

APPLICATION FOR PROFESSIONAL LIABILITY INSURANCE

This application must be completed by the Licensed Broker or designee on behalf of the firm. All questions must be fully answered and the application signed by an owner, officer, or principal of the firm.

1. Contact Name: _____ Title: _____ E-Mail _____
Work Phone: _____ Fax: _____ Cell: _____
Address: _____ City: _____ State: _____ Zip Code: _____
2. Form of business entity: (Check one) Corporation / Sole Proprietorship / Partnership / LLC
Name of entity: _____ Prof. Designations: (Ex. GRI/CRS) _____
DBAs (list all): _____
3. Principals: Owner _____ Licensed date ____/____/____ Lic # _____
Broker _____ Licensed date ____/____/____ Lic # _____
4. # of Brokers: _____ # of Agents: _____ # of Loan Officers: _____ # of Clerical/Unlicensed: _____

5. Are you controlled, owned by, or associated with, or do you control or own any other business? **YES** **NO**
If yes, please describe: _____

6. Do you or any principals, partners, brokers, or agents of the applicant participate in:
Real Estate Development/Construction: _____% (of total business)
Group Investments/Syndications: _____% (of total business)

7. Has any policy or application for E&O insurance on behalf of the firm or any of its brokers, owners, agents, or of its predecessors ever been declined, cancelled or non-renewed in the last 5 years?

NOT APPLICABLE IN MISSOURI

Prior to answering questions 8 through 12, please consult all of your staff for verification

8. Have any claims been made during the past 5 years against you or any of your current agents, brokers, employees or any of your clients in connection with your provision of professional services?
(Fill out a supplemental claim form for each)
9. Do you or your agents buy or sell your own properties?
Agent owned property transactions within the *past* twelve (12) months _____
Anticipated next twelve (12) Months _____
10. Are you aware of any act, error, omission, or other circumstance, which might reasonably be expected to be the basis of a claim or suit against you, or any of your current/past agents, brokers, employees or any of your clients in connection with your provision of professional services?
11. Are you, or have you ever listed a new condominium project or condominium conversion project?
12. Do you intend to, or have you discussed with any developer, contractor or Homeowners association listing for sale any new condominium project or condominium conversion project?
If yes, please give details

13. Percent of transactions covered by home warranties: ___% Companies used: _____

14. Do you have any outstanding liens or judgments or been in receivership or bankruptcy proceedings in the last five years? **YES** **NO**

If yes, please describe _____

15. Are you engaged in mortgage brokering? (If yes, please complete our Mortgage Supplement)

16. Average sale price of residential transactions sold in past year: \$ _____ Average real estate comm: ___%

17. 3 largest residential real estate sale prices from *past* twelve (12) months:
 \$ _____ \$ _____ \$ _____

18. % of sales using a transaction coordinator: ___%. % sales representing: Buyer ___% Seller ___% Dual ___%

19. List real estate errors and omissions insurance policies carried over last 5 years (if applicable):

<u>Policy Start Date</u>	<u>Policy End Date</u>	<u>Carrier Name</u>	<u>Liability of Limits</u>	<u>Deductible</u>	<u>Premium</u>
/ /	/ /		\$ /	\$	\$
/ /	/ /		\$ /	\$	\$
/ /	/ /		\$ /	\$	\$
/ /	/ /		\$ /	\$	\$
/ /	/ /		\$ /	\$	\$

20. List **Gross Commission Income** (prior to commission split, if any) for *past* and *projected* next 12 months.

** Be sure to list all firm revenue**

<u>Activity</u>	<u>Past 12 Months</u>		<u>Projected Next 12 Months</u>	
	<u>Gross Commission Income</u>	<u>Total Trans</u> <small>(Count Dual as 2)</small>	<u>Gross Commission Income</u>	<u>Total Trans</u> <small>(Count Dual as 2)</small>
Residential Real Estate Sales (1-4 Units)	\$ _____	# _____	\$ _____	# _____
Commercial Real Estate Sales (5+ Units)	\$ _____	# _____	\$ _____	# _____
Vacant Land Sales	\$ _____	# _____	\$ _____	# _____
Real Estate Counseling / Consulting	\$ _____	# _____	\$ _____	# _____
1-4 Units Real Estate Leasing Fees	\$ _____	# _____	\$ _____	# _____
5+ Units Real Estate Leasing Fees	\$ _____	# _____	\$ _____	# _____
Commercial Real Estate Leasing Fees	\$ _____	# _____	\$ _____	# _____
Real Estate Appraisal	\$ _____	# _____	\$ _____	# _____
Commercial Appraisal	\$ _____	# _____	\$ _____	# _____
1-4 Units Property Mgt. Fees	\$ _____	# _____	\$ _____	# _____
5+ Units/Commercial Property Mgt. Fees	\$ _____	# _____	\$ _____	# _____
Mortgage Brokering	\$ _____	# _____	\$ _____	# _____
Mortgage Banking	\$ _____	# _____	\$ _____	# _____
Escrow- Broker Held ___ or 3rd Party ___	\$ _____	# _____	\$ _____	# _____
Business Opportunities	\$ _____	# _____	\$ _____	# _____
Referrals	\$ _____	# _____	\$ _____	# _____
Other _____	\$ _____	# _____	\$ _____	# _____

21. Requested Effective Date: ___/___/___ Requested Prior Acts Date: ___/___/___ (attach current dec page if requesting)

22. Requested Limits: (choose one) ___\$500,000/\$500,000 ___\$1,000,000/\$1,000,000 or Other \$ _____

23. Requested Deductible: (choose one) ___\$2,500 ___\$5,000 or Other \$ _____

24. Requested Payment Plan: ___Per Transaction ___Fixed-Annual ___Provide both Plans

Commercial Activity

25. Are you engaged in commercial real estate sales? ___ YES ___ NO **If YES complete this section. If NO, skip this section.

25a. Provide percentages of type of commercial transactions for the past 3 years below:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
Office Leasing Habitational Leasing (5+Units) Warehouse Leasing Prop. Mgmt (5+Units)	Office Sales Warehouse Sales Vacant Land Habitational (5-29 units sales)	Habitational (30+ unit sales) Research & Development Industrial/Manufacturing Entitlement Operations Retail
___% Column #1	___% Column #2	___% Column #3

****All columns must total 100%****

25b. List the 3 highest sale prices in the last 3 years and what type of commercial they were:

\$ _____ Type _____ \$ _____ Type _____ \$ _____ Type _____

25c. Do you have dedicated agents conducting your commercial transactions? YES NO

25d. How often do you represent: Buyer Only: ___% Seller Only: ___% Dual: ___% (Must equal 100%)

25e. Does your office employ attorneys to assist with commercial contracts? YES NO

25f. Do you plan to do any commercial transaction in the next 12 months? YES NO

If yes, what type _____

Fraud Warnings by State

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the Company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any Insurance Company or agent of an Insurance Company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony in the third degree.

NOTICE TO IDAHO APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO INDIANA APPLICANTS: Any person who knowingly and with the intent to defraud an insurer files a statement of claim containing any false, incomplete or misleading information commits a felony.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the Company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to injure or defraud any insurer submits a claim containing any false, incomplete or misleading information shall upon conviction, be subject to imprisonment for up to one year for a misdemeanor conviction or up to ten years for a felony conviction and payment of a fine of up to \$5,000.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEVADA APPLICANTS: Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

NOTICE TO NEW HAMPSHIRE APPLICANTS: Any person who, with purpose to injure, defraud or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO LOUISIANA AND NEW MEXICO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance or statement of claims containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any fact materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO TENNESSEE & VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an Insurance Company for the purpose of defrauding the Company. Penalties include imprisonment, fines and denial of insurance benefits.

X Signature _____ **Title** _____ **Date** ____/____/____

THIS APPLICATION MUST BE SIGNED BY AN OWNER, OFFICER OR A PRINCIPAL OF THE FIRM

This insurance is written on a Claims-made basis; therefore, only claims which are first made against you during the policy period are covered, subject to policy provisions. "Claim" means a demand for money or services, or the filing of suit or institution of arbitration or mediation proceedings naming an Insured that may allege a negligent act, error, omission or personal injury resulting from the rendering of or failure to render professional services.

THIS APPLICATION IS FOR QUOTATION PURPOSES ONLY AND DOES NOT BIND THE COMPANY TO ISSUE INSURANCE.

I certify that I have read this application in full and that all information I have provided is true and complete to the best of my knowledge. I agree that any policy, if issued, may be subject to an adjustment in the premium due, the policy period requested, coverage limits or deductibles, or other terms as a result of facts requested here, or other underwriting factors. I further understand that any false statement, omission or misrepresentation that would otherwise alter the Company's evaluation of my insurability may result in a rescission of coverage. I further understand and agree that if any remittance by us or on our behalf, is not honored by my bank, coverage may be rescinded and there will be no coverage afforded under this application or any subsequent binder, policy or renewal.

This application and supporting documents, addenda or modifications shall constitute the entire application. The application warrants that all information contained therein is true and accurate and that he/she has the authority to provide the information and execute the application whether the signature is received via facsimile or original. This application is a critical part of any policy issued in the connection with it.

Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal (FL-felony in the third degree) and civil penalties. (Not applicable in CO, HI, NE, OH, OK, OR, or VT, in DC, LA, ME, TN and VA, insurance benefits may also be denied)

MORTGAGE BROKERING SUPPLEMENT

1. a. Please provide a breakdown of the following:

	<u>Past 12 Months</u>		<u>Next 12 Months</u>	
	Gross Commission Income	# of Transactions	Gross Commission Income	# of Transactions
Mortgage Brokering	\$ _____	_____	\$ _____	_____
Broker Held Escrow	\$ _____	_____	\$ _____	_____

b. Value of Largest Mortgage \$ _____ c. Average Loan Amount \$ _____

<u>Names of top 3 lenders used</u>	<u>Percentage used</u>
1. _____	_____ %
2. _____	_____ %
3. _____	_____ %

2. Number of loan officers: _____ Unlicensed employees/others: _____

3. a. What percentage of your total loans are: A Loans _____% B Loans _____% C Loans _____%
- b. What percentage of loans have a Yield Spread Premium? _____%
- c. What percentage of loans are Jumbo Loans? _____%
- d. What percentage of loans are Combo Loans? _____%

4. What percentage of gross revenues involves mortgages placed through Governmental Agencies and Savings & Loans? _____%

5. What percentage of loans fund new construction? _____%

6. Does the state in which you originate loans require you to be licensed? YES NO
If YES, what is your license number? _____

7. Do you perform any underwriting duties? YES NO

8. Do you solicit investor /use your own capital in loans you broker? YES NO

9. Do you hold loans longer than 30 days? YES NO

10. Do you fund any: Loans via a warehouse line of credit or other means in your own name? YES NO

Loans without having advance written commitment from an investor? YES NO

Reverse mortgages? YES NO

11. Do you provide loan-servicing duties? YES NO

12. Have you ever had a correspondent relationship terminated by an investor? YES NO

13. Does your company broker or fund any commercial loans? YES NO

***** If you answered YES to any questions 7 through 13, please explain on a separate sheet of company letterhead *****

14. Do you have a fidelity or employees dishonesty bond? YES NO

15. Do you have written procedures for compliance with: Truth in Lending? YES NO

Equal Credit Opportunity Act? YES NO Real Estate Settlement Procedures Act? YES NO

16 Do you perform internal audits? YES NO How often? _____ Date of last audit: _____

Are you audited by external sources? YES NO How often? _____ Date of last audit: _____