

IEEE MEMBER TOOLKIT



Professional Liability & Today's Technology Professional:

What Are the Real-World Risks and Challenges?

- > Which common day-to-day activity puts you at risk of being sued?
See page 3
- > Which type of projects most often lead to lawsuits against technology professionals? *See page 7*
- > What's one of the biggest keys to help prevent a client from suing you?
See page 5
- > Which two warning signs predict that accepting a new project may get you into dangerous territory? *See page 6*
- > How often are engineering lawsuits against IEEE members thrown out because they're "unfounded"? What happens to you then? What's the impact on your career? *See page 2*
- > How does the New Choice Platform for the IEEE Member Professional Liability Program work and what does it cover? *See page 8*

Fast Facts & Misconceptions About Engineering Lawsuits

Lawsuits. They've become more and more common in today's business world. Whether it stems from an error on a project, a disgruntled employee or even a dissatisfied client. No matter what the source, the risks for today's technology professional are significant.

When you consider the money and time lost from work as a lawsuit drags on (typically for years), just one lawsuit could deplete your assets and destroy your business.

As a result, it's critically important for IEEE members to be aware of some of the more common misconceptions about engineering lawsuits and the real facts behind them.



MISCONCEPTION #1: My business is small, so my risk is small as well.

FAST FACT #1: That's not the case. Technology professionals who moonlight, consult on a temporary basis or are self-employed in their own firm or partnership can quickly find themselves ensnared in costly litigation ... regardless of the size of their business.

What's at stake?

- > **Your reputation** — Even unfounded accusations can have a significant impact on the good name you've worked so hard to build.
- > **Your successful firm** — Defending yourself in a lawsuit can decimate a firm because energy normally devoted to clients and projects is instead funneled into documenting details and past decisions.
- > **Your income** — Time spent defending yourself in a lawsuit becomes time away from clients and away from your business ... costing you one of your most valuable assets — your ability to earn an income.
- > **Your credit rating** — Which could impact your ability to buy a house, purchase equipment for your firm, even to help your children with college.



MISCONCEPTION #2: I consistently document my work, accept assignments with care and stay up to date on regulations and new innovations. As a result, I don't have much chance of landing in a lawsuit.

FAST FACT #2: Unfortunately, an analysis of actual liability claims filed against IEEE members proves that misconception may be particularly dangerous. Why? Because more than 72% of the professional liability lawsuits filed against IEEE members in the IEEE-sponsored Professional Liability Insurance Program have proved to be unfounded.

But those technology professionals still had to defend their reputations and spend time away from their business and their families. Some faced uncomfortable conversations with current and potential clients. Others spent days in depositions or at court appearances.

Even though they were eventually exonerated, the professional and personal cost to those technology professionals was real. And that cost may have been even larger if they hadn't had the engineering professional liability experts of the IEEE Member Professional Liability Insurance Plan on their side.

Over **72%** of lawsuits against IEEE members were dismissed as **unfounded**.



MISCONCEPTION #3: I've occasionally helped a friend with an engineering question in my free time. There's no real risk there.

FAST FACT #3: It's a common enough occurrence. But giving "informal" advice to clients, colleagues or friends can lead technology professionals down a dangerous path.

This common activity increases your risk of a lawsuit.

Why? After all, your intention is simply to help out a friend who comes to you because of your expertise. Unfortunately, because you're not actually working on the project, you have no control over whether your advice was misinterpreted or implemented correctly.

It's precisely this lack of involvement that may jeopardize you if something goes wrong. Too often in a lawsuit, attorneys may make the claim that you're the "professional" and you should have known better than to give that type of advice and not make sure it was used as intended.

WHAT'S THE BOTTOM LINE? As a technology professional, today's litigious climate makes you vulnerable every day ... with every project you work on.

If one of your priorities is protecting your professional and personal reputation (as well as your personal and business financial security), professional liability coverage is a "must."

IMPORTANT NOTE: If you currently fall into the classifications of "moonlighting," "temporary consulting" or "self-employed," your risk of being personally involved in a lawsuit may be even higher. As a result, risk managers advise those IEEE members to seriously consider the IEEE Member Professional Liability Insurance Program, which now has a **new choice platform**. This provides members with a choice of coverage options from leading IEEE-approved insurers. Simply complete an application and qualifying firms may then receive multiple quote/plan options.

> Get a free, no-obligation quote now using the enclosed Custom Quote Application Form.

Even the most “by the book” technology professional can’t eliminate the risk of a professional liability lawsuit. But the way you conduct your business can be an integral key in dramatically lowering your risk.

While some tasks may seem insignificant, overlooking the smallest detail in the course of a busy workday could put you (and your business) at risk. Fortunately, there are several proactive measures you can implement.

Take this 10-point quiz to see where you might be most vulnerable:

	YES	NO
1 Do you document ALL communication with your clients — including phone conversations and meetings? Do you make sure that ALL changes to a project or plan are put into writing?	<input type="checkbox"/>	<input type="checkbox"/>
2 In your written documents and contracts, do you ALWAYS identify your client by name — as the person or entity that actually contracted for your services?	<input type="checkbox"/>	<input type="checkbox"/>
3 Do you avoid giving “informal” advice and do you avoid accepting assignment outside your area of expertise and/or geographic region?	<input type="checkbox"/>	<input type="checkbox"/>
4 Do you inspect each project at various phases of completion to make sure your plans and designs are carried forward as intended?	<input type="checkbox"/>	<input type="checkbox"/>
5 Do you maintain WRITTEN quality-control procedures for your office?	<input type="checkbox"/>	<input type="checkbox"/>
6 Do you use contracts and engagement letters for EVERY project?	<input type="checkbox"/>	<input type="checkbox"/>
7 Do you make sure each project team member and/or independent contractor is bonded, licensed and insured — BEFORE you hire them?	<input type="checkbox"/>	<input type="checkbox"/>
8 Do you stay current with the newest technology and educate your employees and clients on this technology?	<input type="checkbox"/>	<input type="checkbox"/>
9 Do you ensure compliance with the Gramm-Leach-Bliley Act (GLB) by securing transmission, receipt and storage of data related to ANY consumer, nonpublic personal information?	<input type="checkbox"/>	<input type="checkbox"/>
10 Do you watch for “warning signs” of potential problems, including clients who undergo management changes or are reluctant to provide information, as well as missed deadlines, complaints or errors?	<input type="checkbox"/>	<input type="checkbox"/>

Add up your “YES” responses, then check your score on the next page. > > >

YOUR ENGINEERING LIABILITY RISK SCORECARD

Number of "YES" answers	Your risk of a professional liability lawsuit
1–3	HIGH risk — You're presently at high risk of professional exposure leading to a lawsuit against you and your professional services. This aspect of your professional services warrants your immediate attention and action.
4–6	MEDIUM risk — You should consider making some process improvements to manage your risk exposure and lower the potential for a liability lawsuit.
7–10	LOWER risk — You're doing an excellent job of managing your services, and on this aspect, your risk is relatively low. Keep in mind that running a tight ship will not prevent a lawsuit by an unhappy client or other involved party.

STILL WORRIED ABOUT YOUR RISK OF A LAWSUIT?

Here's How You Can *Better* Protect Yourself

- **Document. Document. Document. EVERYTHING.** This is one of the biggest keys to preventing a lawsuit. You can confidently document prior conversations or decisions if a client brings them up. Also this can be critical in quickly resolving any unfounded claims made against you. Communications to document include:

- > Initial engagement letters
- > Contracts
- > Quality-control procedures
- > Changes in design or plans
- > Emails
- > Text messages
- > Phone conversations

- **Don't give "informal" advice to clients, colleagues or friends.** If you're not officially "working" on a project, don't tell others how to handle their project or suggest alternatives. You never know when your advice might be misinterpreted or misused.

Documentation can be one of the best strategies in avoiding a lawsuit.

- **Don't "stretch" your qualifications to accept an assignment.**

If a project is outside your specialty or geographic region, consider it a red flag or warning sign that you're walking into dangerous territory.

- **Beware of whom you work with.** Be careful about contracting with a client who interferes with your objectivity, is reluctant to provide information or is undergoing management changes.

- **Clearly identify your client and copyright any reports.**

- **Keep yourself and your team up to date on the latest technology.**

- **Make sure any independent contractors are bonded, licensed and adequately insured.**



IMPORTANT: Following these tips with every project will help reduce your risk of a lawsuit — but nothing can prevent it if you have an unhappy client. And even if the lawsuit is unjustified, the costs to defend yourself could deplete your assets, damage your reputation and destroy your business and your livelihood.

That's why it is recommended that technology professionals in the "moonlighting," "temporary consulting" and "self-employed" classifications strongly consider professional liability coverage.

> Get a free, no-obligation quote now using the enclosed Custom Quote Application Form.

5 Key Questions For Today's Technology Professional

You know the risk is real.

You know that doing good work is not a safeguard against a lawsuit.

You know you'd have to defend yourself — even if the lawsuit was completely unfounded.

So please review these five key questions — and the answers we commonly give your fellow IEEE members — to help you decide how professional liability coverage fits into your business plan.



1. WHO needs professional liability coverage?

Risk management experts recommend that technology professionals in the following 3 classifications strongly consider professional liability coverage.

> Self-Employed

It doesn't matter if you're a solo business or you've set up a partnership with other technology professionals. Self-employed IEEE members may find themselves particularly at risk for liability lawsuits.

> Temporary Consulting

If you're between jobs, testing the waters for your own business, or considering retirement, you fall into this risky "gray" area. You're certainly not covered by an employer plan, but you still need to protect yourself against a lawsuit.

> Moonlighting

You have an "on-the-side" business that consults or performs any technology services while you remain employed by a company. (PLEASE NOTE: Your employer's liability coverage only covers you if you're working for the company. Anything you do "on the side" is considered independent and is normally not covered by your employer plan.)

PLEASE DON'T MAKE THIS MISTAKE

It can happen to you. Don't think that because you do your job well that you will never be sued. Even the most experienced and careful technology professionals too often find themselves unexpectedly entangled in expensive lawsuits — sometimes with no merit. Then face the dilemma of going to court (think legal costs and lost work time) or settling out of court (think settlement payments and damage to your professional reputation). It's extremely costly either way.

ELECTRICAL AND IT PROJECTS: Two of the Most Common Sources of Lawsuits

Scenario A

You design an electrical system for a warehouse for a college friend on your own time, after work. Subsequently, there's a fire. The warehouse sustains significant property damage and inventory damage for the warehouse owner's customers. There are also personal injuries. The owner (your college friend) — along with multiple warehouse customers — brings suit. They allege your design incorporated fusing that was under capacity, which resulted in a failure that caused the fire.

Scenario B

You provide IT services for website development. Your client's site malfunctions and crashes at a very critical time. The result is an enormous volume of lost sales and a scathing consumer backlash that goes viral. You're the target of the lawsuit. Your client alleges that your flawed work caused the failure that resulted in revenue loss and negative press.

2. HOW does the New Choice Platform for the IEEE Member Professional Liability Program work and WHAT does it cover?*

> **New Choice Platform**

IEEE members now have access to a NEW choice platform for the IEEE Member Professional Liability Insurance Program, which provides members with a choice of coverage options from leading IEEE-approved insurers: Certain Underwriters at Lloyd's of London and Beazley Insurance Company. The new platform also offers a wide range of limits and deductible options.

> **Technology Coverage**

Engineering services are becoming more and more technical. That's why the IEEE member program steps forward with enhanced protection to cover you for more technological situations.

- Intellectual property risk
- Internet content liability and breach of security in relation to denial of service
- Unauthorized access and theft of data
- Electronic transfer of data functions
- Web hosting functions
- Copyright infringement
- Privacy liability
- Reputation management reimbursement

> **Risk Management**

Risk management features are available for members who choose a plan underwritten by Beazley Insurance Company. Features include:

- Contract reviews
- Live quarterly web-based seminars
- Dedicated web portal exclusively for policyholders with videos, on-demand webinars and more

> **Optional Defense Coverage**

Some plan options will allow you to choose to add an additional benefit for lawsuit legal defense fees ... taking those expenses outside your per-claim limit ... giving you more protection in case of high judgments and for additional defense costs.

> **General Liability Insurance for IEEE Members**

General liability coverage provides businesses with liability protection for claims arising out of bodily injury and property damage, personal injury and advertising injury, and medical payments. This coverage option is available to qualifying firms and individuals providing computer-related professional services. Qualifying applicants must operate their business out of their residence. General liability coverage is only available to insureds of the Certain Underwriters at Lloyd's of London Professional Liability Insurance Plan.

*Please note: Coverage options may vary or may not be available in all states. Plan options listed will vary by carrier. Not all options listed will be offered by both carriers.

IMPORTANT: New choice platform available to IEEE members.

Technology lawsuits are most commonly filed over electrical and IT projects.

Help protect your business against lost earnings if you're defending yourself against a lawsuit.

> Get a free, no-obligation quote now using the enclosed Custom Quote Application Form.

3. WHY do technology professionals choose the IEEE Member Professional Liability Insurance Program?

Surveys reveal two important reasons driving IEEE member enrollment in this important program:

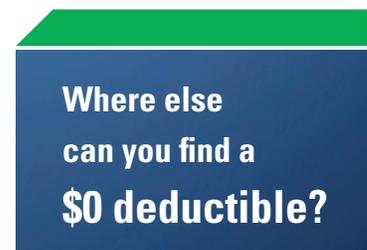
- 1) Affordable, highly competitive group rates tailored to each IEEE member
- 2) IEEE reputation for sponsoring top-quality benefit options



For many technology professionals, the two reasons above are justification enough to go with this plan. Please also consider the following advantages — which may not be available with other professional liability programs.

> **Various Deductible Options**

The IEEE Member Professional Liability Insurance Program offers members various deductible options. Some qualifying firms may even be eligible for a \$0 deductible. The deductible options will be dependent on several factors, including but not limited to the underwriter chosen, plan option and claim frequency.



> **Includes Computer Exposures**

If you've had trouble getting professional liability coverage in the past because of a computer-related exposure, try the IEEE Member Professional Liability Insurance Program. Our underwriting is flexible. And we'll work with you, making every effort to ensure you get the level of comprehensive professional liability protection you need.

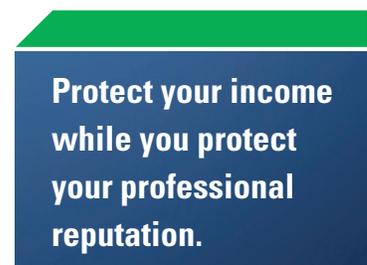
> **Knowledgeable Representatives**

Friendly, knowledgeable representatives educate members on plan options and work with the member to find the best solution for their situation.

> **Broad Definition of Professional Services Gives You More Protection for More Situations**

> **Licensing Board Defense**

Appearing before a licensing board can be the first step in a lawsuit. Licensing Board Defense Coverage reimburses the insured for defense costs in the event the insured technology professional is brought before the state licensing board.



> **Coverage for Former Partners, Officers, Owners or Employees**

Just because a person no longer works for you doesn't mean their risk of a lawsuit disappears. That's why the IEEE member plan gives you extra-mile protection to cover former partners, officers, owners or employees in addition to current principals/employees.

> **Claims-Made Coverage**

> **Prior Acts Coverage**

> **Educational Courses May Reduce Your Premium**

Certain Underwriters at Lloyd's of London will be offering members a premium credit when you complete the IEEE Risk Management Course or an IEEE Computer Society Certification and Credential Program offered through IEEE and purchase coverage through the IEEE Member Professional Liability Insurance Program. For additional information about this premium credit or other premium credits that may be available under the New Choice Platform, please speak to a representative at 1-800-375-0775. To obtain more information about the IEEE Risk Management Course, visit www.ieee.org/riskmanagement. For more information about the IEEE Computer Society Certification and Credential Program visit www.computer.org/web/education/certifications.



> **Optional General Liability Protection**

> Get a free, no-obligation quote now using the enclosed Custom Quote Application Form.

These are highlights designed to give you an overview of the IEEE-sponsored program. Full details will be provided in the materials you receive with your rate quote.

4. HOW MUCH does professional liability coverage cost?

The risk of being sued varies by engineering firm and technology professionals. So the IEEE Member Professional Liability Insurance Program is set up with customized rates/pricing that reflects your professional experience, services and projects performed.

The result is: Technology professionals and engineering firms who have maintained exceptional risk management practices are not penalized by paying higher rates that do not reflect their own liability situation.

Ready to see what your custom quote rate and plan options could be? Complete the Custom Rate Quote Application Form enclosed in this Toolkit to help us develop an accurate quote and plan options based on your unique situation.

NOTE: Your quote/coverage request is NOT a complete purchase nor acceptance for insurance. You are under no obligation. You will receive a custom quote/plan options and full coverage materials to review.

If everything is to your satisfaction, pay the premium AT THAT TIME to begin your coverage. With the IEEE-sponsored plan, you also have premium payment options to help protect your business' cash flow with Visa/MasterCard and premium financing available if more than \$1,000 annually.

Many IEEE members tell us Professional Liability coverage has simply become a "cost of doing business."

Why?

Because members are required to provide proof of coverage before they can even bid on certain projects. Other clients are requiring the same proof of coverage before a project can be awarded.

5. WHEN is the best time to set up coverage?

If you are NOT currently covered — submit your Custom Quote Application Request Form now.

If you wait until you're concerned you might be involved in a lawsuit, it will be too late. That's because your ability to get professional liability coverage at the best rate is directly tied to your potential for a claim.

You can't wait until you're in a wreck to buy auto insurance. It's the same situation with liability coverage. Waiting until you need the protection is almost certainly too late, and may prove extremely costly — to your business and personal finances.

If you ARE currently covered — submit your Custom Quote Application Request Form now or send us your current carrier’s application.

Especially if your current coverage expires within the next 45 days, it’s a good idea to get a quote now so you can make an “apples-to-apples” comparison. Now is the time to request your no-obligation quote to verify that you can save money as an IEEE member, or set up more coverage for your dollar.

EASY 2-STEP INSTRUCTIONS:

- 1. Complete the enclosed application or provide your current carrier’s application to receive your plan options and custom quote.**

You’re under no obligation.

- 2. Mail your Custom Quote Application Request Form to:**

IEEE Member Group Insurance Program

P.O. Box 8146

Des Moines, IA 50306-8146

Or FAX to: 515-365-3043

Or EMAIL to: LH.admin@mercer.com

As soon as your application arrives, we’ll verify that you qualify for this important coverage and send your customized rate quote. (REMEMBER: Rates are based on your liability risk . . . you won’t pay a penalty for firms with higher risks.)

Once you see your plan options and custom quotes, then you’re free to make a decision. If this IEEE-sponsored Professional Liability Insurance Plan and price are right for you, simply send in your payment to begin coverage.



Questions?

Call 1-800-375-0775 or Visit IEEEinsurance.com



IEEE Member Group Insurance Program Administrator
Mercer Consumer, a service of Mercer Health & Benefits Administration LLC
12421 Meredith Drive, Urbandale, IA 50398

This program is administered by Mercer Consumer, a service of Mercer Health & Benefits Administration LLC. This program is underwritten by Certain Underwriters at Lloyd’s of London and Beazley Insurance Company.

In CA d/b/a Mercer Health & Benefits Insurance Services LLC

CA Ins. Lic. #0G39709; AR Ins. Lic. #100102691

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IEEE-SPONSORED PROFESSIONAL LIABILITY INSURANCE APPLICATION

(This is an application for a Claims-Made Policy.)

NOTE: PLEASE REVIEW A SPECIMEN EVIDENCE OF INSURANCE FOR COVERAGE 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 _____
 Address _____
 City _____
 State _____ ZIP _____

Daytime Phone No.
 (____) _____
 Fax No.
 (____) _____
 E-mail Address _____
 We will use e-mail for corresponding unless otherwise requested.

1. Legal Entity (please check one): Individual Professional Corporation Corporation Partnership LLP/LLC

- A. Entity name (if applicable) _____
- B. Year established _____
- C. Website _____
- D. List each engineer in your firm below.

Name	IEEE Membership I.D. Number (at least one required for acceptance)	Year first licensed as an engineer (if applicable)	Membership Grade		
			Member	Senior Member	Fellow
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

E. 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:

<input type="checkbox"/> \$100,000 each claim/\$300,000 annual aggregate	<input type="checkbox"/> \$1,500,000 each claim/\$1,500,000 annual aggregate
<input type="checkbox"/> \$250,000 each claim/\$500,000 annual aggregate	<input type="checkbox"/> \$1,000,000 each claim/\$2,000,000 annual aggregate
<input type="checkbox"/> \$500,000 each claim/\$500,000 annual aggregate	<input type="checkbox"/> \$2,000,000 each claim/\$2,000,000 annual aggregate
<input type="checkbox"/> \$1,000,000 each claim/\$1,000,000 annual aggregate	<input type="checkbox"/> Other: _____

B. Check if you would like to purchase an additional limit equal to the limit selected (not to exceed \$1,000,000) in 2A to apply to defense costs only.

C. Requested effective date: _____

3. Please provide your total gross revenues.

Fiscal Year End (MM/DD/YY)	Projected for Current Year	Last Fiscal Year	Two Years Ago	Three Years Ago
	/ /	/ /	/ /	/ /
Total Gross Revenues:	\$ _____	\$ _____	\$ _____	\$ _____

(Do NOT include direct reimbursable)

(over, please)

4. 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 in question 1a. Yes No

5. Please indicate the percentage (%) of the following services performed which should total 100%.

Feasibility studies, master plans, reports, opinions		%
Design with construction observation		%
Design without construction observation		%
Construction observation without design		%
Inspection services		%
Other (describe):		%
Total		100%

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

Area	% of Annual Gross Billings	Area	% of Annual Gross Billings
Aerospace/Aircraft	_____ %	HVAC Engineering	_____ %
Acoustics Speech & Signal Processing	_____ %	Industrial Electronics	_____ %
Antennas	_____ %	Laser & Electro-optics	_____ %
Broadcast Technology	_____ %	Magnetics	_____ %
Circuitry	_____ %	Manufacturing Technology	_____ %
Communications	_____ %	Medicine/Biology	_____ %
Computer Hardware*	_____ %	Microwave	_____ %
Computer Software*	_____ %	Nuclear & Plasma Sciences	_____ %
Consumer Electronics	_____ %	Oceanic	_____ %
Control Systems	_____ %	Power Electronics	_____ %
Electromagnetic Compatibility	_____ %	Power Engineering	_____ %
Expert Witness/Forensic	_____ %	Robotics	_____ %
Geoscience	_____ %	Ultrasonics, Ferroelectrics	_____ %
Other (please specify) _____	_____ %	Vehicular Technology	_____ %
		TOTAL	100 %

*Please complete the attached Computer Services Supplement form.

7. Please indicate the approximate percentage (%) of revenues derived from the following project types: (Total Must Equal 100%)

Amusement Parks	%	Dams/Reservoirs	%	Power Plants/Nuclear Facilities	%
Apartments	%	Hospitals	%	Private Schools	%
Airport Terminals	%	Hotels/Motels	%	Processing/Manufacturing Facilities	%
Airport Runways	%	Libraries/Museums	%	Public Schools K-12	%
Arenas/Sports Facilities	%	Marine/Offshore Facilities/Docks/Piers	%	Remediation Engineering	%
Asbestos Abatement	%	Mass Transit Systems	%	Restaurants	%
Bridges/Trestles	%	Mines/Quarries	%	Retail/Malls/Shopping Centers	%
Casinos	%	Mold Abatement	%	Roadways and Highways	%
Chemical/Pharmaceutical Plants	%	Multi-Family Townhouses	%	Single Family Residential – Custom	%
Churches	%	Offices	%	Single Family Residential – Subdivision	%
Colleges/Universities	%	Oil Refineries/Pipelines	%	Utilities	%
Condominiums	%	Parks/Playgrounds	%	Waste Brokering	%
Convalescent/Retirement Facilities	%	Pools	%	Water/Wastewater/Treatment Systems	%
Convention Centers	%	Parking Garages	%	Wetland Mitigation	%
Correctional Facilities	%	Phase I Property Assessments	%	Other (describe):	%
Courthouses	%	Phase II & III Property Evaluations	%		
				Total:	100%

(next page, please)

8. 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).

Project Type	Services Performed	Date Services Performed	Your Total Gross Billings	Estimated Total Construction Costs	E or SE

9. A) What percentage (%) of the Applicant's professional services is performed under the following contract types:

Professional Association Contract	%	Client Drafted Agreement	%	Verbal Agreements	%
Firm's Standard Agreement	%	Purchase Orders	%		

B) Does your firm incorporate a limitation of liability provision in its agreements? Yes No
 If Yes, what percent of your firm's current contracts contain a limitation of liability clause which is less than or equal to \$250,000 _____ %

10. A) What percentage (%) of the Applicants' professional services is performed under the following client types:

Contractors	%	Local Government	%
Design Professionals	%	State Government	%
Private Owners	%	Federal Government	%
Developers	%	Other (describe):	%

B) What percentage (%) of Applicant's work is derived from repeat clients? _____ %

11. Please check "Yes," "No" or "N/A" 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.**

	Yes	No	N/A
A. Do you consistently exceed the minimum number of continuing education hours required in your state?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Do you use written scope of service letters for all projects exceeding \$500 in billable fees?	<input type="checkbox"/>	<input type="checkbox"/>	
C. Do you conduct construction phase inspection on plans and designs to ensure intent of use?.....	<input type="checkbox"/>	<input type="checkbox"/>	
D. Do you make use of limitation of liability clauses in engagement letters?	<input type="checkbox"/>	<input type="checkbox"/>	
E. Do you use written status memos over the course of the project?	<input type="checkbox"/>	<input type="checkbox"/>	
F. Do you investigate the work experience of other professionals to identify a potential for problems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Do you require that other professionals on the project carry comparable professional liability insurance?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Do you maintain written quality control procedures, including secondary design review?.....	<input type="checkbox"/>	<input type="checkbox"/>	
Please explain on a separate sheet.			
Are all appropriate staff members familiar with them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. A. Has the applicant, or an independent contractor hired by the applicant, accepted jobs involving known hazardous materials?* Yes No

B. Do you contemplate accepting known hazardous material jobs in the future?..... Yes No

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/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/remediation; 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; site selection evaluation for pollution-related projects; air quality assessments/testing; environmental education; water pollution control; or nuclear-related projects.

13. 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 derived from the activity, on a separate sheet of paper.

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | Yes | No |
| A. Are you involved in actual construction, fabrication, erection, installation of equipment, design/build or supplying of construction materials? | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Have you developed, sold or leased computer software/hardware to others?* | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Do you subcontract work to others? | <input type="checkbox"/> | <input type="checkbox"/> |
| If "Yes," do you require all subcontractors to carry Professional Liability insurance to cover the services they perform?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Do you manufacture, sell, lease or distribute any product, machinery or process? | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Are you owned by, or do you own, any other firm?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| If so, do you render professional services to the firm(s)? | <input type="checkbox"/> | <input type="checkbox"/> |
| F. Have you filed any suits for collection of your professional fees against a client during the past fiscal year? | <input type="checkbox"/> | <input type="checkbox"/> |
| If "Yes," please provide full details on a separate sheet of paper. | | |
| G. Does any single client account for 25% or more of your annual gross income? | <input type="checkbox"/> | <input type="checkbox"/> |

***Please complete the attached Computer Services Supplement form.**

14. A. List Engineers' Professional Liability Insurance carried by you or your firm for the past two years. If none, state "none."

Inception Date Mo.-Day-Yr.	Expiration Date Mo.-Day-Yr.	Insurance Company	Annual Premium	Limit of Liability	Deductible

- B. Please provide your policy's current retroactive date. _____ If none, state "none."
- C. Please provide the date that you/your firm first purchased claims-made professional liability coverage and have since continuously maintained the coverage / / . If not applicable, please check N/A
(mm) (dd) (yy)
- D. If currently insured, please submit a copy of your current declarations page with your completed application.

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | Yes | No |
| A. Has any application or policy of yours or your firm's for Professional Liability Insurance ever been declined, canceled or refused renewal? If "Yes," please provide details on a separate sheet of paper..... | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Have you or members of your firm had your license revoked or received suspension or other disciplinary action from a governmental or judicial body or professional society during the past five years? | <input type="checkbox"/> | <input type="checkbox"/> |
| If "Yes," please provide details, including a copy of the ruling. | | |
| C. Have any claims been made or legal actions been brought against you or your firm in the past five years?* | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Are you or any member of your firm, aware of any circumstances that may result in a claim being made against the firm or any individual?* | <input type="checkbox"/> | <input type="checkbox"/> |
- *If "Yes," please complete the Claim Information Supplement form enclosed for each claim and/or circumstance.**

16. Please provide a copy of your current résumé.

(over, please)

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 issuance of insurance coverage, and shall be attached thereto. I/We hereby authorize the release of claim information from any prior insurer to 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 COMPANY 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** _____

**If you are electronically submitting this document, apply your electronic signature to this form by checking the Electronic Signature and Acceptance box below. By doing so, you agree that your use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes your signature, acceptance, and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.*

Electronic Signature and Acceptance – Authorized Representative **Date:** _____

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

Sign, date and mail your application to: IEEE Insurance Plans, P.O. Box 8146, Des Moines, IA 50306-8146;
or fax your application to 515-365-3043.

QUESTIONS?
CALL TOLL FREE 1-800-375-0775

Underwritten by: Certain Underwriters at Lloyd's of London

Administered by:  **MERCER**

Mercer Consumer, a service of Mercer Health & Benefits Administration LLC

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NOTICE:
Failure to report any:

- 1) claim made against you during your current policy term, or
- 2) facts, circumstances or events that may give rise to a claim to your current insurance company **BEFORE** policy expiration may create a lack of coverage.

COMPUTER SERVICES SUPPLEMENT

If your area of practice includes computer hardware or software services, or if you have ever developed, sold or leased computer software/hardware to others, please complete this supplement with respect to computer-related services.

1. Please describe in detail the nature of professional services you provide involving computer hardware or software and describe your clientele:

2. Indicate the percent of gross income derived from the following:

Electronic data processing	_____ %
Systems analysis	_____ %
Software design	_____ %
Programming	_____ %
Computer/systems consulting	_____ %
Computer/systems installation/support	_____ %
Other computer-related services (define)	_____ %

Total = _____ 100%	

3. If you are involved in software design, please state whether the software will be used by more than one client and describe the end use of the software: _____

4. Please indicate the major software applications and receipts attributable to:

Nature	Market/Use		
	Home Use %	Commercial Use %	Total Receipts %
a) Administrative (sales data, lists, etc)	%	%	%
b) Accounting (payroll, receivables, payables)	%	%	%
c) Financial (savings, checking, loan, dividend accounts)	%	%	%
d) Inventory Control	%	%	%
e) Scientific	%	%	%
f) Graphics	%	%	%
g) Architectural (Model building projection)	%	%	%
h) CAD/CAM: Manufacturing/Engineering tools	%	%	%
i) CASE: Application development tools	%	%	%
j) Communications: Utilities/Info Services	%	%	%
k) Fund Transfer	%	%	%
l) Medical	%	%	%
m) Educational	%	%	%
n) Facilities Management	%	%	%
o) Office Automation	%	%	%
p) Database Management Systems	%	%	%
q) LAN/Network	%	%	%
r) Imaging	%	%	%
s) Gatekeeper	%	%	%
t) Game Development	%	%	%
u) Other (please explain)	%	%	%

5. Indicate the market(s) for the Applicant's products/services. Please note that the total must equal 100%.

	% of Applicant's Receipts
Aerospace	_____ %
Communications/Transportation	_____ %
Construction/Mining/Agriculture	_____ %
Education	_____ %
Financial Institutions	_____ %
Government (US Federal)	_____ %
Government (other)	_____ %
Health Care/Medical Services	_____ %
Consumer	_____ %
Manufacturing/Industrial	_____ %
Trade: Retail/Wholesale	_____ %
Other (please specify):	_____ %

6. Have you been involved in any project involving the integration of embedded chips or any type of computer hardware or software? Yes No

If "Yes," please describe in detail the end use of the hardware or software: _____

7. Please provide the following information regarding you/your firm's qualifications to provide professional services:

Name of Individual Performing Professional Services	Professional Qualifications <small>(such as CSDA or CSDP designations)</small>	Educational Degree and Years of Experience	How Long in Practice
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

8. Please provide the following information regarding the three largest computer-related jobs or projects by revenue that you participated in during the past five years:

Project/Client Name	Computer Project Application	Type of Professional Services Provided	Revenue Obtained From Those Services
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. Please answer the following questions. If the answer to any question is "Yes," please provide the question number and the full details on a separate sheet of paper.

- | | | |
|-----------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | Yes | No |
| A. Do you maintain or require training or continuing education programs for employees?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Do you currently carry Comprehensive General Liability coverage or Umbrella coverage?..... | <input type="checkbox"/> | <input type="checkbox"/> |

10. List who is responsible for quality control, and briefly describe your quality control programs in place:

11. Please provide a description of your testing and sign-off procedures:

12. If you are applying as an Individual, would you like a quote for General Liability coverage (in addition to Professional Liability)?..... Yes No

If "YES," please answer the following questions:

- A. Do you operate your business at a location other than your home?..... Yes No
- B. If you subcontract services, what percentage of your gross billings emanates from work subcontracted to others?
- C. Do you require subcontractors to carry General Liability coverage with limits that match or exceed your own?..... Yes No
- D. Do you require that subcontractors name you/your business as an Additional Insured on their General Liability policy?

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 company.

X

Signature (Owner, Officer or Partner)

Applicant/Firm Name (Please Print)

Date