



MANUFACTURERS ERRORS OR OMISSIONS APPLICATION CLAIMS-MADE COVERAGE – NEW YORK

Manufacturers Errors or Omissions is a Claims-Made coverage. Please read the entire endorsement carefully to determine your rights, duties, coverage and coverage restrictions.

NEW YORK DISCLOSURE NOTICE:

This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged wrongful acts or omissions that took place prior to the retroactive date, if any, stated on the declarations. The policy shall cover only those claims made against an insured while the policy remains in effect for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting coverage unless the insured purchases additional extended reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The insured may purchase for an additional premium an extended reporting period of 12 months following the termination of this policy. Potential coverage gaps may arise upon the expiration of this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases until the claims-made relationship has matured.

IMPORTANT INFORMATION CLAIMS-MADE COVERAGE

Your Employment Practices Liability coverage is written on a 'claims-made' basis.

A 'claims-made' policy covers liability for damages that the insured is legally obligated to pay (including damages occurring prior to the effective date of the policy, but subsequent to the retroactive date, if any), that arises out of incidents, errors or omissions as long as the claim is first made during the policy period or any extended reporting period.

A 'retroactive date' means a date concurrent with the effective date of the policy, or a particular date prior to the effective date of the policy upon which the insurer and the insured agree in the policy that policy coverage will be applicable.

This policy provides no coverage for claims arising out of incidents, occurrences, or alleged wrongful acts which took place prior to the retroactive date stated in the policy.

This policy covers only claims actually made against the insured while the policy remains in effect. All coverage under the policy ceases upon termination of the policy.

However, upon termination of the policy there is an automatic extended reporting period of 60 days, and an option to purchase an extended reporting period. This allows you a one year extension in which to report claims for negligent errors or omissions that were first committed after the retroactive date but before the effective date of the termination of coverage. A coverage gap may arise upon expiration of the extended reporting period unless new coverage is purchased.



MANUFACTURERS ERRORS OR OMISSIONS APPLICATION

CLAIMS-MADE COVERAGE

Applicant _____

Mailing Address _____

City _____ State _____ Zip _____

Effective Date _____

Claims Made Coverage Deductible \$2500

Limits of Liability Per Claim / Aggregate \$25,000/ \$50,000 \$50,000/ \$100,000

Retroactive Date *

*Retroactive Date cannot be prior to the effective date of Merchants Insurance Manufacturers E & O application

Do you currently carry Errors & Omissions Liability Coverage similar to that being applied for in this application? Yes No

a. Carrier's Name _____

b. Limit of Insurance _____

c. Effective Date _____

d. Deductible _____

e. Current Premium _____

f. Retroactive Date _____

Wood Products Electronics/Instruments Beverage Products Paper Goods
 Food Products Metal Goods Textile and Leather Goods Miscellaneous Products

Describe Miscellaneous Products _____

Describe Your Customers

1. Average customer tenure? _____ (years)

2. Batch size

- Products made continuously
- Products made in large batches
- Products made in small batches

3. Are most products made for a small number of customers Yes No

4. Are written contracts required for all/most customers Yes No

5. Are purchase orders used with most customers Yes No

Do you have a website? Yes No

Website Address _____



MANUFACTURERS ERRORS OR OMISSIONS APPLICATION

CLAIMS-MADE COVERAGE

Check all of the following that apply to your handling of customer complaints.

- THERE is a written policy for handling complaints or change requests
- All complaints are investigated
- All complaints are documented in writing and recorded in a log
- Serious complaints are escalated to the attention of top management

If you have had Manufacturers Errors and Omissions coverage at any time in the last seven (7) years, use the table below to describe any claims under the policies and provide complete details on a separate sheet.

Insurer	Date Of Loss	Description Of Loss	Type Of Loss*	Amount of Loss	Status Open [O] Closed [C]

*Type of Loss

- ✓ Product Recall
- ✓ Past Due Contract
- ✓ Failure to Meet Warranties/Representations
- ✓ Failure to Meet Performance Expectations
- ✓ Other

Does anyone in your organization have any knowledge or information of any fact, circumstances or incident that has resulted in a dispute or customer complaint that may reasonably be expected to result in a claim or suit against your company? If so, describe in the table below and provide details on a separate sheet.

Date of Complaint	Description of Complaint	Complaint status Open [O] or Closed [C]	Type of Complaint*

*Type of Complaint:

- ✓ Error or Omission
- ✓ Unresolved contract dispute
- ✓ Other



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CLAIMS-MADE COVERAGE

How many customer payments have been withheld during the last three years? _____

Type of Work/Processes let to others & percentage of Work/Processes let to others.

Type of Work/Processes	% of Work/Processes

Do you have written hold harmless agreements with your subcontractors that hold you harmless? Yes No

Are you and your customers indemnified for damages caused by subcontractors? Yes No

Do you negotiate contract agreements in which you accept liability for consequential damages? Yes No

If "yes", % of the time _____

LOSS HISTORY

Have you or your subcontractors experienced any of the following in the past three years?

- a. Product recalls Yes No
- b. Past due contracts Yes No
- c. Allegations that your product did not meet your customer's performance expectations Yes No
- d. Allegations that your product did not comply with your warranties or representations Yes No

Please explain all "YES" responses

Are you aware of any act, error or omission, unresolved contract dispute, or any other situation that may result in a claim?

Yes No

If "YES", please explain

Has any company ever declined to write, cancelled or non-renewed Errors and Omissions for you? Yes No

If "YES", please explain

Do you manufacture component parts/products to be used in someone else's product? Yes No

Do you manufacture final products? Yes No

Do you currently manufacture or have you ever manufactured parts/products for the following uses (check all that apply)

Aircraft	%	Watercraft	%
Automobiles	%	Medical	%
Aerospace	%	Hazardous Chemicals	%



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Which industries did you or do you serve? _____

Are all parts/products manufactured to customer designs and specifications? Yes No

If no, what percentage do you design? _____

Do you obtain written approval from customer for any product designed by your company? Yes No

Percentage of contract agreements in which you accept liability for consequential damages _____ %

Percentage of products designed by your company for customers _____ %

Do you provide design services for others? Yes No

If yes, explain

Are customer designs and or specifications ever modified without customer review? Yes No

Have any of your past/current products contained any of the following

Asbestos Yes No

Magnesium Yes No

Lead Yes No

Silica Yes No

Explain how your products are identifiable as items you have manufactured?

Are written quality control and testing procedures in place and followed? Yes No

How many years are quality control and testing records maintained?

Do you have a printed product safety program? If yes, attach a copy. Yes No

Do your records indicate the following?

When each part/product was manufactured Yes No

To whom each part/product was sold, including date? Yes No

Do you use third party testing of products? Yes No

If yes, indicate who

Do you hold any certifications (ISO, UL Listing, etc?) Yes No

List

Are there adequate and conspicuous warnings and instructions for each product? Yes No



MANUFACTURERS ERRORS OR OMISSIONS APPLICATION CLAIMS-MADE COVERAGE

NEW YORK

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 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.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE ENQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE

Producer's signature _____

Applicant's signature _____

Date _____