Dear ASME Member:

Thank you for your interest in ASME-endorsed Professional Liability Insurance Plan.

We have great news to share with you! The licensing requirement as noted in question 1.e. has been eased. Your license number would only be required if your state requires that you have a PE license for the work you perform.

ASME members enjoy the following benefits of coverage:

- Ideal protection for firms or self-employed individuals
- Licensing board defense coverage
- Expert legal counsel to represent you
- Negotiated members-only rates
- Premium financing to help balance budgets

Should you have any questions, please call our office toll-free at 1-800-640-7637.

Sincerely,

Curtis Moore
Administrator, ASME Insurance Program

Mercer Consumer, a service of Mercer Health & Benefits Administration LLC
In CA d/b/a Mercer Health & Benefits Insurance Services LLC
AR Ins. Lic. #303439
CA Ins. Lic. #OG39709
(This is an application for a Claims-Made Policy.)

NOTE: PLEASE REVIEW A SPECIMEN POLICY FOR POLICY PROVISIONS.
The limits of liability stated in the policy are reduced by costs, charges and expenses.
Costs, charges and expenses also may be applied against your deductible, if applicable to the claim.

Name ____________________________________________
Entity Name ____________________________
Address __________________________________________
City, State ZIP ________________________________

Phone No. (_________)
Fax No. (_________)
Email address ____________________________________

(We will use email for corresponding unless otherwise requested.)

1. A. Legal Entity (please check one): ☐ Individual ☐ Professional Corporation ☐ Corporation ☐ Partnership ☐ LLP/LLC
   B. Practice Status: ☐ Fully Self-Employed ☐ Employed with Self-Employed Activities
   C. Entity name (if applicable) ____________________________________________
   D. Year established ____________________________
   E. List each engineer in your firm below:

<table>
<thead>
<tr>
<th>Name</th>
<th>ASME Membership ID No.</th>
<th>Year first licensed as an engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(required for acceptance)</td>
<td>(if applicable)</td>
</tr>
</tbody>
</table>

F. Indicate the size of your staff (list each individual only once):

- Principals, Partners, Officers and Directors
- Engineers (other than Principals)
- Other Technical Staff (describe position)
- Clerical
- TOTAL

2. A. Please select the limits of liability for which you would like a quotation:
   ☐ $100,000 each claim/$300,000 annual aggregate
   ☐ $250,000 each claim/$500,000 annual aggregate
   ☐ $500,000 each claim/$500,000 annual aggregate
   ☐ $1,000,000 each claim/$1,000,000 annual aggregate
   B. ☐ Check if you would like to purchase an additional limit equal to 50% of the limit selected in 2A to apply to defense costs only.

3. A. Please provide your actual gross billings for the past 12 months $ ________________
   B. Please provide an estimate of your gross billings for the next 12 months $ ________________

   “Annual Gross Billings” is defined as all amounts billed for engineering services, including incidental charges, and subcontractor billings excluding direct reimbursable expenses.

4. In the past five years, have your annual gross billings ever exceeded your answer in question 3A by 50% or more?
   ☐ Yes ☐ No If “Yes,” please provide on a separate sheet your annual gross billings for each of the past five years and an explanation of what caused the fluctuation in your gross billings.

5. Requested effective date ________________________________

(over, please)
6. Please describe in detail the specific nature of your practice (including types of projects): 


7. In which of the following areas do you or your firm practice?  
A. Please indicate the approximate percentages of your annual or anticipated total gross billings derived for each project type. 

<table>
<thead>
<tr>
<th>AREA</th>
<th>% of Annual Gross Billings</th>
<th>AREA</th>
<th>% of Annual Gross Billings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plumbing</td>
<td></td>
<td>Environmental (Study/Audit/Remediation)</td>
<td></td>
</tr>
<tr>
<td>Fire Protection</td>
<td></td>
<td>Asbestos (Study/Audit/Remediation)</td>
<td></td>
</tr>
<tr>
<td>Hydraulic/Pneumatic</td>
<td></td>
<td>Machinery Design/Product Design*</td>
<td></td>
</tr>
<tr>
<td>Lubrication</td>
<td></td>
<td>Refrigeration Systems</td>
<td></td>
</tr>
<tr>
<td>HVAC Engineering</td>
<td></td>
<td>Petro/Chemical</td>
<td></td>
</tr>
<tr>
<td>Process Engineering*</td>
<td></td>
<td>Amusement Ride/Ski Lift</td>
<td></td>
</tr>
<tr>
<td>Test/Labs*</td>
<td></td>
<td>Nuclear/Atomic</td>
<td></td>
</tr>
<tr>
<td>Construction Management</td>
<td></td>
<td>Expert Witness</td>
<td></td>
</tr>
<tr>
<td>Other design, engineering and/or consulting</td>
<td></td>
<td>Forensic</td>
<td></td>
</tr>
<tr>
<td>Services performed by your firm (describe)</td>
<td></td>
<td>Total = 100 %</td>
<td></td>
</tr>
</tbody>
</table>

*Please describe in detail by separate attachment including the size and type of project(s). If Machinery Design/Product Design, describe the end use and potential users.

B. Percentage of gross billings derived from the following areas:

- Commercial
- Condominiums**
- Residential
- Industrial
- Governmental

**Please provide a detailed description of each condominium project completed in the last five years and confirm if this work is generally consistent with anticipated future projects. Include street address or complex name, nature of engineering services, size of project, month/year that services were performed, number of units and fees billed.

8. A. Please provide the following information regarding the three largest projects you participated in during the past five years and indicate if such services were performed for an employer (E) or as a self-employed engineer (SE):

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Services Performed</th>
<th>Date Services Performed</th>
<th>Your Total Gross Billings</th>
<th>Estimated Total Construction Costs</th>
<th>E or SE</th>
</tr>
</thead>
</table>

B. Are the projects listed above consistent with the type of projects anticipated for the future?  

- Yes
- No

If “No,” please explain:

9. Please check “Yes” or “No” for all risk management practices that you adhere to in your self-employed engineering practice or would adhere to should the situation apply. Please explain any “No” responses on a separate sheet of paper.

- A. Do you consistently exceed the minimum number of continuing education hours required in your state?  
- B. Do you use written scope of service letters for all projects exceeding $500 in billable fees?  
- C. Do you conduct construction phase inspections on plans and designs to ensure intent of use?  
- D. Do you make use of limitation of liability clauses in your written agreements?  
- E. Do you use written status memos over the course of the project?  
- F. Do you investigate the work experience of other professionals and contractors to identify the potential for problems?  
- G. Do you require that other professionals on the project carry comparable professional liability insurance?  
- H. Do you maintain written quality-control procedures, including secondary design review?  

Please explain:

- Are all appropriate staff members familiar with them?

(next page, please)
10. Please answer the following questions. If the answer to any question is "Yes," please provide the question number and full details, including percentage of revenues from the activity, on a separate sheet of paper.

A. Do you perform any services outside the U.S.? ................................................................. YES NO
B. Are you involved in actual construction, fabrication, erection, design/build or supplying of construction materials? ......
C. Are you involved in the development, investment, sale or marketing of real estate? .................................................................
D. Do you subcontract work to others? ......................................................................................
If "Yes," do you require all subcontractors to carry insurance to cover the services they perform? .................................................................
E. Do you provide ground testing or geotechnical services? .................................................................
F. Do you manufacture, sell, lease or distribute any product or process? .................................................................
G. Are you employed elsewhere in addition to your self-employed or small-firm operations? .................................................................
H. Do you perform inspections of residential or commercial property in conjunction with the sale, transfer or financing of the property? ......................................................................................
I. Have you been involved in any project involving the integration of embedded chips or any type of computer hardware or software? ......................................................................................
J. Have you experienced any failure or inability of any computer or electronic device or component or system or embedded programming or software to correctly assign or recognize the correct day, week, month, year or century? ......................................................................................
K. Are you owned by or do you own any other firm? ......................................................................................
If so, do you render professional services to the firm? ......................................................................................
L. Have you been involved in any project involving the integration of embedded chips or any type of computer hardware or software? ......................................................................................
M. Have you or members of your firm had your license revoked or received suspension from a governmental or professional society? ......................................................................................
N. Do you develop, sell or lease computer software to others? ......................................................................................

If "Yes," please provide full details on a separate sheet of paper.

Have you performed any of the following activities or services during the past five years? 

- Asbestos; asbestos-related surveys, inspections or abatement
- Soil and groundwater testing/monitoring/evaluation, analysis
- Environmental assessments or audits, including Phase I and Phase II site assessments/investigations
- Groundwater monitoring
- Environmental site assessments or audits, including Phase I and Phase II site assessments/investigations
- Preparation of environmental impact statements or other environmental impact assessments
- Superfund Response or Hazardous Substance Removal
- Remediation of hazardous substance spills
- Bioremediation
- Remediation of asbestos-related activities
- Site selection
- Hazardous waste site assessment/design/operations
- Environmental compliance permits and/or enforcement
- Site remediation
- Other activities or services directly related to the treatment, storage or disposal of hazardous substances

11. A. Has the applicant, or an independent contractor hired by the applicant, accepted jobs involving known hazardous materials?* ......................................................................................
If you answered "Yes" to either question, please provide a narrative description including the date (year) of service, nature of hazardous material, type of project, fees earned and nature of services provided. Include a sample copy of an engagement letter/scope of service letter or contract used for these types of jobs.

*Engineering services that could involve hazardous materials or pollutants include but are not limited to: underground storage tank removal, assessment or remediation; sanitary landfill design; closure of existing sanitary landfills; asbestos sampling; testing or abatement; chemical piping and process design; preparation of environmental site assessments or audits, including Phase I and Phase II assessments/investigations; groundwater testing/monitoring/evaluation, analysis; laboratory testing/analysis for pollutants; air emission control systems designed solely for controlling pollutants; site selection evaluation for pollution-related projects; hazardous or toxic waste site design or remediation; lead paint sampling, testing or abatement; air quality assessments/testing; environmental education; water pollution control; or nuclear-related projects.

12. A. Has any application or policy of yours or your firm's for professional liability insurance ever been declined, canceled or refused renewal? (Please provide details on a separate sheet of paper.) ......................................................................................
B. Have you or members of your firm had your license revoked or received suspension from a governmental or professional society during the past five years? (Please provide details on a separate sheet of paper.) ......................................................................................
C. Have any claims been made or legal actions been brought against you or your firm in the past five years? ......................................................................................
D. After inquiry of firm members, is anyone aware of any circumstances that may result in a claim being made against the firm or any individual? ......................................................................................

"If "Yes," complete the Claim Information Supplement form for each claim and/or circumstance.
(If more than one claim, please copy this form.)

(next page, please)
13. A. List Engineers Professional Liability Insurance carried by you or your firm for the past two years. If none, state “none.”

<table>
<thead>
<tr>
<th>Inception from Mo-Day-Yr</th>
<th>Expiration to Mo-Day-Yr</th>
<th>Insurance Company</th>
<th>Premium</th>
<th>Limit of Liability</th>
<th>Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>

B. Please provide your policy’s current retroactive date __________________________. If none, state “none.”

C. What was the date that you/your firm first purchased claims-made professional liability coverage and have continuously maintained the coverage since __________________________. If not applicable, please check: ☐ N/A

D. If currently insured, please submit a copy of your current declarations page with your completed application.

14. I am aware that the policy for which I am applying provides no coverage for work performed on behalf of any employer other than the entity named in question 1.C. ...............................................................

15. Please provide your website address, a copy of your current résumé, letterhead and typical advertising/sales/marketing brochures used by you or your firm.

NOTICE TO APPLICANT
I/we hereby declare that the above statements and particulars are true to the best of my/our knowledge and that I/we have not suppressed or misstated any material facts and I/we agree that this application shall be the basis of the contract, and shall be attached thereto. I/we hereby authorize the release of claim information from the Underwriters.

I understand and accept that the policy applied for provides coverage on a “claims-made” basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AND REPORTED TO THE UNDERWRITER DURING THE POLICY PERIOD FOR ACTS THAT OCCUR AFTER THE POLICY’S RETROACTIVE DATE AND PRIOR TO THE EXPIRATION DATE OF THE POLICY.

Signature of Owner, Officer or Partner* (TITLE) X Date X

*Signing this form and tendering premium does not bind the applicant or the Underwriters to complete the insurance. Application must be currently signed and dated to be considered for quotation.

Sign, date and mail your application to: ASME Insurance Plans, P.O. Box 8146, Des Moines, IA 50306-8146.

IF QUESTIONS — CALL TOLL-FREE 1-800-640-7637.

Underwritten by: Certain Underwriters at Lloyd’s of London
Administered by: Mercer Consumer, a service of Mercer Health & Benefits Administration LLC

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CLAIM INFORMATION SUPPLEMENT

Complete this supplement if any claims have been made or legal actions have been brought against you or your firm in the past five years (if renewal, within the last year), or if you or any member of your firm are aware of any circumstance that may result in a claim being made against the firm or any individual. COMPLETE ONE FORM FOR EACH CLAIM OR INCIDENT.

1. Full name of party making claim (claimant): __________________________________________________________

2. Role of claimant (e.g., owner, contractor, etc.) ______________________________________________________

3. Indicate whether _____ claim _____ lawsuit _____ incident only

4. Date of alleged error: _________________________________________________________________________

5. Date claim reported to you: _____________________________________________________________________

6. Description of claim/incident:
   A. Alleged act, error or omission upon which claimant bases claim:
      ________________________________________________________________
      ________________________________________________________________

   B. Description of events leading to claim:
      __________________________________________________________________
      __________________________________________________________________

7. Amount of damages claimed: ___________________________________________________________________

8. Additional defendants: _________________________________________________________________________

9. Name of insurer: ____________________________________________________________________________

10. **If closed:**
    Total deductible paid: $________________
    Indicate total loss paid in excess of the deductible: $________________
    Indicate total defense expenses paid in excess of the deductible: $________________

11. **If Pending:**
    Claimant’s Settlement demand: $________________
    If suit filed, amount asked in complaint: $________________
    Insurer’s loss reserve: $________________
    Defense expenses to date: $________________

11. Explain what action has been taken to prevent a recurrence of similar claim:
    _______________________________________________________________________________________
    _______________________________________________________________________________________

The undersigned represents that the statements set forth herein are true, complete and accurate and that there has been no attempt at suppression or misstatement of any material facts known, and agrees that this application shall become the basis of any coverage and a part of any policy that may be issued by the Underwriters.

__
Signature (Owner, Officer or Partner)

Applicant/Firm Name (Please Print) ________________________________

Date ____________

AIF 2332 CS (12/97)