

Lenders Liability Application

THE APPLICANT IS APPLYING FOR A CLAIMS MADE POLICY, WHICH IF ISSUED, APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES, SETTLEMENTS OR JUDGMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY THE PAYMENT OF CLAIM EXPENSES.

APPLICATION COMPLETION INSTRUCTIONS

- A. Please answer all the questions. The information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered legally material to the evaluation.
- B. If a question is not applicable, state N/A. If more space is required to answer a question, attach any additional explanatory exhibits and reference the application question number the exhibit corresponds to.
- C. The application must be signed and dated by an authorized officer, partner or principal of the Applicant.

PLEASE ALSO ATTACH THE FOLLOWING:

- A. Please attach a copy of the most recent itemized summary describing the type and volume of loans and leases**
- B. Copy of standard written contracts and engagement/proposal letters, purchase orders or agreements used with clients.
- C. Sample reports given to clients or summary of same.
- D. Resume/CV of key staff/founders
- E. Copy of the Internal Control and/or Quality Control procedures.

APPLICANT INFORMATION

1. Applicant Name (as it should appear on the policy, if written):

2. Address:

City: _____ County: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

3. Website Address(es): _____

4. Applicant is: Sole Proprietor Partnership LLC Corporation Joint Venture Other
(describe)

5. Date Established (if less than two years, please provide resumes of all principals): ____/____/____

6. Address of Branches (if any):

7. Have any branch offices been closed in the last five years? If yes, please explain: Yes No

8. Does Applicant have any subsidiaries? If yes, please list below:

Yes No

Name of Entity	Nature of Operations	% of Ownership	Coverage Desired
		%	<input type="checkbox"/> Yes <input type="checkbox"/> No
		%	<input type="checkbox"/> Yes <input type="checkbox"/> No
		%	<input type="checkbox"/> Yes <input type="checkbox"/> No

9. Geographic area in which Applicant provides services: Local Regional National International

If International, which countries: _____

10. During the past 5 years has the Applicant changed its name, or been purchased, merged or consolidated with any other entity? Yes No

a. If Yes, provide transaction details:

b. In any of the above transactions, did the Applicant assume any liabilities (i.e. responsibility for prior acts) of the acquired, merged or consolidated entity? Yes No

11. If the Applicant is controlled, owned, affiliated or associated with any other firm, corporation, or company, are any services as detailed in question 16 performed for that that entity? If Yes, please describe: Yes No

12. Is the Applicant a member of any industry / professional associations? If Yes, provide details: Yes No

13. Indicate the total number persons in each of the following positions:

Principals, Partners, Officers	Loan Production	Loan Servicing	Clerical	Total Staff

14. Provide the following information:

Full Name of ALL Principals, Partners, Officers, and Key Professionals	Professional Qualifications	Date Qualified	How Long In Practice	How Long As Partner Principal

15. Does the Applicant use independent contractors, subcontractors, and/or independent Loan Originators? If Yes:

Yes No

- a. What is the estimated percent of the time they are used? _____ %
- b. Describe the services they perform:

c. **Attach a sample of the agreement the Applicant uses to engage independent contractors and subcontractors.**

16. Provide fiscal year and gross revenues for the Applicant. If newly established, indicate anticipated gross revenues for current and next projected year:

Fiscal Year End Date: ____/____/____	Fiscal Year	Total Gross Revenues (all services)		
		U.S.	International	Total
	Past Year	\$	\$	\$
	Current Year	\$	\$	\$
	Next Projected Year	\$	\$	\$

17. Provide a percentage breakdown of current revenues for each Professional Service listed in question 16:

All Professional Services	Percent of Total Revenue	Covered under this Professional Liability Policy
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No

%

Yes No

PLEASE NOTE THAT ADDITIONAL INFORMATION AND APPLICATIONS MAYBE NECESSARY FOR ADDITIONAL PROFESSIONAL SERVICES (OTHER THEN LENDERS LIABILITY).

Lenders Liability Information:

18. Estimates over the next 12 months

	Number of Loans	Dollar Volume	Avg Loan Amount	Maximum Loan Amount
Unsecured	_____	_____	_____	_____
Secured	_____	_____	_____	_____
Commercial Mortgages	_____	_____	_____	_____
Residential Mortgages	_____	_____	_____	_____
(other _____)	_____	_____	_____	_____

Estimates over the next 12 months

	Number of Loans	Dollar Volume	Avg Loan Amount	Maximum Loan Amount
Origination:				
1-4 Family Residential	_____	_____	_____	_____
Multi-Family	_____	_____	_____	_____
Commercial	_____	_____	_____	_____
Industrial	_____	_____	_____	_____
Other Income Property	_____	_____	_____	_____
FHA/VA/Conventional	_____	_____	_____	_____
Second/Equity Line	_____	_____	_____	_____
Construction	_____	_____	_____	_____
Mobile Home Lending	_____	_____	_____	_____
SubPrime*	_____	_____	_____	_____
Other (_____)	_____	_____	_____	_____
Servicing:				
1-4 Family Residential	_____	_____	_____	_____
Multi-Family	_____	_____	_____	_____
Commercial	_____	_____	_____	_____
Industrial	_____	_____	_____	_____
Other Income Property	_____	_____	_____	_____

	Number of Loans	Dollar Volume	Avg Loan Amount	Maximum Loan Amount
FHA/VA/Conventional	_____	_____	_____	_____
Second/Equity Line	_____	_____	_____	_____
Construction	_____	_____	_____	_____
Mobile Home Lending	_____	_____	_____	_____
SubPrime *	_____	_____	_____	_____
Other (_____)	_____	_____	_____	_____

	Number of Loans	Dollar Volume	Avg Loan Amount	Maximum Loan Amount
Corporate	_____	_____	_____	_____
Student	_____	_____	_____	_____
Municipal/Gov't Entity	_____	_____	_____	_____
Bonds (_____)	_____	_____	_____	_____

Avg. Length of Loan _____ Max Length of Loan _____

Number of loan defaults and amounts:

Last 12 months _____ / \$ _____ Currently _____ / \$ _____

19. Provide the percentage of the Applicant's professional services rendered based on client's profile:

Percentage of Professional Services	Individuals or Revenue Size	Client Description
%	Individuals	
%	Less than \$50 million	
%	\$50 million - \$250 million	
%	Greater than \$250 million	

Please attach a list of your five (5) largest outstanding loans with terms and full description for each.

COMPANY PROCEDURES

1. Please confirm the Applicant has procedures to assure timely and proper disclosure of Good Faith Estimates and Truth in Lending Estimates? Yes No N/A
2. Does the Applicant know of any or have any reported violations of laws or current circumstances involving:
- a. Real Estate Settlement Procedures Act : Yes No N/A
 - b. Truth in Lending Legislation: Yes No N/A
 - c. Equal Credit Opportunity Legislation: Yes No N/A
 - d. Predatory Lending: Yes No N/A
3. Does the Insured have written policies with respect to the above as shown in question 2., and are employees trained to comply: Yes No N/A
4. Please describe below how denials of credit are offered and how many clients you denied over the past 12 months:
-
-
-
-
5. Does the Applicant have a written procedural manual for employees to follow? Yes No N/A
6. Does the Applicant have a formalized training program for newly hired employees? Yes No N/A
7. Please confirm that the Applicant has dual controls in place so that no single person can control the loan throughout the entire loan origination or underwriting process? Yes No N/A

AUDITING/QUALITY CONTROL INFORMATION

1. Are discretionary audits to be done at request of managers or due to litigation or other triggers of audits not part of the normal quality control process? Yes No N/A

Please Describe:

2. Does the Applicant's Quality Control function include a new originator review and a review of new branches (if applicable)? Yes No N/A
3. Does the Applicant have a compliance officer or similar position? Yes No N/A

RISK MANAGEMENT INFORMATION

1. For what percentage range does the Applicant:

a. Use a written contract or agreement describing the services to be provided to the client?

- 0% 1 – 24% 25 – 49% 50 – 75% 76 – 99% 100%

If less than 100%, explain how the Applicant documents each parties duties and rights:

b. Modify a standard contract or agreement:

- 0% 1 – 24% 25 – 49% 50 – 75% 76 – 99% 100%

2. Have the Applicant’s contracts, engagement and/or proposal letters been reviewed and approved by legal counsel? Yes No

3. Who has the authority to amend or change standard limitations of liability either prior to execution or after execution of contracts, engagement and/or proposal letters, and what additional review is made prior to implementation?

4. Do the Applicant’s written contracts or agreements contain:

a. Hold harmless or indemnity agreements to Applicant’s favor? Yes No

b. Hold harmless or indemnity agreements to client’s favor? Yes No

c. Guarantees or warranties? Yes No

d. A definition of the responsibilities of each party? Yes No

e. Disclaimers or limitations of liability? Yes No

5. Does the Applicant obtain written approval from clients upon completion of services performed? Yes No

HISTORICAL INFORMATION

1. In the past five years:

a. Have any of the Applicant’s clients made allegations or complained about the performance, non-performance, or timeliness of Applicant’s products or services? Yes No

b. Have any of the Applicant’s clients refused to pay, stopped paying, or requested a refund due to alleged problems with the Applicant’s products or services? Yes No

c. Has the Applicant sued any of its clients for nonpayment? If Yes, provide details: Yes No

2. In the past five years has the Applicant or any of its past or present officers, principals, partners, directors, or employees ever been the subject of any investigation and/or disciplinary action Yes No

by any government regulatory agency, certifying body, or other governmental entity?

3. Has any of the Applicant’s past or present directors, officers, principals, owners, partners, sales persons, or employees ever been investigated and/or convicted of a felony? Yes No
4. Is the Applicant aware of any fact, circumstance, situation, error or omission that can reasonably be expected to result in a claim against the Applicant? Yes No
5. Have any claims, suits or proceedings been brought during the past five years against the Applicant or its predecessors in business, affiliates; past or present directors, officers, principals, owners, partners, sales persons, or employees? Yes No

If a Yes answer has been given to any of the questions in this section, please provide complete details which should include but not be limited to the following:

- A full description including damages alleged
- Date the insurance carrier was put on notice
- Current status
- Amounts of reserves, legal expense paid, and settlements or judgments
- Loss runs
- Steps implemented to prevent similar claims

CURRENT AND PRIOR INSURANCE INFORMATION

6. List all Professional Liability Coverages carrier in the past 3 years:

<u>Insurance Company</u>	<u>Policy Limit</u>	<u>Deductible</u>	<u>Premium</u>	<u>Policy Period</u>	<u>Coverage Type</u>

7. What is the first date of continuous claims made coverage: ____/____/____
8. What is the current policy’s retroactive date: ____/____/____
9. Has the Applicant ever had an application for professional liability insurance declined or Yes No

had a professional liability policy cancelled or nonrenewed by the insurer? **Missouri Applicants do not reply to this question.**

10. Is there an extended reporting period currently in force? Yes No
11. Does the Insured currently have Directors & Officers Liability Coverage? Yes No

The undersigned Applicant represents that the statements set forth in this application and its attachments and other materials submitted to the Insurer are true and correct.

Signing of this application does not bind the Applicant or the Insurer. In the event there is any material change in the answers to the questions herein prior to the issuance date of the Policy that would render this application form inaccurate or incomplete, the Applicant will notify the Insurer in writing, and, if necessary, any outstanding quotation may be modified or withdrawn.

FRAUD Warnings

NOTICE: Any person who knowingly, and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or, for the purpose of misleading, conceals information concerning any fact material thereto, may commit a fraudulent insurance act which is a crime in many states may be subject to fines and confinement in prison.

<p>Arkansas, New Mexico 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.</p>	<p>Kentucky Any person who knowingly and with 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.</p>
<p>Colorado 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 for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.</p>	<p>Louisiana, West Virginia 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.</p> <p>Maine, Tennessee, Virginia, Washington It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, and denial of insurance benefits.</p>
<p>District of Columbia WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any</p>	<p>New Jersey Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.</p>

<p>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.</p>	<p>Ohio Any person who, with intent to defraud or knowing that he/she 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.</p>
<p>Florida 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 of the third degree.</p>	<p>Oklahoma WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.</p>
<p>Hawaii For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.</p>	<p>Pennsylvania Any person who knowingly and with intent to defraud any insurance company, or other 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 such person to criminal and civil penalties.</p>

Signature:

Print Name:

Title:

Date:

The application must be signed and dated by an authorized officer, partner or principal of the Applicant.