



## 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.

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### 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 \_\_\_\_\_

- |  |  |  |   |
|--|--|--|---|
| <input type="checkbox"/> Wood Products | <input type="checkbox"/> Electronics/Instruments | <input type="checkbox"/> Beverage Products         | <input type="checkbox"/> Paper Goods            |
| <input type="checkbox"/> Food Products | <input type="checkbox"/> Metal Goods             | <input type="checkbox"/> Textile and Leather Goods | <input type="checkbox"/> 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<br>Open [O]<br>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<br>Open [O] or<br>Closed [C] | Type of Complaint* |
|-------------------|--------------------------|---|--------------------|
|                   |                          |   |                    |
|                   |                          |   |                    |
|                   |                          |   |                    |
|                   |                          |   |                    |

\*Type of Complaint:

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



## MANUFACTURERS ERRORS OR OMISSIONS APPLICATION 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 %



## MANUFACTURERS ERRORS OR OMISSIONS APPLICATION CLAIMS-MADE COVERAGE

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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

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### **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 \_\_\_\_\_