

**Affirmation of Understanding Concerning Decrease in Limits of Liability**

I hereby request a decrease in my limits of liability to \$ \_\_\_\_\_ each claim/  
\$ \_\_\_\_\_ annual aggregate effective as of \_\_\_\_\_, 20\_\_\_\_. \*\*

\*\*NOTE: The requested effective date for any decrease in limits of liability is subject to Underwriting Department approval.

**IMPORTANT**

**PLEASE REVIEW THE FOLLOWING STATEMENTS CAREFULLY AND CONSULT WITH YOUR PERSONAL ATTORNEY REGARDING THE LEVEL OF INSURANCE THAT IS APPROPRIATE FOR YOUR SPECIFIC PRACTICE ENVIRONMENT. IF YOU DECIDE TO REQUEST A DECREASE IN LIMITS, PLEASE EXECUTE THIS APPLICATION AS INDICATED AND RETURN IT TO SOMERSET INSURANCE SERVICES.**

I understand that the decreased limits I have requested will apply to claims reported under my Policy on or after the effective date indicated above, and that the higher limits which were applicable previously under my policy will not apply to those claims.

I am requesting that the decrease in limits of liability in consideration of the lower premium charged for the coverage.

I understand that the decreased limits I have requested may not be sufficient to protect me fully in the event of a claim.

I understand that I will have less coverage available for any matter reported after the effective date of the reduction in limits and less aggregate coverage for all matters reported within a single policy period or during any extended reporting period provided under a Reporting Endorsement.

I acknowledge that, prior to accepting my request for decreased limits; the insurer encouraged me to consult with my personal attorney to determine the level of insurance coverage that best meets the needs of my practice environment.

I acknowledge that the decision to request a decrease in insurance limits is solely my own and is not based on any advice or recommendation from the insurer.

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Policy Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**NOTARY:**

Sworn and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

Notary Signature \_\_\_\_\_ (Seal)

My Commission Expires: \_\_\_\_\_

EXAMPLE OF HOW NEW COVERAGE LIMITS WILL APPLY

Changes in limits are effective back to your retroactive date, and the limits in effect at the time a claim is first reported to the Company will apply to that claim.

For Instance: Assume retroactive date is 1/01/2001 and the limits are \$1 Million/\$3 Million during 2001. If the doctor reduces his limits as of 01/01/2003 to \$500,000/\$1,500,000, claims reported on or after 01/01/2003 will be covered up to \$500,000 only---even if the medical incident from which the claims arose took place during 2001. If the claim was reported in 2001 the higher limits in effect at that time will continue to apply to that claim.

Please contact us if you have any questions concerning this change in your limits. Return completed application to us at the above address.