

*Middle Market Risk Management Questionnaire*

*Underwritten by The Hanover Insurance Company*

**NOTICE: THIS QUESTIONNAIRE IS FOR A CLAIMS-MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY. PLEASE READ THE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.**

**INSTRUCTIONS**

Whenever used in this Questionnaire, the term **Firm** shall mean the **Named Insured** proposed for insurance, and **You** or **Your(s)** shall mean the persons and entities proposed for insurance unless otherwise stated.

**A. GENERAL INFORMATION**

Name of **Firm** \_\_\_\_\_

**B. FIRM MANAGEMENT & INTERNAL CONTROLS**

1. Is the **Firm** managed by a management/executive committee? ☐ Yes ☐ No

*If "Yes", how many partners or officers comprise the committee?* \_\_\_\_\_

How often has the management committee met in the past twelve months? \_\_\_\_\_

2. Does the **Firm** have a written partner/shareholder agreement? ☐ Yes ☐ No

3. Does the **Firm** employ an administrator? ☐ Yes ☐ No

*If "Yes",*

a. Is the administrator a non-lawyer? ☐ Yes ☐ No

b. Is the administrator full-time? ☐ Yes ☐ No

c. Is the administrator a member of the ALA? ☐ Yes ☐ No

4. Does the **Firm** have a written risk management program? ☐ Yes ☐ No

*If "No", please explain why not:*

\_\_\_\_\_  
\_\_\_\_\_

5. Does the **Firm** (or departments within the **Firm**) conduct periodic meetings involving all lawyers of the **Firm** (or department)? ☐ Yes ☐ No

6. Does the **Firm's** Oversight, Peer Review, or Internal Communication procedures require that **Firm** management regularly review the status and direction of all **Firm** matters, and that all matters assigned to associate lawyers are reviewed by a designated partner or officer? ☐ Yes ☐ No

7. Does the **Firm** use a peer review system to evaluate the performance of:

a. All practicing lawyers? ☐ Yes ☐ No

b. Partners or Officers? ☐ Yes ☐ No

8. Does the **Firm** maintain a training program for new associates? ☐ Yes ☐ No

9. Are departing lawyers' files reviewed by a partner or officer of the **Firm**? ☐ Yes ☐ No

10. Does the **Firm** have a system requiring that complaints by either a client or other counsel be reviewed by a partner or officer other than the lawyer about whom the complaint is made? ☐ Yes ☐ No
11. Do suits for collection of fees have to be approved by a committee or at least two partners or officers? ☐ Yes ☐ No
12. Does the **Firm** have formal, written procedures regarding the maintenance and use of IOLTA or trust accounts, including escrow funds? ☐ Yes ☐ No
13. Are custodial accounts (money, securities, and other property held on behalf of clients) audited by an independent outside auditor? ☐ Yes ☐ No
14. Does the **Firm** have a policy governing the trading and/or investing by its lawyers in securities of clients and the disclosure of such trading and/or investing to the **Firm**? ☐ Yes ☐ No
15. Does the **Firm** have a policy governing transactions for clients when its lawyers own or serve as fiduciaries, directors, officers, trustees, consultants, employees or partners of, or exercise any fiduciary management control over such clients? ☐ Yes ☐ No
16. Does the **Firm** maintain a system to avoid conflicts of interest? ☐ Yes ☐ No  
 If "Yes", is the conflicts system computerized? ☐ Yes ☐ No  
 a. How often is it updated? \_\_\_\_\_  
 b. Does it include? (Select all that apply)  
     ☐ Client Name    ☐ Opposing Party    ☐ Opposing Counsel    ☐ Client Subsidiaries    ☐ Client Principals  
     ☐ Previous Firms of Lateral Hires    ☐ Other \_\_\_\_\_ (describe)
17. Does the **Firm** document and disclose in writing to clients the potential for conflict of interest in all applicable situations? ☐ Yes ☐ No  
 If "Yes", does the disclosure:  
 a. Clearly describe the nature of the conflict? ☐ Yes ☐ No  
 b. Explain under what conditions it is advisable for the client to seek independent legal advice? ☐ Yes ☐ No  
 c. Obtain the client's consent to continue performing ongoing legal services? ☐ Yes ☐ No  
 d. Reasonably set forth the legal and practical consequences should it become necessary for the **Firm** to withdraw as legal counsel as a result of the conflict? ☐ Yes ☐ No  
 e. Address representation where any lawyer has any kind of financial interest in the proposed client or subject matter of the representation, other than traditional hourly or contingent legal fees? ☐ Yes ☐ No
18. Does the **Firm** ever accept securities of a client or other forms of compensation in lieu of fees? ☐ Yes ☐ No  
 If "Yes", please explain:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
19. Are new clients subject to the approval of a committee or designated partner or officer other than the lawyer generating the business? ☐ Yes ☐ No
20. How often is information regarding all new clients made available to all lawyers of the **Firm**? \_\_\_\_\_
21. Does the **Firm** have a procedure for evaluating prospective clients to determine such things as the prospective client's financial strength, management expertise, reputation and history of changing lawyers? ☐ Yes ☐ No

22. Does the **Firm** have a written client intake, screening or file opening procedure? ☐ Yes ☐ No  
*If "Yes", does the **Firm's** client intake, screening or file opening procedure:*
- a. Prohibit the disclosure of confidential information before a conflict check is completed? ☐ Yes ☐ No
- b. Examine the match between the proposed representation and the current skill sets of the lawyer(s) who will be working on the matter? ☐ Yes ☐ No
- c. Examine the likelihood of success or expectations of the client? ☐ Yes ☐ No
23. Does the **Firm** have a docket control administrator? ☐ Yes ☐ No
24. How often are open calendar entries on the docket control system circulated to all lawyers, or, if the **Firm** is divided into formal departments, to all lawyers in the appropriate department? \_\_\_\_\_
25. Does the **Firm** have a computer back-up system or some other form of emergency back-up system in the event of a disruption or interruption of business? ☐ Yes ☐ No

The undersigned, acting on behalf of all Applicants, declares that the statements above are true and complete, that thorough efforts were made to obtain requested information from all persons to be insured, no facts have been suppressed or misstated, and I/we understand that this supplement becomes part of the application.

**Date**

**Signature / Title**

\_\_\_\_\_  
(mm/dd/yyyy)

\_\_\_\_\_  
(Chief Executive Officer, President, Financial Officer, Managing Partner or Owner)

\_\_\_\_\_  
(mm/dd/yyyy)

\_\_\_\_\_  
(Print Name and Title)

**A POLICY CANNOT BE ISSUED UNLESS THE "QUESTIONNAIRE" IS PROPERLY SIGNED AND DATED.**  
Please submit this "Questionnaire" including appropriate documentation to your agent.