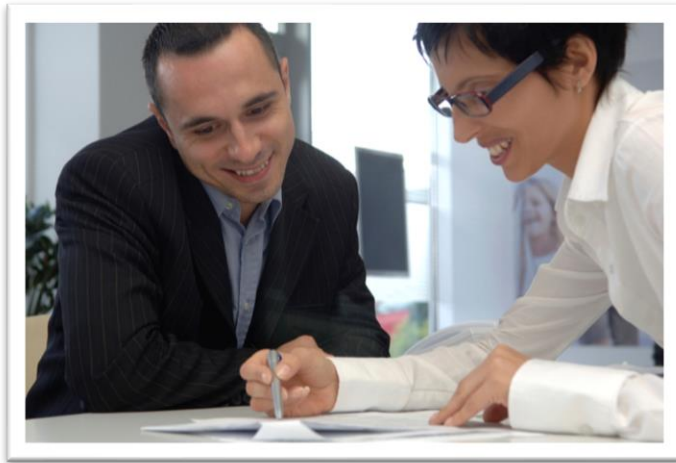


ERRORS & OMISSIONS LIABILITY [E&O] AND PROFESSIONAL LIABILITY

INTERCHANGEABLE TERMS



E&O COVERS CLAIMS ARISING FROM WRONGFUL ACTS IN THE PERFORMANCE OF PROFESSIONAL SERVICES:

2 MAJOR CRITERIA FOR PROFESSIONAL SERVICES

- Services performed for third parties
- For a fee

E&O policies are intended to provide legal protection to the owners, their companies and their employees from suits arising from either the performance of or failure to perform Professional Services to others for a fee.

E&O IS ROUTINELY REQUIRED BY CLIENT SERVICE CONTRACTS

What do underwriters need to determine the amount of risk associated with an e&o applicant?

- Description of the services provided
- Who are the customers (if not stated above)
- What is the volume of services? Or Number of Customers?
- How much revenue is generated from this activity. (Under \$100K is not eligible for consideration.)



COMMON EXCLUSIONS:

- Prior Knowledge
- Fraud
- Services outside the scope of those defined in the policy
- Bodily Injury
- Guarantees of performance under contract.
- Independent contractors – may be limited.

ENHANCEMENTS:

- Defense Costs In Addition to the Limit.
- Independent Contractors.
- Regulatory supplemental coverages that will pay some Regulatory Fines & Penalties (i.e. HIPAA).

POLICY LIMITS AVAILABLE:

\$1,000,000 up to \$10,000,000

MINIMUM PREMIUM:

\$2,500 (may be subject to additional taxes and fees)