

A.M. FREDERICKS UNDERWRITING MANAGEMENT LTD.

PRODUCTS LIABILITY INSURANCE SUPPLEMENT (Forming part of the Liability Survey of Hazards)

Applicant's Instructions:

1. Answer all questions.
2. If space is insufficient to answer any questions fully, attach separate sheet
3. Application must be completed and signed by the owner, manager or executive authorized to do so.
4. If the answer to any question is none, state "NONE".
5. Please do not complete earlier than 45 days before submission.

1. APPLICANT

Full Name _____

2. PRODUCTS AND COMPLETED OPERATIONS

Describe your products and services. Include and identify, those acquired via acquisition or merger those planned for introduction in next 12 months, and those previously discontinued. Show number of years involved with each products indicate which products you install, service or repair:

Products and Services	Years Involved	Principal End User	% of Gross Annual Sales

NOTE: (Attach brochures, catalogs, labels, instruction manuals, annual reports, and Product Surveys)

3. PRODUCT AND SALES DATA

a) For Principal Products or Service, indicate:

	Total Sales or Receipts	Product or Service	% of Total Sales	No. Units Sold
Past 12 months				
2nd Prior Year				
3rd Prior Year				
4th Prior Year				
5th Prior Year				

Replacement parts are what percentage of total sales: _____%

- | | | | | |
|---|-----|--------------------------|----|--------------------------|
| b) Do you import products or component parts? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| c) Do you export products or have foreign operations? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| d) Could any of your products or services be used on or in connection with: | | | | |
| 1. aircraft/missile/aerospace? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 2. watercraft or offshore? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 3. transportation/ transit? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 4. life support service? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| e) Do you make or handle any product that is explosive, flammable, or poisonous either by itself or in combination with other materials? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| f) Could any of your products be classified as: | | | | |
| 1. pharmaceuticals | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 2. cosmetics..... | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| g) Are any of your products sold under another's name or label? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| h) Do you purchase materials or components from others? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| i) Do you repackage or alter any parts of products purchased from others? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

PLEASE EXPLAIN ALL OF THE ABOVE "YES" ANSWERS BELOW:

) _____
) _____
) _____
) _____

j) Brief describe how your product(s) are to be used:

k) Are you ISO certified? Yes No

l) Are any of your products approved by independent bodies such as ULC, CSA, etc.? Yes No
 If yes, state which products and by whom approved: _____

4. PROCESSING

a) Do others assemble your products? Yes No

b) If assembly by others, do you supervise? Yes No

c) If installation by others, do you supervise or furnish instruction as to installation? Yes No

d) If you maintain and service your products, attach a copy of your standard service contract. Yes No

e) Who packages your products? _____
 Who designs your packaging? _____
 Who supplies the packaging materials? _____
 How are they packed when sold? _____

Is any sterile packaging involved? Yes No

Do you package for others? Yes No

Do you package under trade names others than your own? Yes No

5. MARKETING

a) Percentage of total sales to: Wholesalers _____% Retailers _____% Consumers _____%

b) Sales Territory, Name of Products, and Amount of Sales:

1 List all products exported to U.S.A. and sales by product for the past four years as well as estimated sales for the up-coming year (please attach products brochures or others printed material describing products.

Products	Past 12 Months	2nd Prior Year	3rd Prior Year	4th Prior Year	5th Prior Year

2 Sales of Products other than to the U.S.A.

Products	Past 12 Months	2nd Prior Year	3rd Prior Year	4th Prior Year	5th Prior Year

3 Please indicate approximate sales splits by country:

_____ % _____ % _____ %
 _____ % _____ % _____ %
 _____ % _____ % _____ %

- c) Suppliers and Distributors of your products
- i) Do you hold them harmless or insure them? Yes No
- ii) Do they hold you harmless or insure you? Yes No

If yes to either (i) or (ii), please explain: _____

6. LOSS PREVENTION

- a) Have your products ever been subject to inquiry or investigation relative to product safety by any governmental agency? *If yes, attach details.* Yes No
- b) Do you have a written products recall plan? *If yes, please attach.* Yes No
- c) Have you ever recalled products because of a potential product safety hazard? *if yes, attach details and indicate percent of recovery.* Yes No
- d) Has your management issued a written policy statement on product safety which has been communicated to all employees? *If yes, please attach.* Yes No
- e) Do you have a written products safety program for which specific individuals have responsibility for implementation?. *If yes, attach copy or outline.* Yes No

7. PRODUCT DESIGN

- a) Do you do your own design work? Yes No
- b) Do you maintain records of design changes and reasons justifying these changes?. Yes No
- c) Are your designs subject to independent external review, testing or certification? *If so, attach details and dates.* Yes No
- d) Are your products designed, tested, labeled and manufactured:
- i) to meet or exceed all government and industry standards. Yes No
- ii) for optimum safety in spite of misuse or abuse? Yes No

8. QUALITY CONTROL AND TESTING

- a) Are written testing procedures followed? Yes No
- b) Do you have a quality control manager responsible only to top management? Yes No
- c) Supplies and components:
- i) Are they ordered to your specifications? Yes No
- ii) Have you determined which ones are critical to the safety of your final product? Yes No
- iii) List those critical items, indicating whether testing is on a sample basis or on all units. Yes No
- iv) Are warranties obtained from all suppliers? Yes No
- d) Final Products:
- i) Briefly describe tests applied before sales: _____
- ii) What percentage are tested? _____%
- ii) Are records of results quality control tests kept so that you can identify at a later date what tests you applied to a given products at a given time? Yes No
- iii) How far back do your records go? (give date) Yes No
- iv) If your products are manufactured to the specification of your customers do they test the product upon receipt? Yes No
- v) Do you receive an acceptance sign-off from your customer? Yes No

9. INSTRUCTIONS / WARNINGS / ADVERTISING / WARRANTIES

- a) Are hazards inherent in the final product, and warnings against foreseeable misuse and abuse made known to the ultimate user by:

- | | | | | |
|---|-----|--------------------------|----|--------------------------|
| i) warning labels at the point of hazard? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) written instructions?. | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) other means? (attach details) | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| b) Are warning / instructions in English and French? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| c) Are instructions, warnings, labels, and advertising texts subject to review, to assure that they are complete and understandable to the ultimate user, and avoid overstatement relative to safety, or omissions relative to hazards by: | | | | |
| i) Legal counsel? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) top management? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) other? (attach details) | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| d) Do you expressly disclaim or limit warranties for your products?. | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| e) Are all warranties and / or disclaimers reviewed by legal counsel? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| f) Do you provide any specific training or instructions for the ultimate user in the proper use of your product? <i>If yes, please describe.</i> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| g) Are salesmen and distributors made aware of your desire to be informed of cases where your product is used for a purpose for which was not designed? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

10. LOSS CONTROL AND DEFENSE

a) Explain how you can identify your products and parts from similar competitors products and parts:

- | | | | | |
|--|-----|--------------------------|----|--------------------------|
| b) Can you determine, based on available records for all products you have sold: | | | | |
| i) when any given product item was manufactured? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) to whom it was sold, and the date of sale? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) who supplied parts and supplies going into the final products? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| c) Do you maintain copies of old instruction or operation manuals and advertising material? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| d) Accident procedure: | | | | |
| i) Do you have a written procedure for obtaining information about product complaints, accidents and injuries involving your products? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) Have you made distributors aware of your desire for prompt notice of all complaints, accidents and injuries involving your product? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) Does your procedure provide for examining and preserving any allegedly defective product with the results of such examination recorded? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iv) Do reports on complaints, accidents, injuries, and the examination of products involved go to the person responsible for product safety? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| v) Are results used for improving the product/process procedures? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

I declare that the statements and particulars in this questionnaire are true and that I have not mis-stated or suppressed any material facts. I agree that this questionnaire, together with any other information supplied by me shall form the basis of any contract of insurance effected thereon. I undertake to inform insurers of any material alteration to these facts whether occurring before or after completion of the contract of insurance.

Signature of Applicant or Authorized Representative

Print Name and Title

Date