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| *Risk Management Supplement* toApplication for Lawyers’ Professional Liability InsuranceClaims Made and Reported Insurance Policy |

**IMPORTANT NOTICE:** This Risk Management Supplement is part of an application for a Claims-made insurance policy. This means the Company will not provide coverage or defense for any claim that arises from a Wrongful Act/Related Wrongful Act occurring prior to the effective date of your first policy in theAmerican Alternative Insurance Corporation Lawyers Professional Liability Insurance program.

**INSTRUCTIONS:** ***This form should be only be completed if the Applicant Firm has 6 OR MORE ATTORNEYS.*** Please Complete the following Chart based upon the Firm’s *current Risk Management Policies and Procedures.*

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| **Risk Management Supplement** |

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| **Risk Management Category** | **Risk Management Policy or Procedure** | **Is Policy fully implemented and used consistently for All Matters?** | | |
|  | | Fully in place/ Always Used | Partially in place/Used Sometimes | Not in place/ Never Used |
| Conflict of Interest Systems | Conflict of Interest system in place is fully automated and reviews both clients and related or opposing parties |  |  |  |
| Conflict of Interest rules prohibit engagement if any attorney has financial interest in subject matter of representation |  |  |  |
| Docket Control Systems | Docket Control system is completely automated, with multiple redundancies in input, review and oversight |  |  |  |
| Docket Control system tracks both litigated and non-litigated items, even where no deadline is involved |  |  |  |
| Docket Control systems automatically notify firm management if deadline is about to be missed |  |  |  |
| Client Intake, Screening and File Opening Procedures | All new matters require both Conflicts Approval and Docket Control Entry prior to opening file. |  |  |  |
| New matter opening requires approval of either management committee or 1 disinterested partner. |  |  |  |
| New client screening procedures review proposed client's financial condition, credit rating or bill paying history, number of prior attorneys, and match between client's expectations and firm's case assessment. |  |  |  |
| New client screening procedures review the difficulty or complexity of engagement, fit with firm's current capabilities, and likelihood of success. |  |  |  |
| All staff are fully trained to strictly comply with new matter opening procedures on a No Exceptions basis. |  |  |  |
| Oversight, Peer Review, Firm Communications | All open matters continually reviewed by Firm Management at regular intervals. |  |  |  |
| Published rules require a through and complete update of any matter behind schedule, with overdue billings, or with unexpected outcome or developments |  |  |  |

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| Oversight, Peer Review, Firm Communications *(Continued*) | Published procedures exist that enable the removal of any attorney, and re-assignment of any case as required |  |  |  |
| All attorneys are required to attend regular firm meetings, either in person or electronically, and provide updates on all significant cases or matters (excluding solos). |  |  |  |
| Use of Engagement, Non-Engagement and Termination Letters, as well as Conflict of Interest Waivers is required. |  |  |  |
| Any original legal opinion, that interprets unclear or conflicting laws, must be reviewed by at least 1 other firm attorney (excluding solos). |  |  |  |
| Office Policies and Procedures, Firm Management and Billing Practices | Firm has established office policies and procedures, addressing all significant firm matters, including employment and benefits, internal systems and procedures, as well as policies regarding client relationships and prohibited involvements or investments. |  |  |  |
| All firm staff, including both partners, members or owners as well as employees, must read and understand all Office Policies and Procedures before beginning work on behalf of the firm. |  |  |  |
| Firm Management includes a full-time employee with primary responsibility for loss prevention and risk management. |  |  |  |
| Firm Management includes a committee or senior leaders with authority to overrule senior partners in areas with significant risk. |  |  |  |
| Firm Billing procedures monitor billings on all open matters, require termination or withdrawal when unpaid billing exceed 120 days, and require unpaid bills to be sent to outside collection instead of suing clients. |  |  |  |

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| ***Risk Management Supplement*  to LPL Application NOTICES** |

NOTICE TO THE APPLICANT - PLEASE READ CAREFULLY

**APPLICANT REPRESENTATIONS AND ASSURANCES:** The undersigned hereby represents to and assures the Company that the information contained in this application is true and correct as of the date this application is executed and that the Company shall be entitled to rely upon this application as the basis of any insurance policy the Company may issue to the applicant firm. The undersigned acknowledges and agrees that this application shall be deemed incorporated into any insurance policy the Company may issue to the applicant firm.

The undersigned further represents to and assures the Company that the applicant firm will report to the Company (as soon as practicable) any material change in any answers, responses, facts or information set forth in this application or any supplemental application submitted herewith, including, but not limited to, the existence of any claim(s) or any facts or circumstances which may give rise to a claim. The undersigned agrees that these representations and assurances constitute a continuing obligation and that the applicant firm has a continuous duty throughout the policy period to update this application, its supplements and attachments for any such material changes.

**NOTICE TO THE APPLICANT - PLEASE READ CAREFULLY- WARNING**

**NOTICE: ANY PERSON WHO, KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON, SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION MAY BE GUILTY OF INSURANCE FRAUD**

**NOTICE TO COLORADO APPLICANTS:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an Insurance Company for the purpose of defrauding or attempting to defraud the Company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any Insurance Company or agent of an Insurance Company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**NOTICE TO FLORIDA APPLICANTS:** Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

**NOTICE TO KANSAS APPLICANTS:** IN KANSAS, ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT.

**NOTICE TO LOUISIANA** and **MAINE APPLICANTS:** It is a crime to provide false, incomplete or misleading information to an Insurance Company for the purpose of defrauding the Company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO MARYLAND APPLICANTS**: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO NEW MEXICO APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO NEW YORK APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or any other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact or material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer makes a claim for the proceeds of any insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO PENNSYLVANIA APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 and subjects such person to criminal and civil penalties.

**NOTICE TO TENNESSEE, VIRGINIA & WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an Insurance Company for the purpose of defrauding the Company. Penalties include imprisonment, fines and denial of insurance benefits.

**NOTICE TO VERMONT APPLICANTS:** Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

**This application must be signed by an owner, partner or corporate officer. Signing does not bind the applicant or the Company.**

Signature of Owner, Partner or Corporate Officer Date (mm/dd/yyyy)

Print or Type Name/Title

[In States Where Required]

Authorized Representative Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ State Producer License #\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[](mailto:submissions@pinund.com)