PLAYBOOK FOR POLICYHOLDERS
VICTOR CONTRACT SIFTER

VICTOR

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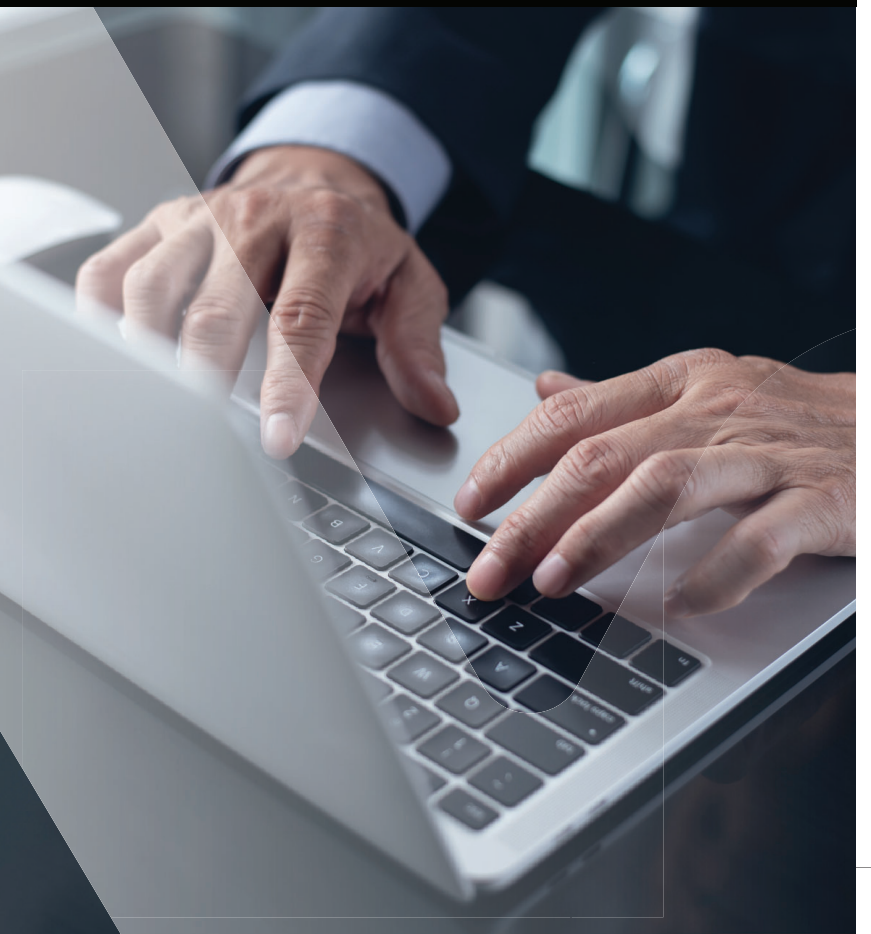

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VICTOR CONTRACT SIFTER

This market-changing new offering combines Victor's insurance coverage and risk management expertise with LegalSifter's Artificial Intelligence-powered contract review software.

Victor Contract Sifter provides you with a fast and easy way to spot potential coverage issues and receive actionable guidance on common issues that relate to insurability in professional services agreements. Victor is leveraging AI to expand the accessibility of its contract review services and to provide you with access to real-time and practical risk management guidance.

The software uses AI, in the form of "Sifters," which are trained to read text and identify important and relevant insurability concepts in contracts. The Sifters learn from user feedback and improve over time. Victor's in-context expert advice regarding issues of professional liability is embedded in the product and is available to users in every Sift. An integrated routine of "Sifting before you sign" in the contract review process will help design firms embed good risk management practices into their culture.

PRODUCT BENEFITS

Victor Contract Sifter offers:

- **Issue spotting and in-context expertise**
  After you upload a professional services agreement into Victor Contract Sifter, within minutes, the product identifies common insurability and practice management issues and offers Victor's guidance on those issues, including:
  1. an explanation of the concept or issue;
  2. professional liability or insurability concerns associated with the issue;
  3. a recommended response and;
  4. sample language.
- **Efficiency and standardization**
  AI-powered issue spotting speeds the process of contract review. Over time, you will gain lasting insight into key issues and learn how to respond effectively to those issues as you negotiate contracts. This approach to contract review may reduce risk and increase standardization of contract terms.
- **An effective training tool**
  The product serves as a great teaching tool for contract reviewers who may not be familiar with liability issues in the design and construction industry.
- **A complete solution**
  The final redlined document with commentary can be exported out of the application as a Word document. The edited redlined document with proposed modifications can be sent as an attachment to your client, which will ease the contract negotiation process.

PRODUCT LIMITATIONS

Victor Contract Sifter does not:

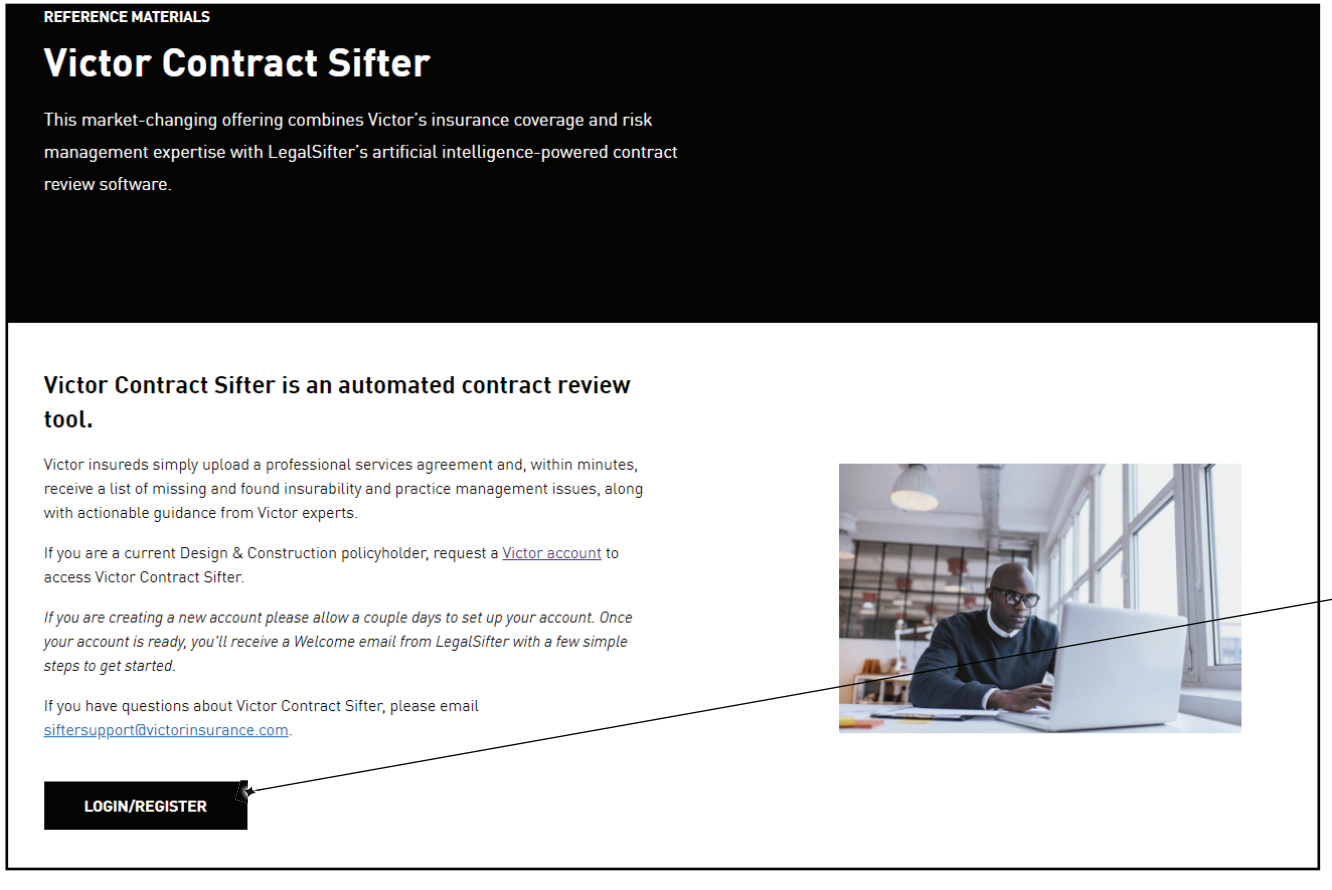
- **Review all types of contracts**
  The product is optimized for the review of design firm professional services contracts. The issue spotting and expertise in Victor Contract Sifter are applicable to only these types of contracts. You should not use Victor Contract Sifter for the review of—or expect to receive appropriate risk management guidance for—other industry-related contracts such as Lender Consents to Assignments, NDAs, Joint Venture Agreements, Teaming Agreements, Lien Waivers, real estate or rights of way acquisition services or other non-professional services contracts.
- **Substitute for human judgment**
  The AI does not tell you whether the issues it has spotted in a contract are good or bad; the AI flags the issue and Victor's added expertise within the product helps you determine how to respond to these issues. In other words, the AI predicts the issues present in the contract and you—with the help of Victor—make a judgment on how to respond to those issues. As a reminder, Victor's expertise provides succinct guidance related to four areas:

  1. Issue
  2. Concern
  3. Response
  4. Sample language

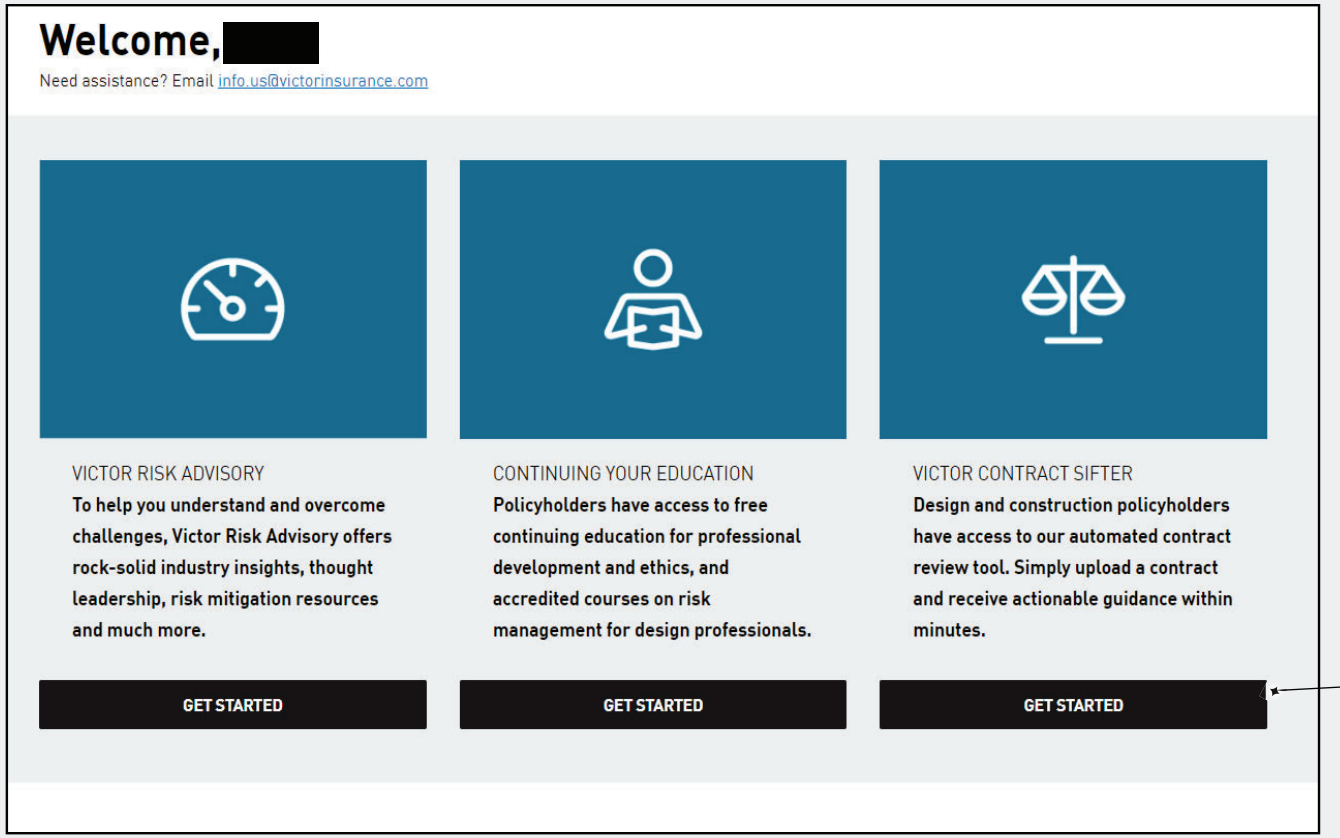
  The guidance may also provide a hyperlink to other resources on the topic.
- **Substitute for legal advice**
  This is not a legal review; it is a review of general insurability issues and other common practice management issues, such as copyright protections.

NAVIGATING VICTOR CONTRACT SIFTER

Start at the Victor Contract Sifter homepage (https://www.victorinsurance.com/us/policyholders/victor-risk-advisory/us/design-construction-open-resources/contract-sifter.html)

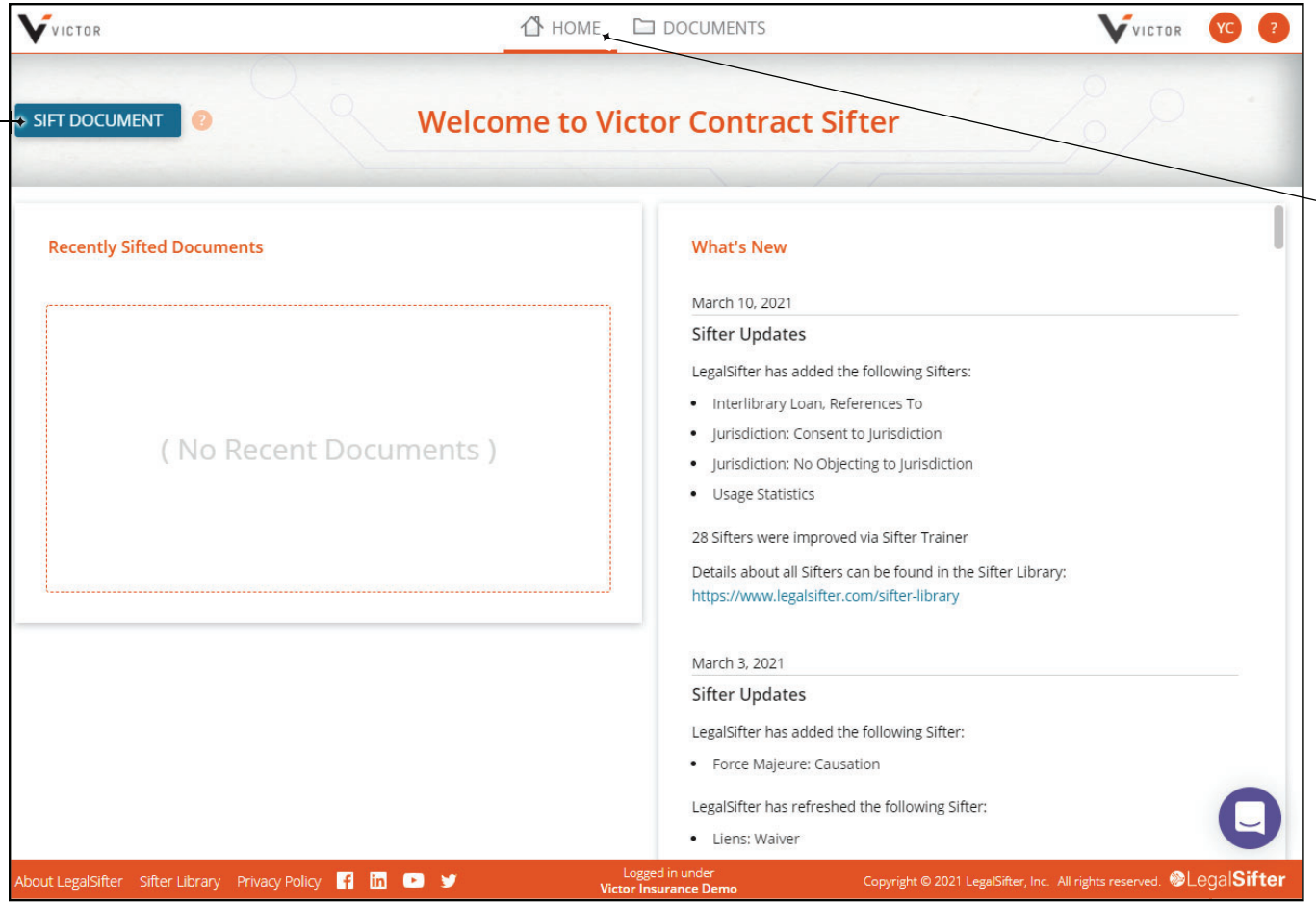


Click on "Log in or register"

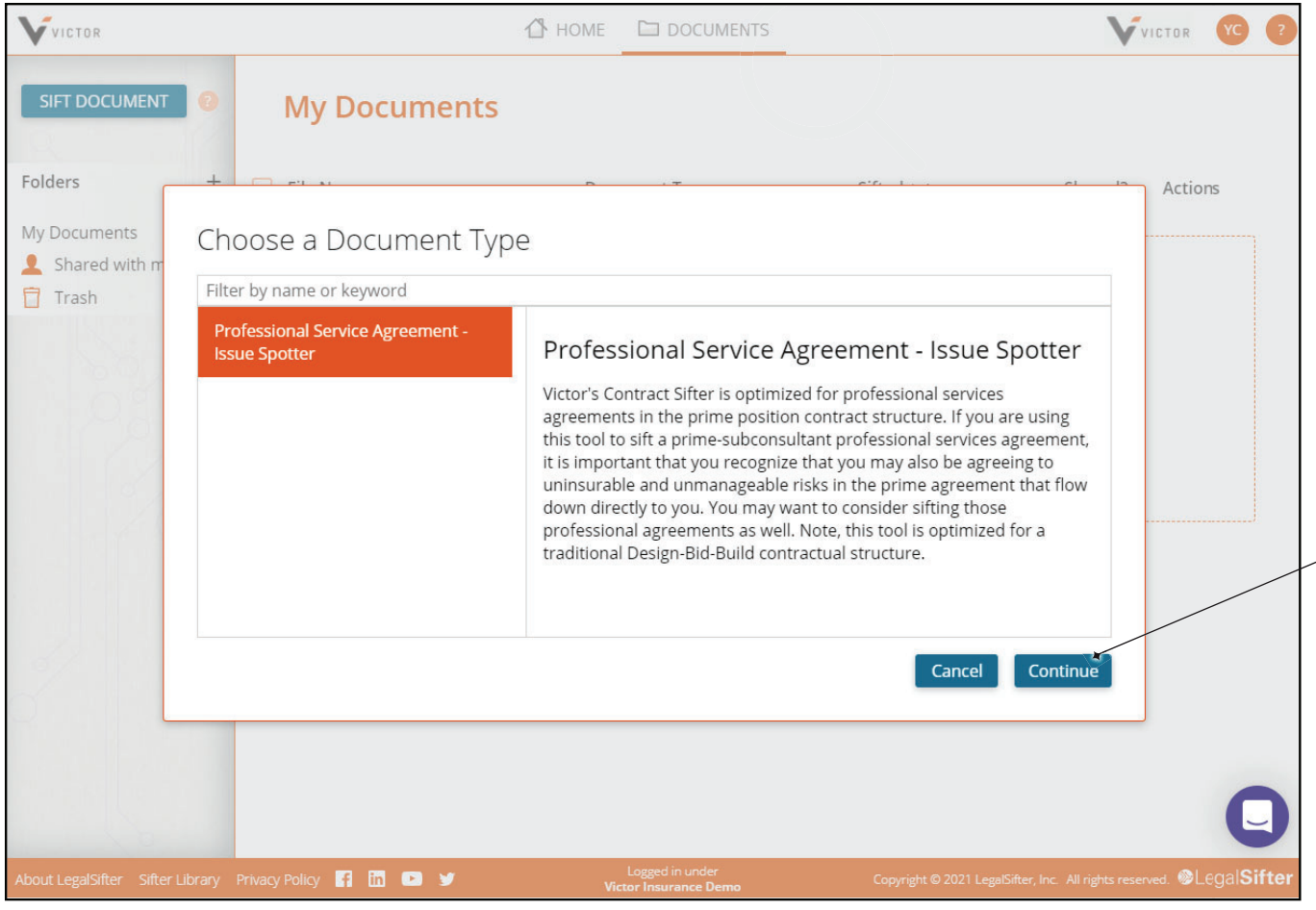


Once logged in, click on "Get Started" under the Victor Contract Sifter tile

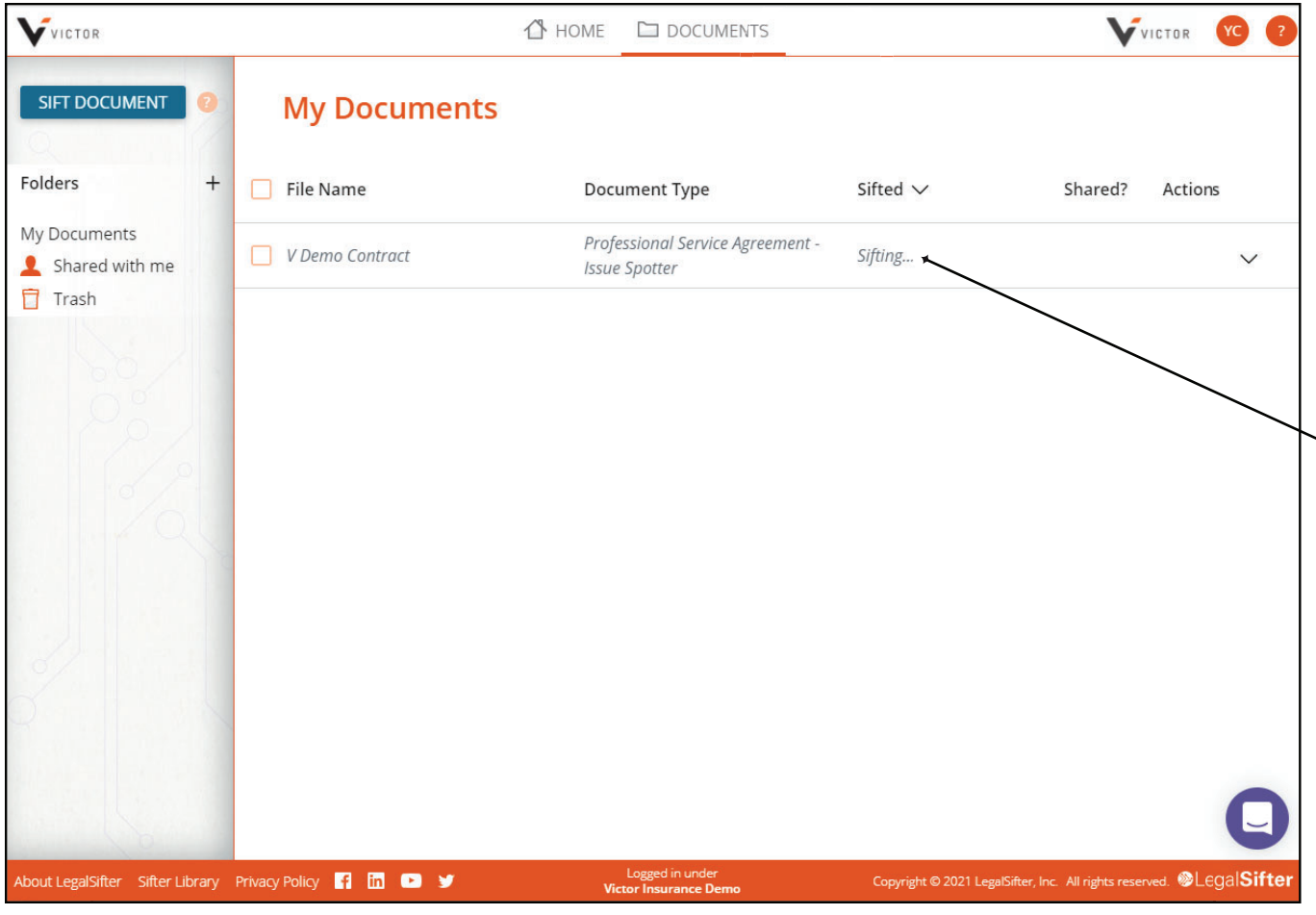
Click “Sift document” to begin the Sifting process



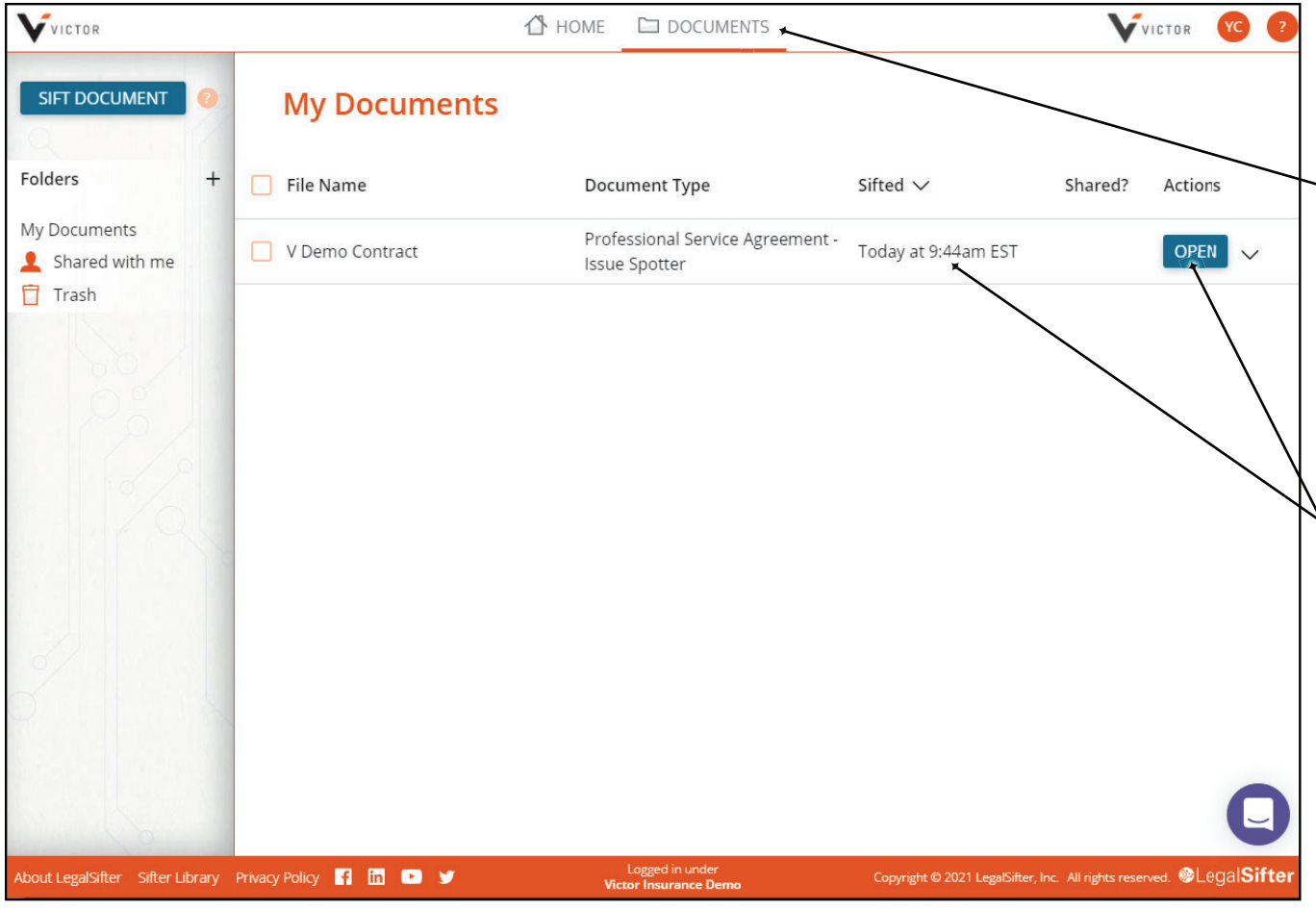
This is how your home page will be displayed



Select the "document type" and click "continue" to begin Sifting. You'll be prompted to select the contract you want the tool to review. Select the contract from your PC and the Sifting process will automatically start.

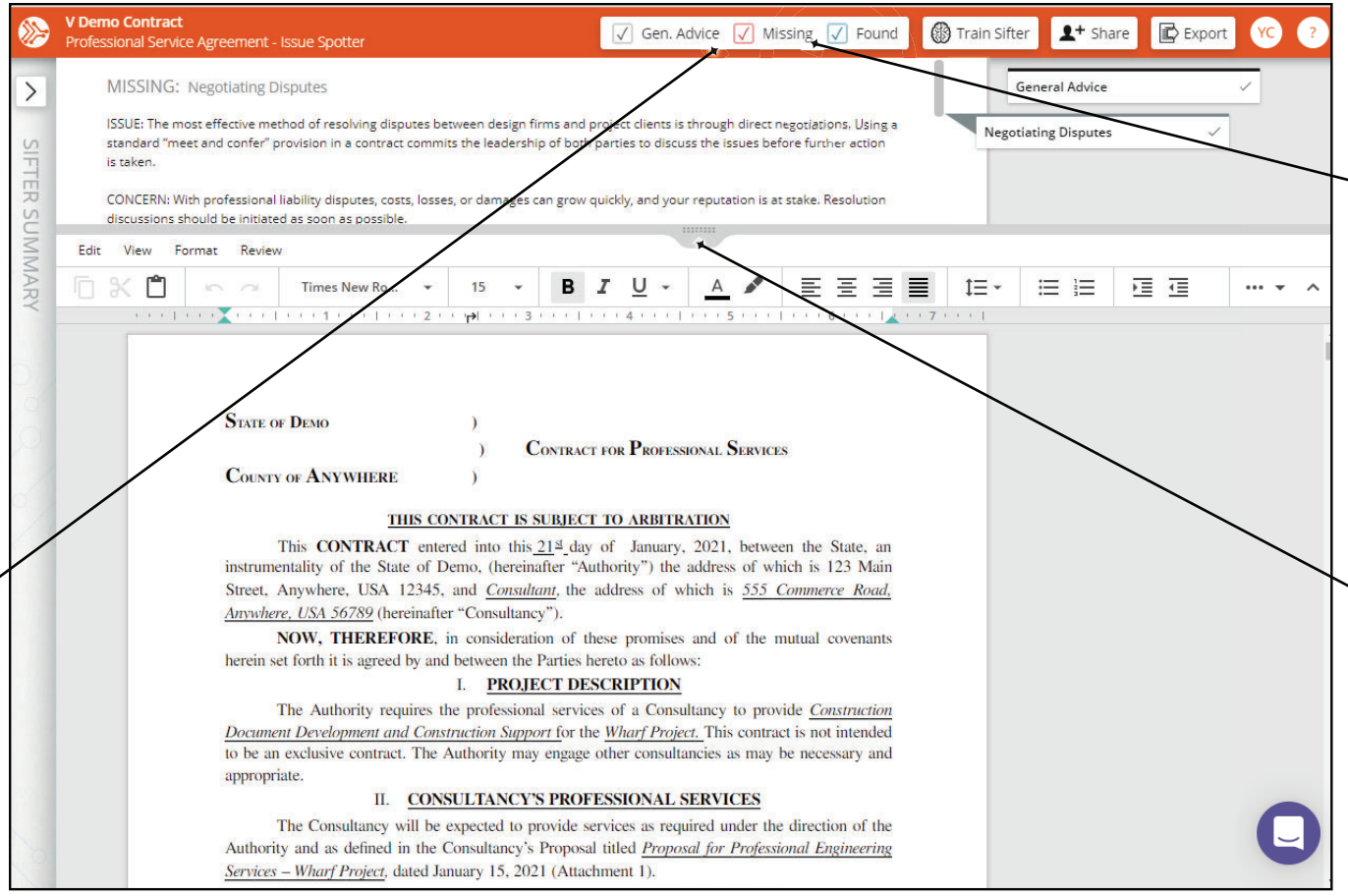


This progress notation will be displayed as the contract is being reviewed



"Documents" is where your Sifted contracts will be stored

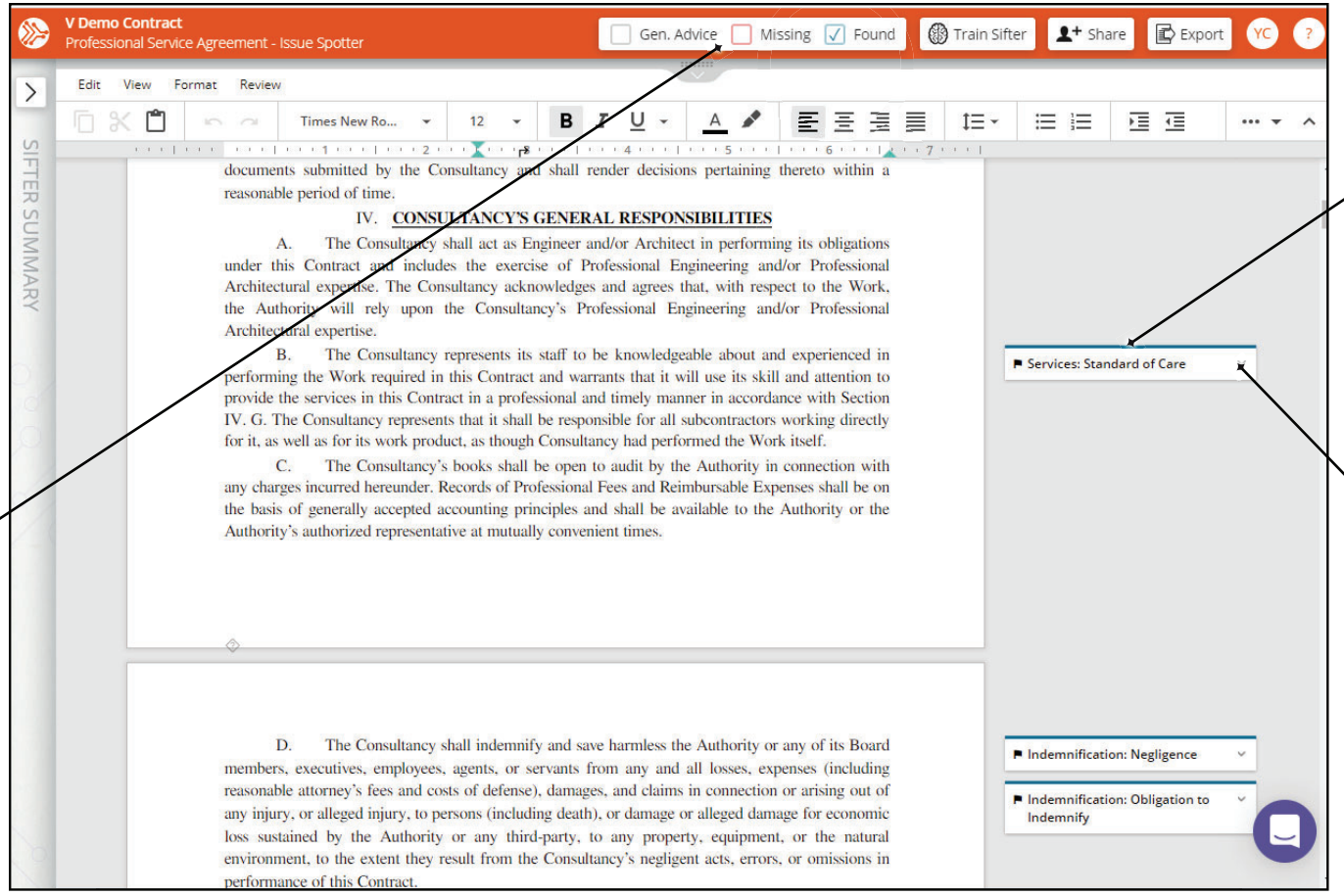
Once the contract has been Sifted, you can now open the document to review any issues/concepts found or missing



Use these options to clean up the Sifted contract

Bulk dismiss or view Sifters (the concepts/issues)

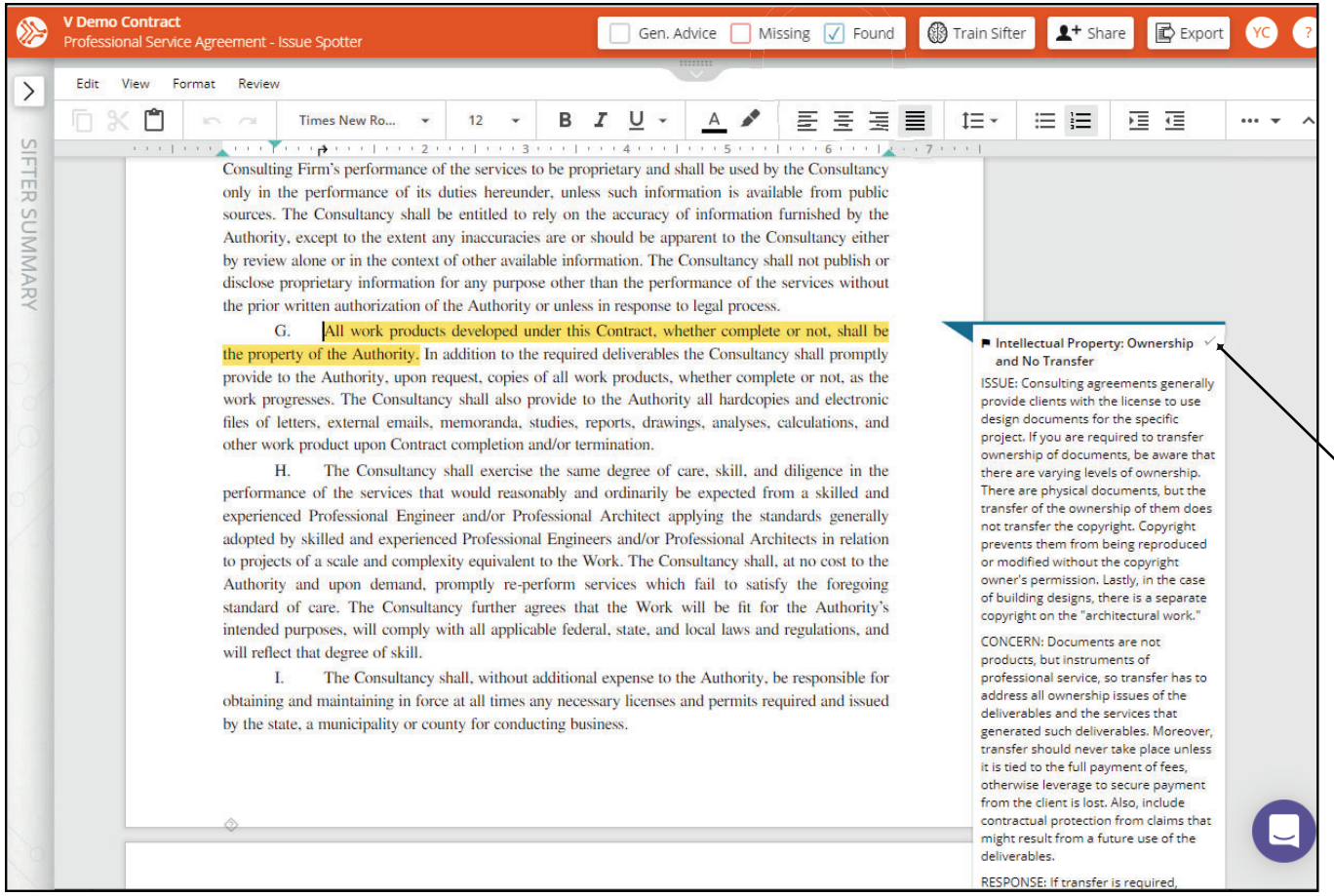
This bar can be dragged up and down. "Missing" Sifters (concepts) are displayed above the bar, while "found" Sifters (concepts) are displayed below the bar



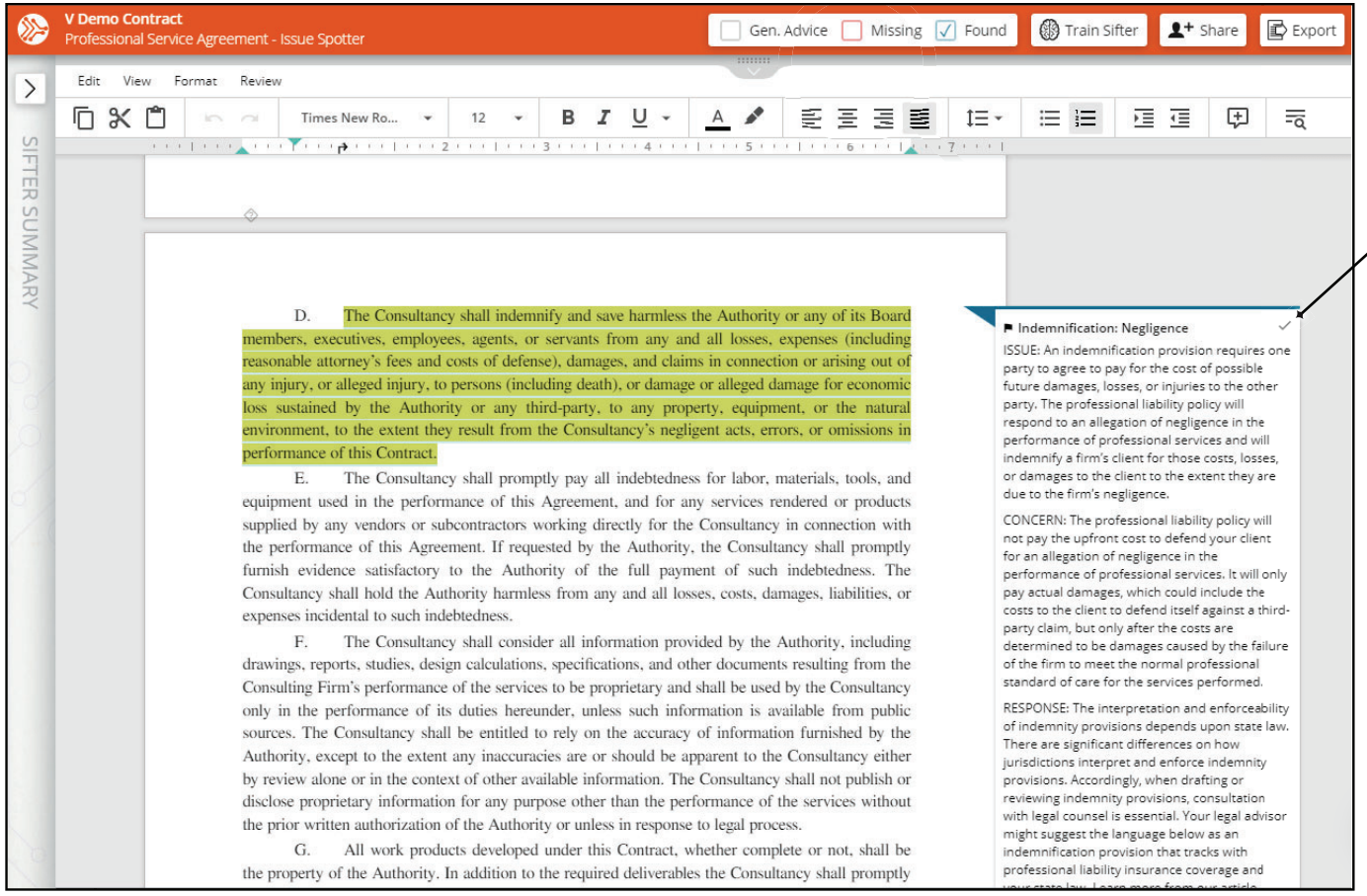
If you only want to view "found" Sifters, uncheck the other boxes

"Found" Sifters are displayed in the margin of your contract

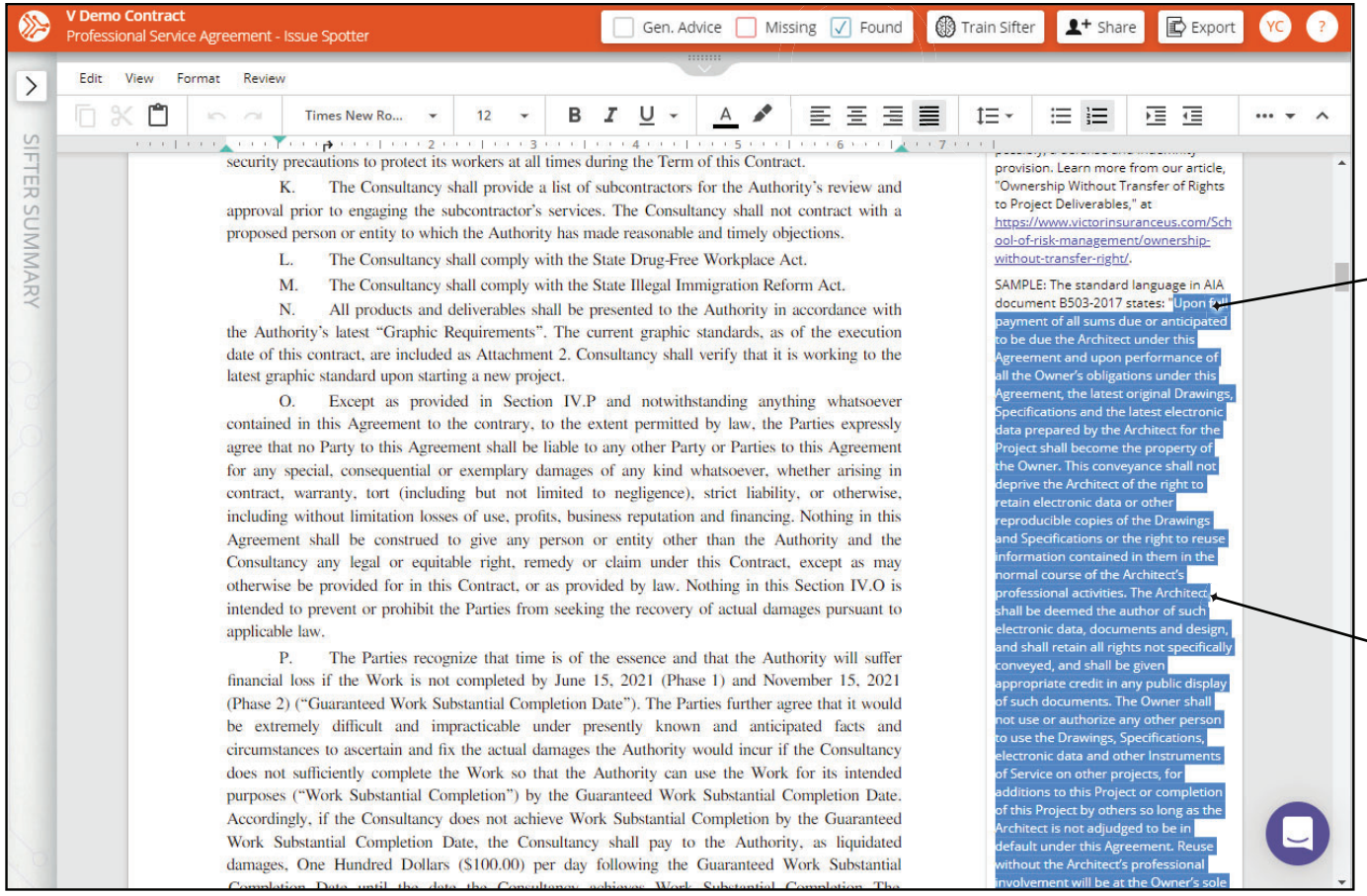
Click to expand and view built-in Victor guidance



Built-in guidance from Victor

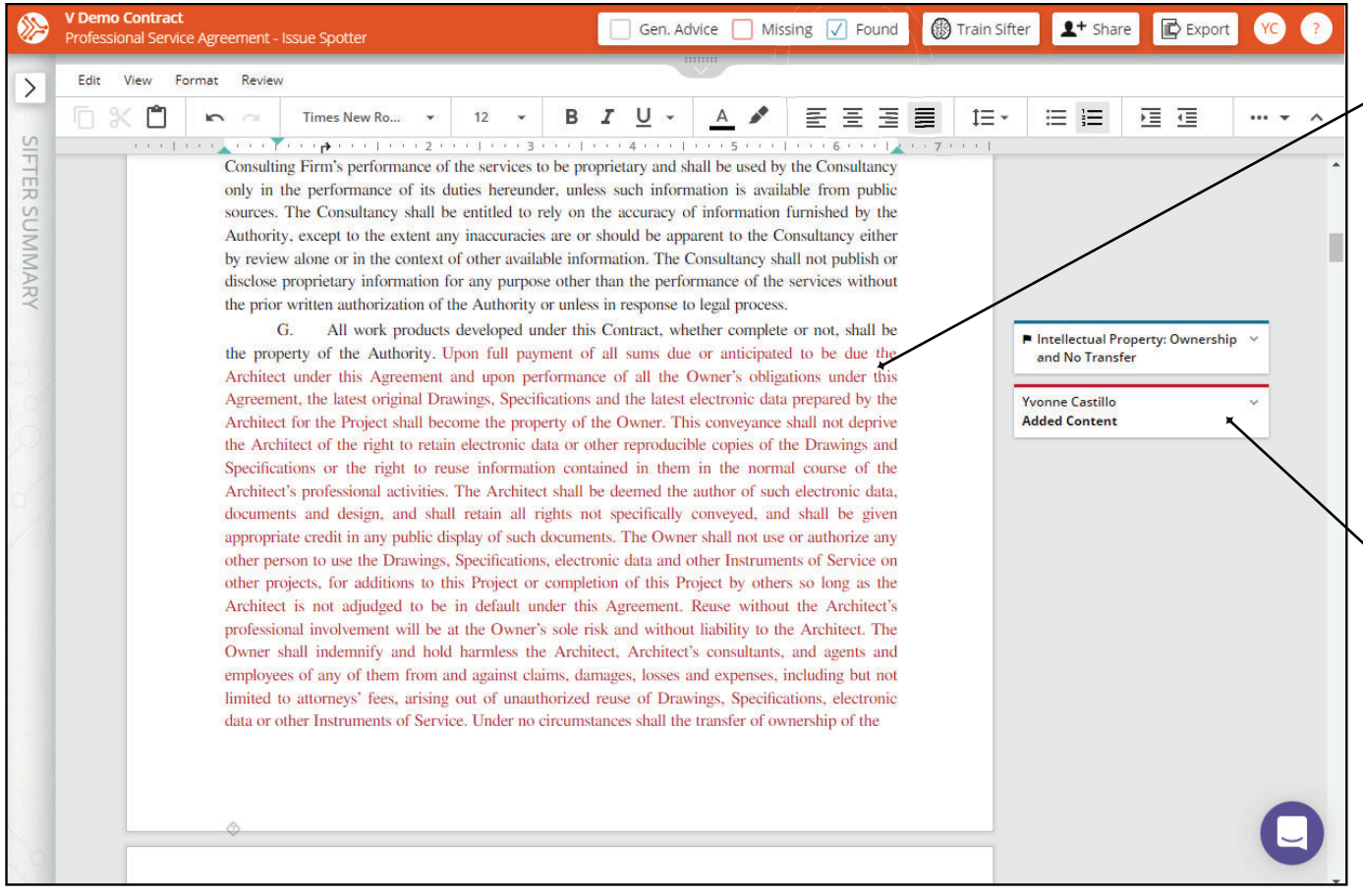


If you want to dismiss the found Sifter, click the checkbox to "resolve"



Highlight sample language in order to cut and paste into the contract

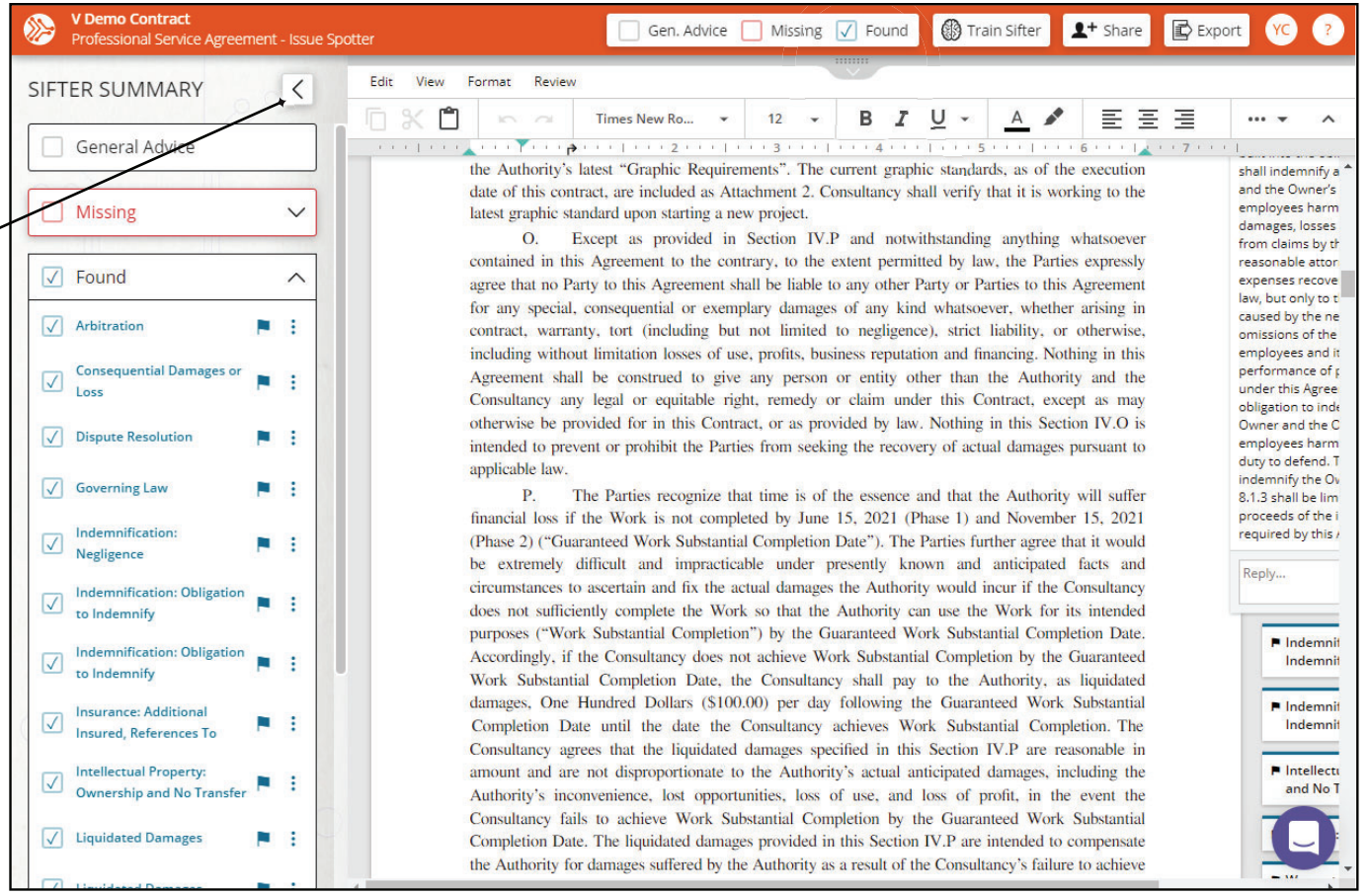
Use keyboard commands "Ctrl + C" to copy and "Ctrl + V" to paste language



Pasted sample language will appear in a different color

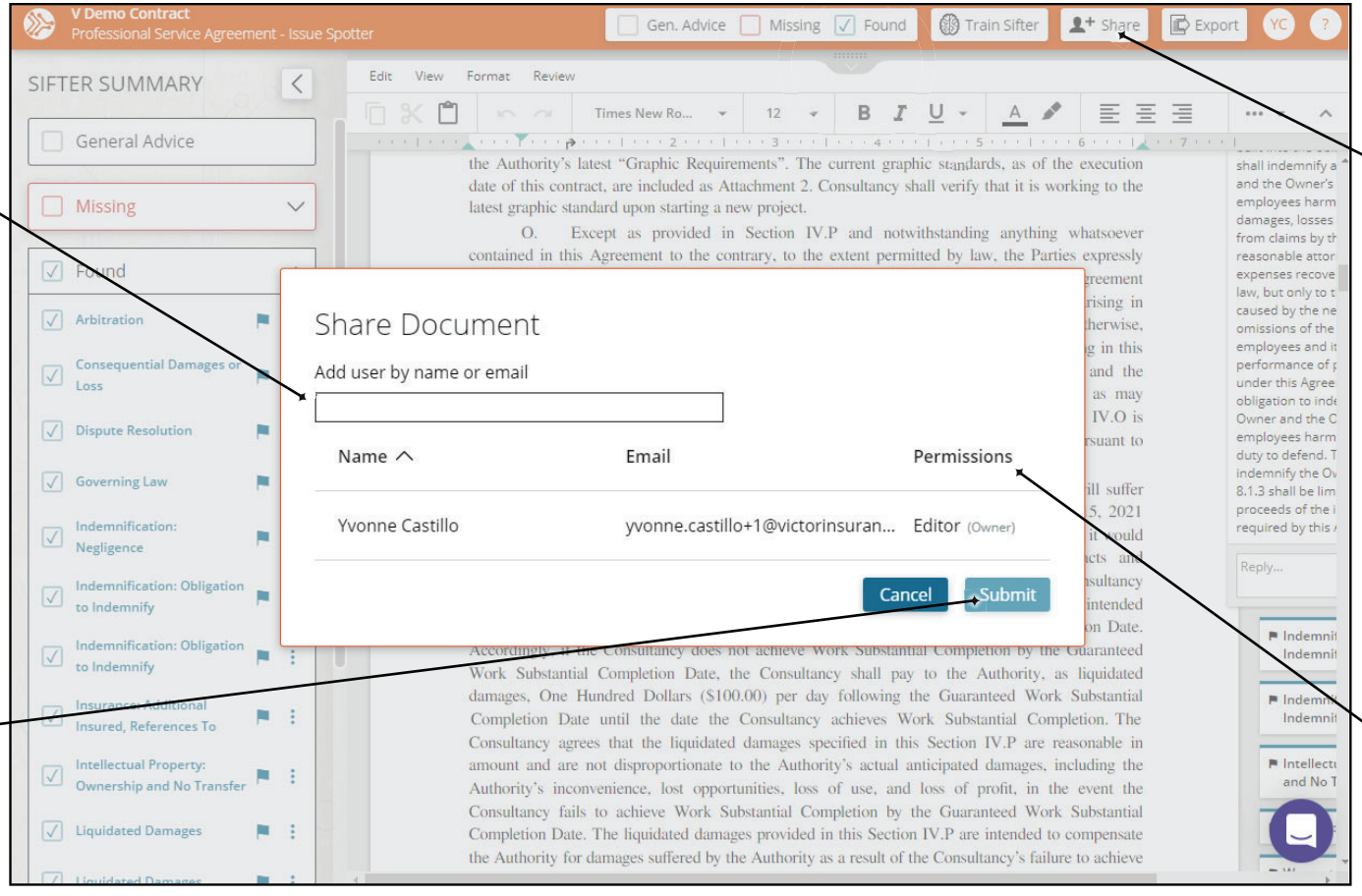
Note that the author will be color-coded to match the pasted language. Any comments and changes made by this author will be color-coded too.

Click here to expand and view Sifters in alphabetical order. If you click on one of the concepts, you will be taken to where it was found within the contract.



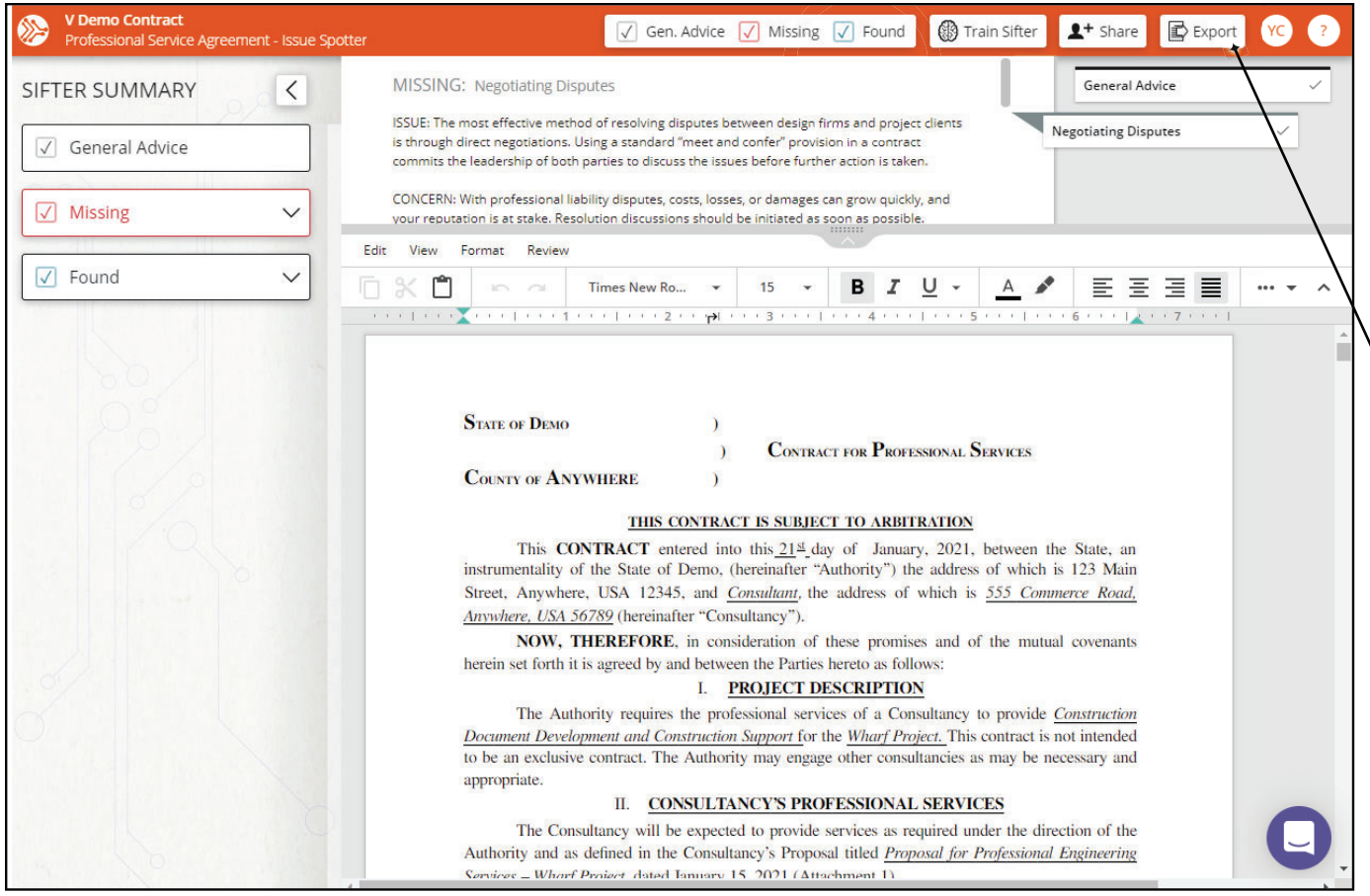
Start by entering the person's name and the system will auto-populate

Click "submit" to share the Sifted contract with your edits/comments. Recipients will be emailed with a link to access the document.



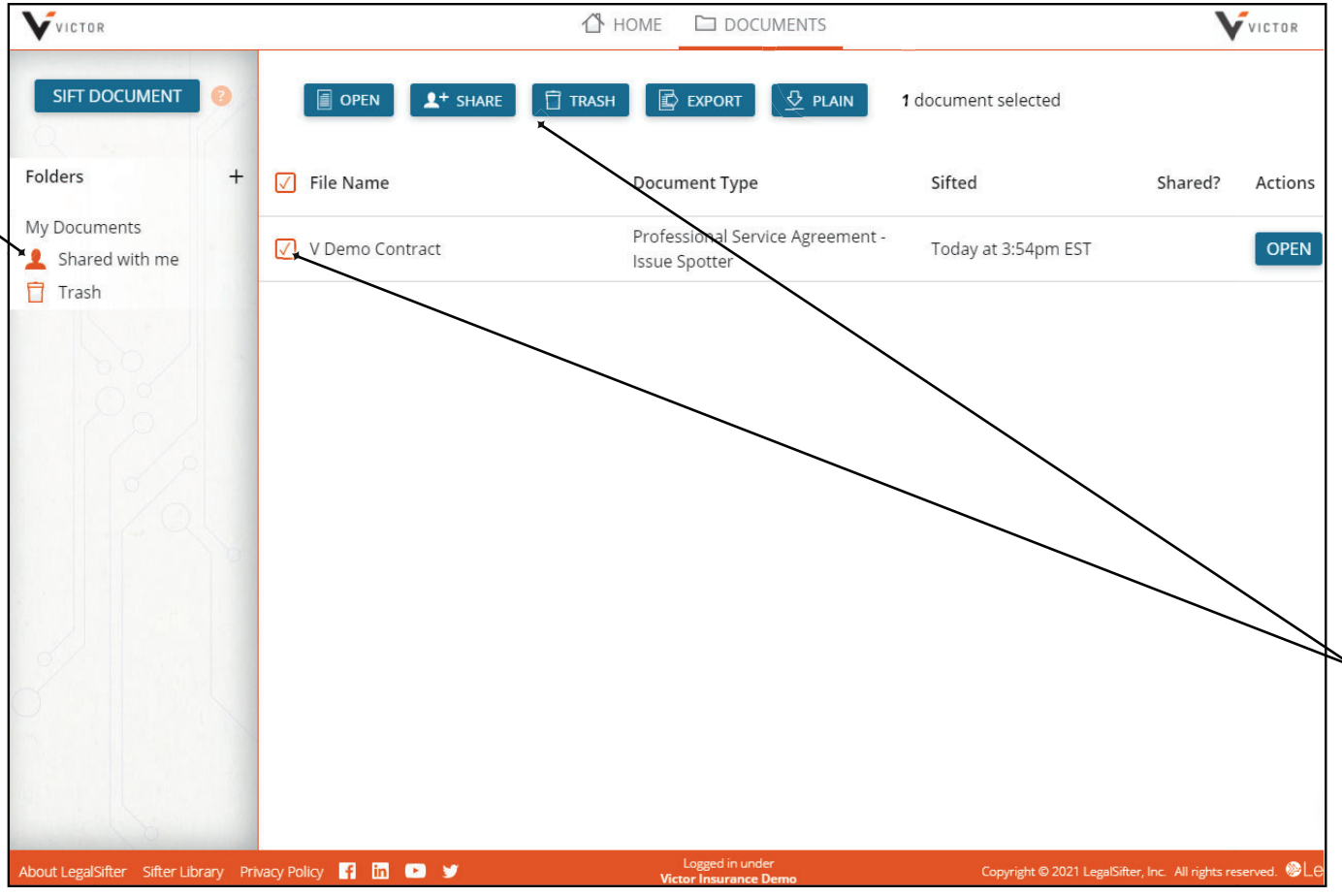
The "Share" feature allows you to collaborate on contract reviews with others in your organization

You can share and provide others with the authority to apply further edits



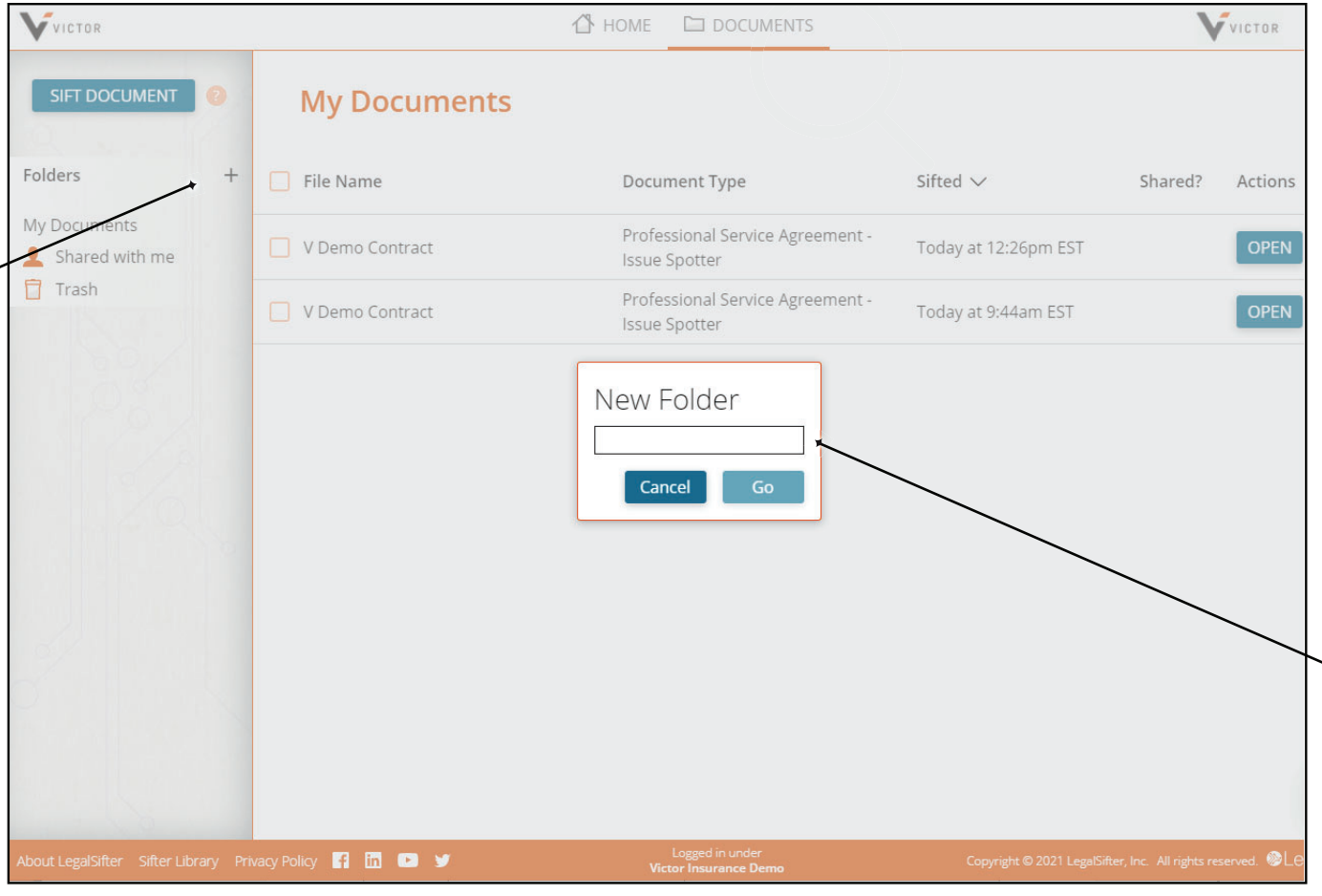
If you want to export the Sifted and edited contract, click "export" to save and store the document on your PC

Clicking “Shared with me” displays a list of contracts that were shared with you to review



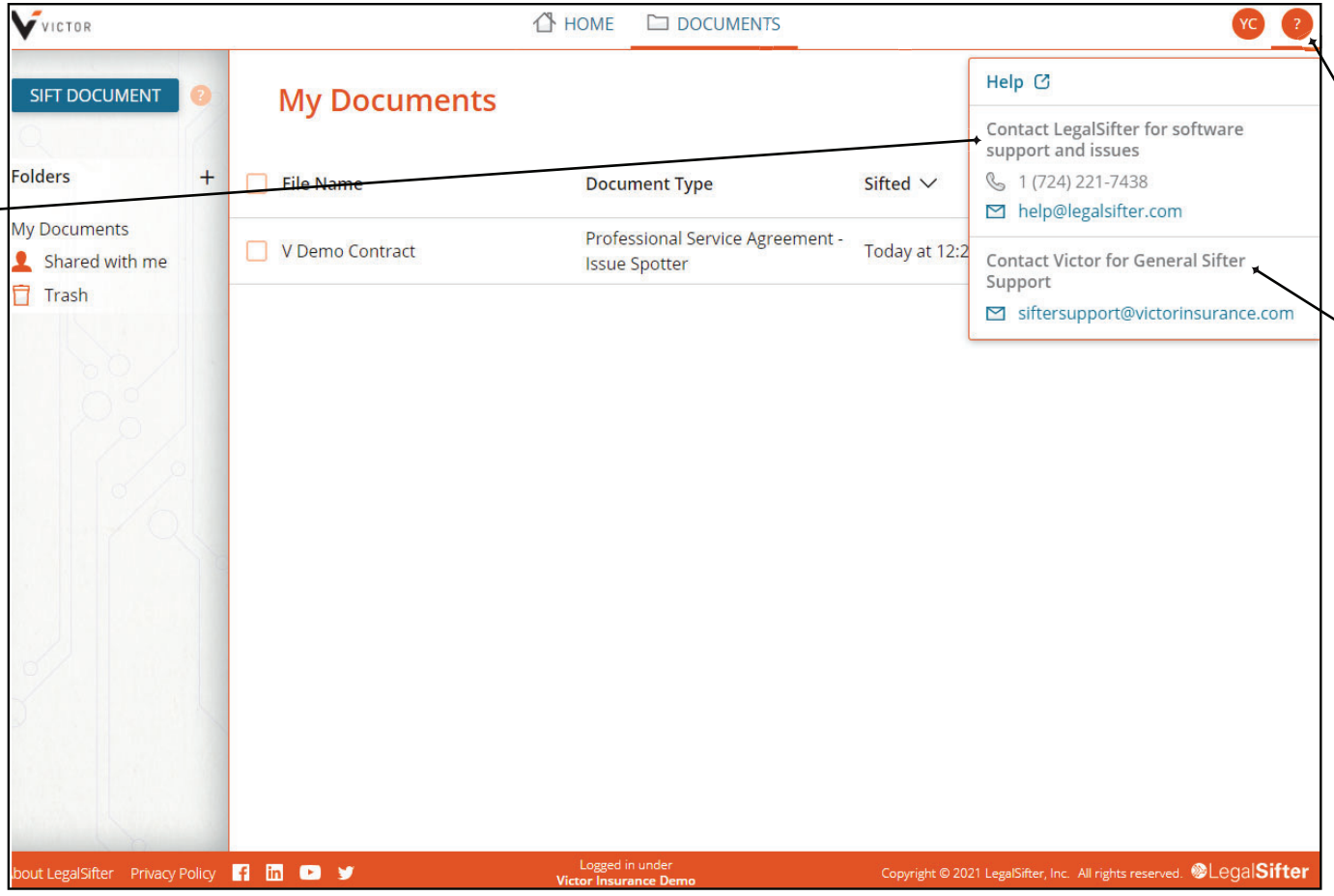
When you click this checkbox, the toolbar above provides options for managing your documents, including deleting contracts

You can create folders and organize Sifted contracts by client, etc.



When you create a folder, this pop-up box will appear, enabling you to create a title

Technical Support



Click "?" for Help Center

Substantive Assistance

FREQUENTLY ASKED QUESTIONS

1. **How do I access Victor Contract Sifter?**

   You can do so in one of two ways:

   A. visit Victor Risk Advisory and log in. If you do not have an account yet, select "Log in or register" at the link above to create an account

   B. go to the Victor Contract Sifter homepage and select "Login/register."

2. **I cannot login to my account**

   A. The password being entered is incorrect. If you cannot remember your password, click "Reset your password" on the Victor risk advisory login page and an email will be sent to you so you can reset your password.

   B. Accounts will be locked after five failed login attempts. This is a security precaution.

3. **Which internet browsers are compatible with Victor Contract Sifter?**

   Google Chrome, Microsoft Edge, Firefox, Safari and Opera.

4. **Why will my document not sift?**

   To troubleshoot the issue, please email help@legalsifter.com.

5. **Which types of formatted documents will Victor Contract Sifter review?**

   You can Sift doc, docx, pdf, wordperfect and scanned documents (assuming the scanned version is readable).

6. **How many issues/concepts are flagged by Victor Contract Sifter?**
There are 27 flagged issues/concepts:

- Arbitration
- Consequential damages or loss
- Dispute resolution
- Governing law
- Indemnification: defending claims
- Indemnification: infringing the intellectual property of others
- Indemnification: negligence
- Indemnification: obligation to indemnify
- Insurance: additional insured, references to
- Insurance: cyber, references to
- Insurance: professional liability, errors and omissions, references to
- Intellectual property: ownership and no transfer
- Jurisdiction: establishing jurisdiction
- Legal fees: dispute
- Limitation of liability: cap on liability
- Liquidated damages
- Mediation
- Negotiating disputes
- Ownership of deliverables
- Safety: responsibility for safety program
- Services: standard of care
- Supplier code of conduct (esg)
- Time is of the essence
- Waiver of jury trial
- Warranty: fitness for a particular purpose
- Warranty: merchantability
- Work made for hire

7. **Before I export a Sifted document to a client, should I delete the issues flagged by Victor Contract Sifter?**

   This decision is up to you. If you want to share the issues and guidance that were flagged with a client, you can retain them, but the purpose of the guidance is to provide you with actionable ways to negotiate contracts and is intended for your own use. If you want to delete the machine-flagged issues, you can "bulk dismiss" before you export by clicking or unchecking the "Found" issues checkbox in the tool bar at the top of your screen. This will bulk dismiss all "Found" issues.

8. **Why am I designated as the "author" of the machine-flagged issues?**

   If you are logged into the system and have Sifted a contract, you are considered the author because you have control over which issues are kept or dismissed.

9. **Will Victor have access to the contracts being Sifted? How is Victor maintaining confidentiality?**

   As administrators of the program, Victor can monitor which users are running Sifts and the names of the contracts being Sifted, but will not have access to the contracts themselves.

10. **How does this service compare to human reviews?**

    Victor Contract Sifter is not a substitute for human review of a contract. Instead, it provides the user with an automated do-it-yourself issue review and provides actionable guidance on those issues in the context of the contract so that you can understand better the associated risks and make informed changes and redlines. The Sifted document can be exported as a Microsoft Word file or can be shared with other Victor Contract Sifter users in your firm to optimize collaboration among multiple reviewers.

11. **How accurate is Contract Sifter?**

    It performs well when Sifting professional services agreements with clients. This tool is optimized for professional services agreements in the prime position contract structure. If you are using this tool to Sift a prime-subconsultant professional services agreement, be aware that you may also be agreeing to uninsurable and unmanageable risks in the prime agreement that flow down directly to you so you may want to consider Sifting those professional agreements as well. Note, this tool is optimized for a traditional Design-Bid-Build contractual structure. It could work for Design-Build (DB) contracts when the user is a subconsultant to a DB contract, but it's important to note that DB has its own unique practice management issues and the Sifters aren't optimized for all of those issues.

12. **What types of AI are used in the Victor Contract Sifter tool?**

    There are two types: machine learning and natural language processing.

13. **Do Sifters make mistakes?**

    Sifters are trained to read text and look for a specific concept. They learn from experience and improve over time. The Sifters do their job extremely well, but they may still make mistakes from time to time. If you see what looks like a Sifter error, you can report it to us using the Sifter Trainer. Please refer to this help article for instructions on where to find/how to use the Sifter Trainer. After a Sifter error is reported to the Sifter Trainer, our software partner will retrain the Sifter in 5 to 10 business days to ensure the Sifter never makes the same mistake again.

14. **Where is my data stored and is it secure?**

    Your data is secure. Our software partner, LegalSifter, currently hosts Victor Contract Sifter (and LegalSifter's other applications) at Amazon Web Services (AWS) Northern Virginia. AWS data centers are state-of-the-art, housed in non-descript facilities, but controlled physically with the strictest of processes. LegalSifter also encrypts data at rest and deploys its solutions (including Victor Contract Sifter) as software-as-a-service with multi-tenancy. Unique login keys are used to ensure that users are only able to access data that is available for and associated with their account. To learn more about what LegalSifter does to keep your data safe, please visit LegalSifter's Cloud Security Page.

15. **What is a Sifter?**

    Sifters are artificial intelligence (AI) algorithms that are trained to read text and look for a specific concept. They learn from experience and improve over time. LegalSifter's Sifters use two types of artificial intelligence to solve this problem: machine learning (ML) and natural language processing (NLP). NLP teaches computers to interpret human language as written, regardless of style. LegalSifter's Sifters use NLP to convert text into meaning. LegalSifter trains their Sifters with machine learning to identify a specific concept, like a consequential damages waiver. Their lawyers find hundreds or thousands of examples of a specific concept. Their Data Science team uses machine learning to find the intangible thread that binds the writing of lots of lawyers, all with their own grammatical flair. As more of their clients use the Sifters, they improve.

16. How are Sifters built?

It is a 9-step process involving 2 to 3 attorneys and 1 to 2 Data Scientists. It takes the LegalSifter team between 3-5 weeks to build a Sifter. The attorneys review thousands of sentences or phrases that may or may not address the concept covered (usually from 500+ private and public contracts from around the world). When the attorneys have sufficient data, they pass the data over to their data scientists, who then build the machine learning algorithm that uses natural language processing—the Sifter. When their data scientists believe they have hit the quality thresholds established by the LegalSifter team, the Sifter goes through final testing and then is launched into production.

17. How do I redline a Sifted contract using sample industry language?

If you want to edit a Sifted contract using either the built-in Victor guidance or your own preferred contract language, you can cut and paste language into the Sifted contract. Use keyboard command "Ctrl + C" to copy the language you want inserted and keyboard command "Ctrl + V" to paste the language into the specific location within your document. You can also delete language in a Sifted contract by highlighting the language you want to remove and using keyboard command "Delete."

18. Does Victor Contract Sifter use my contracts for Research & Development (R&D) purposes?

LegalSifter asks permission from their clients to use data from their contracts for R&D purposes, including building out additional Sifters and improving existing Sifters. More than 75% of clients opt-in.

About Victor

Victor Insurance Managers LLC is the world's largest managing general underwriter with locations in the US, Canada, UK, Netherlands, Germany, Italy, and Australia. It handles more than $2.5 billion USD in premium on behalf of numerous insurance carriers, through a large network of more than 25,000 active insurance agents and brokers. With deep, specialized underwriting expertise, the company provides a wide range of insurance coverage – from specialty property and casualty and professional liability insurance to group and retiree benefits. Victor is committed to building on 60-plus years of experience to develop products that address risk in new and evolving areas. For more information, visit victorinsurance.com.

For general help on your sifted documents, please email: siftersupport@victorinsurance.com

For login and password queries, please email: siftersupport@victorinsurance.com

For technical support, please contact: 727-221-SIFT (7438) or help@legalsifter.com

Visit us at Victor Risk Advisory to learn more.

This document is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the program described. Please remember only the insurance policy can give actual terms, coverage, amounts, conditions and exclusions. Program availability and coverage are subject to individual underwriting criteria.

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