
<input type="radio"/>	\$250,000/\$1,000,000	<input type="radio"/>	\$100,000/\$250,000/\$1,000,000
<input type="radio"/>	\$500,000/\$1,000,000	<input type="radio"/>	\$250,000/\$500,000/\$1,000,000
<input type="radio"/>	Other: _____	<input type="radio"/>	Other: _____

**Self-Insured Retention (SIR):**  \$1,000 (Minimum)  \$1,500  \$2,500  \$5,000  \$10,000

**3. Business Activities**

- Incorporated in the state of: \_\_\_\_\_
- Federal Tax ID #: \_\_\_\_\_
- Public or closely held corporation: \_\_\_\_\_
- Nature of contractual liability assumed: \_\_\_\_\_
- Number of contracts issued annually: \_\_\_\_\_
- Means of distribution of contracts: \_\_\_\_\_
- Commission or other compensation paid for distribution, as a percentage of revenue: \_\_\_\_\_
- Term of contract: \_\_\_\_\_ Term of obligation: \_\_\_\_\_ Cost: \$ \_\_\_\_\_
- Is this contract subject to the provisions of the Uniform Consumer Credit Code? \_\_\_\_\_
- Is this contract covered by the Moss-Magnuson Act? \_\_\_\_\_
- Number of dealers, installers, etc.: \_\_\_\_\_

12. Years of operation: \_\_\_\_\_

13. Annual revenue from contracts: \_\_\_\_\_

List the key personnel and their function in your operation responsible for discharging the contractual liability assumed:

Name	Function	Location	Years in Business
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Geographic Operation:**

14.  National  Regional (specify): \_\_\_\_\_  Other (specify): \_\_\_\_\_

15. Background / Experience of Executive Officers:

a. Has an officer or director of the Applicant been charged with a crime other than a minor traffic offense?  Yes  No

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

b. Has an officer or director of the Applicant filed under Chapter 7 or Chapter 11 of the Federal Bankruptcy Code?  Yes  No

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

c. Has an officer or director of the applicant been sued in a civil complaint for breach of fiduciary obligation, misappropriation, or fraud?  Yes  No

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

d. Has any officer or director had a professional license issued by any state or accrediting body revoked, suspended, non-renewed, or surrendered for any cause?  Yes  No

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

e. Has any officer or director had a claim made on a fidelity bond in any capacity?  Yes  No

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

16. Describe expected claims pay out rate as a percentage of gross revenue over the next four quarters:

1<sup>st</sup> \_\_\_\_\_ 2<sup>nd</sup> \_\_\_\_\_ 3<sup>rd</sup> \_\_\_\_\_ 4<sup>th</sup> \_\_\_\_\_

17. Describe distribution costs as a percentage of gross revenue: \_\_\_\_\_

\_\_\_\_\_

18. Describe general and administrative costs as a percentage of gross: \_\_\_\_\_

\_\_\_\_\_

19. Describe reserves expected to secure future claims payment performance as a percentage of gross revenue:

\_\_\_\_\_

\_\_\_\_\_

20. Mediation or arbitration provision included in contract established contractual liability: \_\_\_\_\_

\_\_\_\_\_

## Attachments

21. Contract enclosed as Appendix # \_\_\_\_\_
22. Any supplemental contracts (i.e. dealer, installers, etc.) which affect the risk enclosed as Appendix #: \_\_\_\_\_
23. Financial statement for most recent quarter enclosed as Appendix #: \_\_\_\_\_

### **REPRESENTATIONS AND WARRANTIES**

The "Applicant" is the party to be named as the "Insured" in any insuring contract if issued. By signing this Application, the Applicant for insurance hereby represents and warrants that the information provided in the Application, together with all supplemental information and documents provided in conjunction with the Application, is true, correct, inclusive of all relevant and material information necessary for the Insurer to accurately and completely assess the Application, and is not misleading in any way. The Applicant further represents that the Applicant understands and agrees as follows: (i) the Insurer can and will rely upon the Application and supplemental information provided by the Applicant, and any other relevant information, to assess the Applicant's request for insurance coverage and to quote and potentially bind, price, and provide coverage; (ii) the Application and all supplemental information and documents provided in conjunction with the Application are warranties that will become a part of any coverage contract that may be issued; (iii) the submission of an Application or the payment of any premium does not obligate the Insurer to quote, bind, or provide insurance coverage; and (iv) in the event the Applicant has or does provide any false, misleading, or incomplete information in conjunction with the Application, any coverage provided will be deemed void from initial issuance.

The Applicant hereby authorizes the Insurer and its agents to gather any additional information the Insurer deems necessary to process the Application for quoting, binding, pricing, and providing insurance coverage including, but not limited to, gathering information from federal, state, and industry regulatory authorities, insurers, creditors, customers, financial institutions, and credit rating agencies. The Insurer has no obligation to gather any information nor verify any information received from the Applicant or any other person or entity. The Applicant expressly authorizes the release of information regarding the Applicant's losses, financial information, or any regulatory compliance issues to this Insurer in conjunction with consideration of the Application.

The Applicant further represents that the Applicant understands and agrees the Insurer may: (i) present a quote with a Sub-limit of liability for certain exposures, (ii) quote certain coverages with certain activities, events, services, or waivers excluded from the quote, and (iii) offer several optional quotes for consideration by the Applicant for insurance coverage. In the event coverage is offered, such coverage will not become effective until the Insurer's accounting office receives the required premium payment.

The Applicant agrees that the Insurer and any party from whom the Insurer may request information in conjunction with the Application may treat the Applicant's facsimile signature on the Application as an original signature for all purposes.

The Applicant acknowledges that under any insuring contract issued, the following provisions will apply:

1. A single Accident, or the accumulation of more than one Accident during the Policy Period, may cause the per Accident Limit and/or the annual aggregate maximum Limit of Liability to be exhausted, at which time the Insured will have no further benefits under the Policy.
2. The Insured may request the Insurer to reinstate the original Limit of Liability for the remainder of the Policy period for an additional coverage charge, as may be calculated and offered by the Insurer. The Insurer is under no obligation to accept the Insured's request.
3. The Applicant understands and agrees that the Insurer has no obligation to notify the Insured of the possibility that the maximum Limit of Liability may be exhausted by any Accident or combination of Accidents that may occur during the Policy Period. The Insured must determine if additional coverage should be purchased. The Insurer is expressly not obligated to make a determination about additional coverage, nor advise the Insured concerning additional coverage.

4. The Insurer is herein released and relieved from any and all responsibility to notify the Insured of the possible reduction in any applicable Limit of Liability. The Insured herein assumes the sole and individual responsibility to evaluate, consider, and initiate a request for additional coverage or reinstatement of the annual aggregate Limit of Liability which may be exhausted by any single Accident or combination of Accidents during the Policy Period.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Applicant:

Agent/Broker:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name