

Business Valuation, M&A, Appraisal and Consulting Providers E&O Application

All questions must be answered completely. If any questions are considered "not applicable", please explain why. This application must be signed and dated by a principal of the firm.

NOTE: This application is for a "claims made" insurance policy.

Person Completing Form

First and Last Name:

Title:

Email:

Phone Number:

Section I. Applicant Information

Applicant Name (Firm Name):

Business Address:

City:

State:

Zip Code:

Date Established:

Gross Revenue Current Year (\$):

Gross Revenue Last Year (\$):

Section II. Policy History

Do you have current professional liability insurance? ☐ Yes ☐ No

Please indicate requested:

Policy Limits *

_____ \$1,000,000/\$1,000,000

_____ \$2,000,000/\$2,000,000

_____ Other (Enter amount):

Policy Deductible:

_____ \$5,000

_____ \$10,000

_____ \$25,000

_____ Other (Enter amount):

SECTION II - Professional Services

Describe the services the Named Insured and any subsidiaries provides

1. Services (must equal 100%)

Business Valuators*

Machinery & Equipment Appraisal *

Real Estate Appraisal *

Exit Planning/Business Coaching*

M&A Services (see item 3 below)*

Management & Strategic Consulting*

All Other Services* Provide a description for other services: _____

2. Valuation for Public Traded Companies:

Purchase Price Allocation*

☐ Yes ☐ No

Stock Option Value for IRS*

☐ Yes ☐ No

Other

3. M&A Services

Consulting*

☐ Yes ☐ No

Business Brokering*

☐ Yes ☒ No

Acting as Intermediary/Selling Ownership Shares

i. Raise Capital – Institutional Investors?*

☐ Yes ☐ No

ii. Raise Capital – Non Institutional Investors?*

☐ Yes ☐ No

Section III – Your Team

1. Are you or any of your staff, members of any of the following professional organizations? Include all that apply.

- ☐ AMAA
- ☐ ABA
- ☐ AICPA
- ☐ ASA
- ☐ NACVA
- ☐ IBBA
- ☐ M&A Source
- ☐ ISBA

- ☐ NEBB
☐ SUNBELT

☐ Other Which: _____

Do you or your staff hold certifications from the associations listed above?

Yes or No

If yes, please describe: _____

2. Number of professional staff:

1(a). Average years of experience for your professional staff:

3. What is the largest valuation or M&A transaction you were engaged in over the last 12 months?

4. Have you sued any client in the past 3 years for unpaid fees? ☐ Yes ☐ No

Section IV: Your Contracts

1. Does the Applicant have a written contract or agreement for every project?*

☐ Yes ☐ No

If no, Provide the percentage of the Applicant's revenue where a written contract is not secured %*

2. How do you obtain real estate appraisals?

Client provides? ☐ Yes ☐ No

Subcontract to a real estate appraisal firm? ☐ Yes ☐ No

Own staff does real estate appraisal work? ☐ Yes ☐ No

3. Do your clients provide you with financial reports and projections? ☐ Yes ☐ No

4. Do the Applicant's contracts contain any of the following?

Hold Harmless or indemnification clauses in your favor?*

☐ Yes ☐ No

Hold Harmless or indemnification clauses in your client's favor?*

☐ Yes ☐ No

Guarantees or warranties?*

☐ Yes ☐ No

Specific description of the services you will provide?*

☐ Yes ☐ No

Section V: Prior and Future Activities Information

1. Has the Applicant in the last 12 months or does the Applicant anticipate in the next 12 months any restructuring, legal, or financial reorganization, or filing for bankruptcy, or has any auditor in the last 3 fiscal years rendered a "going concern" opinion for the financial statements of the Applicant?*

☒ Yes ☐ No

2. Has the Applicant in the past 18 months been involved with any actual, negotiated or attempted merger, acquisition or divestiture or does the Applicant anticipate in the next 18 months it may be involved with any actual, negotiated or attempted merger, acquisition or divestiture?*

☒ Yes ☐ No

3. Have you sued any client in the past 3 years for unpaid fees? ☐ Yes ☐ No

4. Has the Applicant Firm provided services used in any public securities offering within the past five (5) years? ☐ Yes ☐ No

5. Have any principals, partners, officers or professional employees ever been the subject of reprimand or disciplinary or criminal actions by authorities as a result of their professional activities?

☐ Yes ☐ No

6. Does any person to be insured have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim against their predecessors in business?

☐ Yes ☐ No

7. Have any professional liability claims been made against any proposed insured(s) in the past 5 years?

☐ Yes ☐ No

Other Information

1. The undersigned declares that to the best of his/her knowledge the statements herein are true.

Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this application will be attached to and become a part of such Policy, if issued. The Insurer hereby is authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.

2. It is represented that the particulars and statements contained in the Application for the proposed Policy and any materials submitted herewith (which shall be retained on files by Insurer and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.

3. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the Applicant will notify the Insurer and, at the sole discretion of Insurer, any outstanding quotations or binders may be modified or withdrawn.

4. It is agreed that in the event of any misstatement, omission, or untruth in this Application or any material submitted along with or contained herein, the Insurer has the right to exclude from coverage

any claim based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving such misstatement, omission or untruth.

Signature

For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either digital signature, electronic signature, facsimile or photocopy shall have the same force and effect as an original signature and that the original and any such copies shall be deemed one and the same document. This application is provided under the Uniform Electronic Transactions Act – Col. Rev. Stat. §§ 24-71.3-101 et seq. By submitting this application, you are confirming your agreement to submit this application electronically, and your indication of agreement, along with information provided, will have the same force and affect as if this application was submitted manually and your manual signature was provided. You should retain a copy of this application for your records. (A copy of the completed application will be emailed to you at the email provided above shortly after submission.)

This application must be signed by an Executive Officer of the Applicant.

Sign below and send back to: Margaret.hill@hillprograms.com

Signature:

Title:

Date: