

- DEERFIELD INSURANCE COMPANY
- EVANSTON INSURANCE COMPANY
- ESSEX INSURANCE COMPANY
- MARKEL AMERICAN INSURANCE COMPANY
- MARKEL INSURANCE COMPANY

**APPLICATION FOR ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY INSURANCE**

NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE POLICY PERIOD. THE LIMITS OF LIABILITY SHALL BE REDUCED BY "CLAIM EXPENSES" AND "CLAIM EXPENSES" SHALL BE APPLIED AGAINST THE DEDUCTIBLE. PLEASE READ THE POLICY CAREFULLY.

If space is insufficient to answer any question fully, attach a separate sheet.

**I. GENERAL INFORMATION**

1. (a) Full name of Applicant (if corporation or LLC provide entity name): \_\_\_\_\_  
 \_\_\_\_\_
- (b) Principal business premises address: \_\_\_\_\_  
 (Street) (County)  
 \_\_\_\_\_  
 (City) (State) (Zip)
- (c) Secondary practice locations: \_\_\_\_\_  
 \_\_\_\_\_
- (d) Phone Number: \_\_\_\_\_
- (e) Website address: \_\_\_\_\_ (f) Date organized (MM/DD/YYYY): \_\_\_\_\_
- (g) Business is a:  corporation  partnership  sole proprietorship  limited liability company (LLC)  
 individual  other \_\_\_\_\_
2. Is the Applicant affiliated with any other organization through common ownership? .....  Yes  No  
 If Yes, provide details. \_\_\_\_\_
3. During the last five years has the Applicant:  
 (a) Been involved in, or are they presently considering any merger, consolidation or acquisition? ....  Yes  No  
 (b) Changed it's name? .....  Yes  No  
 If Yes to either of the above, provide details. \_\_\_\_\_
4. Does the Applicant or any subsidiary, parent organization or affiliated organization engage in actual construction or subcontract construction or installation on the Applicant's own projects? .....  Yes  No  
 If Yes, complete our Supplement for Construction Related Services (AE-31000-01).

**II. FINANCIAL AND STAFFING INFORMATION**

1. Provide the following:

	Last Year		Present Year		Projected for Upcoming Year	
	From _____	To _____	From _____	To _____	From _____	To _____
Total Gross Annual Fees:	\$ _____	_____	\$ _____	_____	\$ _____	_____
Total Construction Values:	\$ _____	_____	\$ _____	_____	\$ _____	_____
Total Gross Annual Payroll:	\$ _____	_____	\$ _____	_____	\$ _____	_____
Total Number of Staff:	_____	_____	_____	_____	_____	_____
Number of Design Professionals:	_____	_____	_____	_____	_____	_____

2. Provide the following for each of the Applicant's key professionals:

<u>Name and Title</u>	<u>University/Year/Major</u>	<u>States in Which Licensed/Registered</u>	<u>No. of Years With Applicant</u>

3. What professional associations do the Applicant and/or it's staff members belong to? \_\_\_\_\_

**III. PROFESSIONAL DISCIPLINES AND SERVICES**

1. Provide the approximate percentage of the professional disciplines in which the Applicant is engaged.

Architecture	Engineering (cont'd.)	Construction Management*	____%
Building _____%	Environmental _____%	Design-Build*	____%
Interiors _____%	Fire Protection _____%	Fabrication	____%
Landscape _____%	Forensic _____%	Hydrogeology	____%
Naval _____%	HVAC _____%	Interior Design	____%
Engineering	Mechanical _____%	Land Surveying	____%
Acoustical _____%	Process _____%	Manufacturing	____%
Chemical _____%	Soils _____%	Materials Testing	____%
Civil _____%	Structural _____%	Other _____	____%
Electrical _____%	Other _____	TOTAL	100%

\* If the Applicant provides Construction Management and/or uses the Design-Build project delivery method complete our Supplement for Construction Related Services (AE-31000-01).

2. Does the Applicant subcontract work for any of the above professions? ..... [ ] Yes [ ] No  
If Yes, answer the following.

- (a) What percentage of work for the above professional disciplines is subcontracted to others? \_\_\_\_\_%
- (b) Which professional disciplines are subcontracted? \_\_\_\_\_
- (c) Are Certificates of Insurance for Professional Liability Insurance and General Liability Insurance obtained from all subcontractors? ..... [ ] Yes [ ] No

3. Provide the approximate percentage of specialty services performed by the Applicant.

Alterations _____%	Foundation Design _____%	Permitting _____%
Building Design _____%	Geotechnical Services _____%	Product Design _____%
Construction Staking _____%	Machinery Design _____%	Subdivision Layout _____%
Cost Estimating _____%	Mapping _____%	Testing _____%
Expert Witness _____%	Master Planning _____%	Other _____

4. Provide the approximate percentage of the scope of services performed by the Applicant.

Design With Construction Observation/Administration _____%	Feasibility Studies/Reports _____%
Design Without Construction Observation/Administration _____%	Inspection/Certification _____%
Construction Observation/Administration Without Design _____%	Consulting Not Resulting in Construction _____%
	TOTAL 100%

**IV. PROJECTS AND CLIENTS**

1. Provide the approximate percentage of work performed during the last three years for each of the following project sizes based on the project's total construction value:

< \$1,000,000 _____%	> \$25,000,000 - \$100,000,000 _____%
\$1,000,000 - \$25,000,000 _____%	> \$100,000,000 _____%

2. Based on the total construction values, provide the approximate percentage of work during the last three years for each of the following based on the contractual timeframe for completion of projects:

< 1 year _____%	1 year to 3 years _____%	> 3 years _____%
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3. (a) Based on total construction values, provide the percentage of work in each of the three largest states:  
 State \_\_\_\_\_ %      State \_\_\_\_\_ %      State \_\_\_\_\_ %
- (b) Does the Applicant work on any projects outside of the United States? ..... [ ] Yes [ ] No  
 If Yes, provide the percentage of gross fees and the name, fees, construction value and location of each project.  
 \_\_\_\_\_ % \_\_\_\_\_

4. Does the Applicant specialize in specific types of projects? ..... [ ] Yes [ ] No  
 If Yes, provide details. \_\_\_\_\_

5. Provide the approximate percentage of general project types during the last year for each of the following:
- |                          |         |                       |         |              |         |
|--------------------------|---------|-----------------------|---------|--------------|---------|
| Commercial/Retail        | _____ % | Institutional         | _____ % | Recreational | _____ % |
| Industrial/Manufacturing | _____ % | Public Infrastructure | _____ % | Residential  | _____ % |

6. Provide the approximate percentage of any of the following project types:
- |                 |         |                           |         |                               |         |
|-----------------|---------|---------------------------|---------|-------------------------------|---------|
| Bridges/Dams:   |         | Condominiums:             |         | Amusement Rides               | _____ % |
| < 100 feet      | _____ % | < 10 units                | _____ % | Bleachers/Grandstands         | _____ % |
| 100 - 500 feet  | _____ % | 10 - 100 units            | _____ % | Cellular Communication Towers | _____ % |
| > 500 feet      | _____ % | > 100 units               | _____ % | Chemical/Petrochemical        | _____ % |
| Buildings:      | _____ % | Custom Homes:             | _____ % | Mines/Tunnels                 | _____ % |
| < 10 stories    | _____ % | < \$1,000,000             | _____ % | Offshore/Marine Structures    | _____ % |
| 10 - 50 stories | _____ % | \$1,000,000 - \$5,000,000 | _____ % | Parking Structures            | _____ % |
| > 50 stories    | _____ % | > \$5,000,000             | _____ % | Schools                       | _____ % |

7. Provide the approximate percentage of clients in each of the following:
- |                                  |         |                            |         |
|----------------------------------|---------|----------------------------|---------|
| Commercial/Industrial            | _____ % | Development Company        | _____ % |
| Construction/Contracting Company | _____ % | Governmental/Public Entity | _____ % |
| Design Professional              | _____ % | Residential                | _____ % |

8. (a) Provide the following information for each of the five largest projects COMPLETED in the last three years:
- | Project Name | Location | Construction Value | Date Design Began | Date Construction Completed |
|--------------|----------|--------------------|-------------------|-----------------------------|
| _____        | _____    | _____              | _____             | _____                       |
| _____        | _____    | _____              | _____             | _____                       |
| _____        | _____    | _____              | _____             | _____                       |
| _____        | _____    | _____              | _____             | _____                       |
| _____        | _____    | _____              | _____             | _____                       |

- (b) Provide the following information for each of the three largest CURRENT projects:
- | Project Name | Location | Construction Value | Date Design Began | Scheduled Completion Date |
|--------------|----------|--------------------|-------------------|---------------------------|
| _____        | _____    | _____              | _____             | _____                     |
| _____        | _____    | _____              | _____             | _____                     |
| _____        | _____    | _____              | _____             | _____                     |

**V. BUSINESS PRACTICES AND RISK MANAGEMENT**

1. Does any one client represent more than 50% of the Applicant's business during the last two years? . [ ] Yes [ ] No  
If Yes, provide details. \_\_\_\_\_
  
2. Has the Applicant ever entered into or do they anticipate entering into any joint venture contracts? ..... [ ] Yes [ ] No  
Note the basic policy form excludes coverage for joint ventures. If coverage is requested complete our Joint Venture Supplement (SM1859).
  
3. Has the Applicant ever provided or does the Applicant expect to provide any professional services on any project in which the Applicant or any employee of the Applicant had, has, or will have any ownership interest? ..... [ ] Yes [ ] No  
If Yes, complete our Equity Interest Supplement (SM1861-02).
  
4. Does the Applicant:
  - (a) Employ a full time office administrator or business manager? ..... [ ] Yes [ ] No
  - (b) Use association approved standard contracts for at least 75% of its work? ..... [ ] Yes [ ] No
  - (c) Have all contracts for each new project reviewed by legal counsel? ..... [ ] Yes [ ] No
  - (d) Obtain subrogation waivers? ..... [ ] Yes [ ] No
  - (f) Have at least 75% of its projects in the last three years:
    - (i) With repeat clients? ..... [ ] Yes [ ] No
    - (ii) With repeat consultants and contractors? ..... [ ] Yes [ ] No
  - (g) Avoid guaranteeing the success of any project? ..... [ ] Yes [ ] No
  - (h) Pre-qualify the financial viability of all clients, consultants and subcontractors?..... [ ] Yes [ ] No
  - (i) Have written:
    - (i) Risk management procedures in place? ..... [ ] Yes [ ] No
    - (ii) In-house quality control procedures in place? ..... [ ] Yes [ ] No
    - (iii) Change order procedures?..... [ ] Yes [ ] No
    - (iv) Screening/pre-qualification procedures in place for clients, consultants, and contractors?.... [ ] Yes [ ] No

**VI. INSURANCE AND CLAIMS HISTORY**

1. (a) Limits of Liability - Indicate from the following options:  
 [ ] \$250,000/\$250,000 [ ] \$500,000/\$1,000,000 [ ] \$1,000,000/\$2,000,000 [ ] \$3,000,000/\$3,000,000  
 [ ] \$500,000/\$500,000 [ ] \$1,000,000/\$1,000,000 [ ] \$2,000,000/\$2,000,000 [ ] \$5,000,000/\$5,000,000
  
- (b) Deductible - Indicate from the following options:  
 [ ] \$2,500 [ ] \$5,000 [ ] \$10,000 [ ] \$25,000 [ ] \$50,000 [ ] other \_\_\_\_\_

THE COMPANY DOES NOT GUARANTEE TO OFFER ANY OF THE ABOVE LIMITS AND/OR DEDUCTIBLES.

2. List current and prior Architects and Engineers Professional Liability Insurance for each of the last five years:  
If none, check here [ ]

Insurance Company	Limits of Liability	Deductible	Premium	Inception/ Expiration Dates (MM/DD/YYYY)	Retroactive/ Prior Acts Date

3. Provide details of the Applicant's current General Liability Insurance and Umbrella Insurance:  
 If none, check here [ ]

	Insurance Company	Limits of Liability	Inception/ Expiration Dates (MM/DD/YYYY)
General Liability Insurance	_____	_____	_____
Umbrella Insurance	_____	_____	_____

4. Has any insurer declined, canceled, or nonrenewed any Architects and Engineers Professional Liability Insurance or any similar insurance on behalf of any person(s) or entity(ies) proposed for this insurance? ..... [ ] Yes [ ] No  
 If Yes, provide details. \_\_\_\_\_

5. Has the Applicant or any of its employees ever been the subject of disciplinary action by any authority as a result of their professional activities? ..... [ ] Yes [ ] No  
 If Yes, provide details. \_\_\_\_\_

6. Have any of the Applicant's projects during the last five years:

- (a) Been abandoned or stopped before the completion of either design, construction/installation? .... [ ] Yes [ ] No
- (b) Been foreclosed, or has any client, contractor or consultant gone into bankruptcy or receivership? ..... [ ] Yes [ ] No
- (c) Been involved in any litigation or arbitration proceedings? ..... [ ] Yes [ ] No
- (d) Been subject to any unresolved compensation dispute between the Applicant and any party? ..... [ ] Yes [ ] No
- (e) Had any party to a contract threaten to make a claim or demand based on actual or alleged cost overruns, excessive costs, delays, or any failure to meet the contract's price or time frame? [ ] Yes [ ] No
- (f) Had a death or permanent disability occur during construction or installation? ..... [ ] Yes [ ] No
- (g) Have a General Liability Insurance claim reserved for or that was paid for at least \$500,000? ..... [ ] Yes [ ] No
- (h) Resulted in the Applicant filing a claim or suit against any client? ..... [ ] Yes [ ] No
- (i) Been damaged in any way, or delayed in completion, due to a storm, hurricane, or any other kind of weather related event? ..... [ ] Yes [ ] No
- (j) Been damaged in any way, or delayed in completion, due to an earthquake, earth subsidence, building or wall collapse, or any other kind of geologic or seismic event? ..... [ ] Yes [ ] No

If Yes to any of the above, provide details including the current status of the project and contract. \_\_\_\_\_

7. Has (have) any Professional Liability claim(s) been made against the Applicant or any person or entity? ..... [ ] Yes [ ] No  
 If Yes, provide details in Part VII. of the application and attach currently valued loss runs from the current insurer and any prior insurers.

8. Is (are) any person(s) or entity(ies) proposed for this insurance aware of any fact, circumstance or situation that might provide grounds for any claim under the proposed insurance? ..... [ ] Yes [ ] No  
 If Yes, provide details in Part VII. of the application.

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**VII. CLAIMS DETAILS**

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If Yes to Question 6. or 7. in Part VI., provide details below for each claim, fact, circumstance or situation. If more space is needed, attach additional pages.

1. Date Claim Made: \_\_\_\_\_ Date of Alleged Error: \_\_\_\_\_  
Current Status/Date settled: \_\_\_\_\_ Claim, Suit or Incident: \_\_\_\_\_  
Name and Location of Project: \_\_\_\_\_  
Claimant(s)/Plaintiff(s): \_\_\_\_\_  
Additional Defendant(s) (if any): \_\_\_\_\_  
Nature of Claim and Allegations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date Reported to Insurance Company and Name of Insurance Company: \_\_\_\_\_  
Amount Reserved (Loss/ Expense): \$ \_\_\_\_\_ / \$ \_\_\_\_\_ Amount Paid (Loss/Expense): \$ \_\_\_\_\_ / \$ \_\_\_\_\_

2. Date Claim Made: \_\_\_\_\_ Date of Alleged Error: \_\_\_\_\_  
Current Status/Date settled: \_\_\_\_\_ Claim, Suit or Incident: \_\_\_\_\_  
Name and Location of Project: \_\_\_\_\_  
Claimant(s)/Plaintiff(s): \_\_\_\_\_  
Additional Defendant(s) (if any): \_\_\_\_\_  
Nature of Claim and Allegations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date Reported to Insurance Company and Name of Insurance Company: \_\_\_\_\_  
Amount Reserved (Loss/ Expense): \$ \_\_\_\_\_ / \$ \_\_\_\_\_ Amount Paid (Loss/Expense): \$ \_\_\_\_\_ / \$ \_\_\_\_\_

3. Date Claim Made: \_\_\_\_\_ Date of Alleged Error: \_\_\_\_\_  
Current Status/Date settled: \_\_\_\_\_ Claim, Suit or Incident: \_\_\_\_\_  
Name and Location of Project: \_\_\_\_\_  
Claimant(s)/Plaintiff(s): \_\_\_\_\_  
Additional Defendant(s) (if any): \_\_\_\_\_  
Nature of Claim and Allegations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date Reported to Insurance Company and Name of Insurance Company: \_\_\_\_\_  
Amount Reserved (Loss/ Expense): \$ \_\_\_\_\_ / \$ \_\_\_\_\_ Amount Paid (Loss/Expense): \$ \_\_\_\_\_ / \$ \_\_\_\_\_

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

NO FACT, CIRCUMSTANCE OR SITUATION INDICATING THE PROBABILITY OF A CLAIM OR ACTION FOR WHICH COVERAGE MAY BE AFFORDED BY THE PROPOSED INSURANCE IS NOW KNOWN BY ANY PERSON(S) OR ENTITY(IES) PROPOSED FOR THIS INSURANCE OTHER THAN THAT WHICH IS DISCLOSED IN THIS APPLICATION. IT IS AGREED BY ALL CONCERNED THAT IF THERE IS KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION, ANY CLAIM SUBSEQUENTLY EMANATING THEREFROM SHALL BE EXCLUDED FROM COVERAGE UNDER THE PROPOSED INSURANCE.

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION AND IN ANY ATTACHMENTS, ARE TRUE AND COMPLETE. SHAND MORAHAN & COMPANY, INC. OR THE COMPANY IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE COMPANY TO PROVIDE OR THE APPLICANT TO PURCHASE THE INSURANCE.

THIS APPLICATION, INFORMATION SUBMITTED WITH THIS APPLICATION AND ALL PREVIOUS APPLICATIONS AND MATERIAL CHANGES THERETO OF WHICH SHAND MORAHAN & COMPANY, INC. RECEIVES NOTICE IS ON FILE WITH SHAND MORAHAN & COMPANY, INC. AND IS CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY IF ISSUED. SHAND MORAHAN & COMPANY, INC. AND THE COMPANY WILL HAVE RELIED UPON THIS APPLICATION AND ALL SUCH ATTACHMENTS IN ISSUING THE POLICY.

IF THE INFORMATION IN THIS APPLICATION AND ANY ATTACHMENT MATERIALLY CHANGES BETWEEN THE DATE THIS APPLICATION IS SIGNED AND THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL PROMPTLY NOTIFY SHAND MORAHAN & COMPANY, INC., WHO MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION OR AGREEMENT TO BIND COVERAGE.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT:

- (I) THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD";
- (II) UNLESS AMENDED BY ENDORSEMENT, THE LIMITS OF LIABILITY CONTAINED IN THE POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED BY "CLAIM EXPENSES" AND, IN SUCH EVENT, THE COMPANY WILL NOT BE LIABLE FOR "CLAIM EXPENSES" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT SUCH COSTS EXCEED THE LIMITS OF LIABILITY IN THE POLICY; AND
- (III) UNLESS AMENDED BY ENDORSEMENT, "CLAIM EXPENSES" SHALL BE APPLIED AGAINST THE "DEDUCTIBLE".

Note: This application is signed by undersigned authorized agent of the Applicant(s) on behalf of the Applicant(s) and its, owners, partners, directors, officers and employees

Must be signed by the owner, principal, partner, executive officer or equivalent (within 60 days of the proposed effective date).

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

**Notice to New York 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 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 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 the person to criminal and civil penalties.

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## DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE AND ELECTION FORM

RE:  
 Risk ID. No.:

You are hereby notified that under the Terrorism Risk Insurance Act of 2002 (the "Act"), effective November 26, 2002, that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act ("Terrorism Coverage"): The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that Terrorism Coverage required to be offered by the Act for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this Terrorism Coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

### **SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE**

**PLEASE ENTER "X" IN ONE OF THE BOXES BELOW AND SIGN AND DATE WHERE INDICATED BELOW.**

**Florida, Georgia and Oklahoma Applicants:** Please be advised that in the event a policy is purchased, the policy premium will include a 1% surcharge for Terrorism Coverage unless you elect to decline Terrorism Coverage. You need to enter an "X" below if you wish to decline Terrorism Coverage.

	I hereby elect to purchase the Terrorism Coverage required to be offered under the Act. I understand that my policy premium will include a 3% surcharge for this coverage.
	I decline to purchase the Terrorism Coverage required to be offered under the Act. I understand that my policy will be endorsed to exclude the Terrorism Coverage required to be offered under the Act.

\_\_\_\_\_  
 Name of Applicant

\_\_\_\_\_  
 Title (Officer, partner, etc.)

\_\_\_\_\_  
 Signature of Applicant

\_\_\_\_\_  
 Date

SIGNING this Disclosure Notice does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance.