



APPLICATION FOR REAL ESTATE SERVICES PROFESSIONAL LIABILITY INSURANCE

This is an Application for a claims made and reported policy. Please read the entire Application carefully before signing. Whenever used in this Application, the term “Applicant” means the Named Insured(s) and the term “Firm” means the Named Insured(s) and any entity identified in Question 4 of this Application. Please answer all questions and attach all requested materials including the following:

- Descriptive or promotional brochures, firm resumes, marketing materials or literature
- Resumes of all principals, partners, managing members, directors, officers, majority owners and key employees (including name, title, license held, professional designations, years of experience and years with the Applicant)
- Standard contracts and disclosure forms used with clients, independent contractors and subcontractors
- Latest fiscal year end and current interim financial statements for all entities proposed for coverage

COVERAGE REQUESTED:

Effective Date Requested: _____
 Limits Desired: \$1,000,000 \$2,000,000 \$3,000,000 \$5,000,000 Other \$ _____
 Self Insured Retention (each claim): \$5,000 \$10,000 \$25,000 \$50,000 Other \$ _____

PROPOSED APPLICANT:

1. Name of Applicant: _____
 Date Established (Mo./Yr.): _____
 Business Address: _____
 City, State, Zip: _____
 Business Phone: _____
 Business Website Address: _____

Individual designated to accept all notices on Applicant’s behalf: _____

Location(s) where Applicant is licensed or registered: _____

Professional organizations to which Applicant belongs: _____

2. Applicant is: Corporation LLC General Partnership Limited Partnership Other: _____
 (a) Is the Applicant owned or controlled by, or affiliated with, any other entity? Yes No
 (b) Has the name of the Applicant ever been changed? Yes No
 (c) Is the Applicant a franchisee or franchisor? Yes No
 (d) Are there any branch offices or additional locations? Yes No

If the response to any part of Question 2 is “YES,” please attach complete details.

3. (a) Is the Applicant a successor-in-interest to any predecessor business or has the Applicant ever been involved in any merger, acquisition, consolidation, divestiture, bankruptcy or dissolution? Yes No
 (b) In the next 12 months, does the Applicant have any plans for any merger, acquisition, consolidation, divestiture, bankruptcy, dissolution, or creation of a new business, subsidiary or division? Yes No

If the response to any part of Question 3 is “YES,” please attach complete details.

4. (a) Please provide the following information for all subsidiaries **for which coverage is desired.**

Name of Subsidiary	Location	Nature of Business	Applicant's % of Ownership
			%
			%
			%
			%
			%

(b) Please provide the following information for all additional entities **for which coverage is desired.**

Name of Entity	Location	Nature of Business	Relationship to Applicant

To enter more information for Question 4(a) and/or 4(b), please attach a separate page to the Application.

5. Does the Applicant or any of its principals or partners own, control or manage any other entity not shown in Question 4? Yes No **If "YES," please attach complete details.**

PROFESSIONAL ACTIVITIES:

6. Please indicate which of the following services or activities the Firm performed in the past 5 years or intends to perform in the next 18 months (Check all that apply): **For activities in bold, please also complete the supplemental application.**

- Asset Management** Foreclosures Real Estate Consulting
- Auctioneering **Mortgage Banking** Sale of Commercial Property
- Appraisals** **Mortgage Brokering** Sale of Residential Property
- Construction Management** Leasing Sale of Industrial/Income
- Other Construction Services **Commercial Property Management** Producing Property
- Escrow** **Residential Property Management** **Title Services**
- Facility Management** Real Estate Development Other: _____

7. (a) During the past 5 years or within the next 12 months, has the Firm been engaged in, or plan to engage in, any services or business activity other than those indicated in Question 6? Yes No
 (b) Does the Firm provide any Professional Services over the Internet? Yes No
 (c) Does the Firm provide any Professional Services outside the United States? Yes No
 (d) Does the Firm provide 1031 exchange services? Yes No

If the response to any part of Question 7 is "YES," please attach complete details and estimated revenues.

8. (a) Please provide the total gross revenue for the next 12 months and for each of the past 3 fiscal years derived from those services and activities indicated in Question 6.

<u>Fiscal Year End (Month/Year)</u>	<u>Revenues</u>
Next 12 Months	\$ _____
____ / 20 ____	\$ _____
____ / 20 ____	\$ _____

(b) Please provide the projected gross revenue for the next 12 months and the actual gross revenue for the most recent fiscal year end arising out of the rendering of the following services:

Services	Next 12 Months	Most Recent Fiscal Year End
Asset Management	\$	\$
Auctioneering	\$	\$
Appraisals	\$	\$
Construction Management	\$	\$
Other Construction Services	\$	\$
Escrow	\$	\$
Facility Management	\$	\$
Foreclosures	\$	\$
Mortgage Banking	\$	\$
Mortgage Brokering	\$	\$
Leasing	\$	\$
Commercial Property Management	\$	\$
Residential Property Management	\$	\$
Real Estate Development	\$	\$
Real Estate Consulting	\$	\$
Sale of Commercial Property	\$	\$
Sale of Residential Property	\$	\$
Sale of Industrial/Income Producing Property	\$	\$
Title Services	\$	\$
Formation/Management of Group Investments/ Syndications (including Partnerships or REITs)	\$	\$
Other (Specify):		
	\$	\$
TOTAL	\$	\$

9. (a) For the projected gross revenue for the next 12 months, please indicate the percentage of: Commercial transactions: ____% Residential transactions: ____%
- (b) What percentage of transactions have property inspections been performed? ____%
- (c) What is the dollar amount of the Firm's authority for capital improvements, repairs, etc.? \$_____
10. Does any client represent more than 25% of annual gross revenue? Yes No **If "YES," please explain:** _____
11. What percentage of revenue is subcontracted out to others? ____%. Subcontractors perform the following services: _____
- (a) Subcontractors are required to carry the following minimum E&O limits: \$_____
- (b) Subcontractor contracts have hold harmless/indemnity agreements benefiting the Firm: Yes No
12. During the past 5 years or within the next 12 months, has any principal, partner, managing member, director, officer, professional employee, leased employee or independent contractor of the Firm been engaged to provide, or plan to provide, professional services for or in connection with any entity or any real property in which he, she, the Applicant, or any other proposed insured had/has an ownership or financial interest? Yes No **If "YES," please attach complete details including the total dollar value of revenue related to such activities.**

TRAINING AND RISK MANAGEMENT:

13. For each category, please indicate the number of personnel, the average years of experience and the average years with the Applicant.

	Number of Full Time	Number of Part Time	Average Years of Experience	Average Years With Applicant
Licensed Agents (Non-Independent Contractors)				
Licensed Agents (Independent Contractors)				
Other Professional Employees (Specify):				
Non-Professional Employees				
Leased Employees				

14. Please indicate the total number of independent contractors providing professional services on behalf of the Firm: _____. Coverage desired: Yes No **If “NO,”** are independent contractors required to maintain their own E&O insurance? Yes No **If “YES,”** minimum limits required: \$_____
15. Does the Firm always:
 (a) Require a signed seller disclosure form? Yes No
 (b) Disclose in writing when it represents the buyer and seller in the same transaction? Yes No
16. Does the Firm handle any client funds? Yes No **If “YES,” please complete (a)–(d) below:**
 (a) Are funds deposited into a separate account? Yes No
 (b) How often are accounting statements prepared for each client? _____
 (c) Are accounts reconciled by someone not authorized to make deposits or withdrawals? Yes No
 (d) Does the Firm perform annual audits or reviews of these accounts? Yes No
 (e) Does the Firm have internal control procedures to prevent theft of client funds or other client assets? Yes No
17. Does the Firm or any individual proposed for coverage have written or oral arrangements with any other company or individual involving the referral of business to or from the Firm? Yes No **If “YES,” please attach complete details including the names of the parties involved in the arrangement, the nature of the arrangement, how compensation is exchanged, how the relationships between the companies are disclosed to the individuals involved in the transactions involving these referrals, and whether an attorney has reviewed the arrangement and any such disclosures.**
18. Does the Firm have:
 (a) Written procedures to escalate complaints to senior management? Yes No
 (b) Written risk management procedures in place including written procedures to ensure compliance with all federal, state and local statutes and regulations including fair housing and other anti-discrimination laws and regulations? Yes No
 (c) A formal training program for personnel? Yes No
 (d) Network security management procedures to prevent breaches of security including identity theft and the spread of computer viruses? Yes No
 (e) Written procedures in place to protect, or provide training for the protection of, the personal and confidential information of clients and prospective clients? Yes No
 (f) Legal/Clearance procedures for media and marketing material and content? Yes No
 (g) Written procedures in place for screening tenants and ensuring all managed properties are safe, secure and maintained according to tenants’ and property owners’ standards? Yes No

19. Written contracts are used with clients: **Always** **Sometimes:** _____% **Never**
 (a) Are all written contracts developed by a recognized professional association or always reviewed and approved by legal counsel before they are entered into? **Yes** **No**
 (b) If written contracts are developed by a professional association, what is the full legal name of that association? _____
 (c) If written contracts are not always used, how are responsibilities defined with the client? _____
20. Does the Firm ever warrant or guarantee its Professional Services? **Yes** **No** **If “YES,” please attach complete details.**

PRIOR INSURANCE:

21. List all professional liability insurance carried for each of the past three years. If none, the reason for the present insurance inquiry is: _____

Insurance Company	Limits	Retention	Premium	Policy Period
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	

Retroactive Date on current policy: _____
 Prior and Pending Litigation Date on current policy or, if none, Date of first E&O policy: _____

22. Has the Applicant had any Professional Liability Insurance declined, cancelled or non-renewed within the past three years? **Yes** **No** **If “YES,” please attach complete details.**

CLAIMS EXPERIENCE:

23. Have any claims, suits or proceedings (including without limitation: any shareholder action or derivative suit; or any civil, criminal, or regulatory action, or any complaint, investigation or proceeding related thereto) been made during the past five years against: (a) the Applicant; (b) its predecessors in business; (c) any subsidiary or affiliate of the Applicant; (d) any other entity proposed for coverage; or (e) any past or present principal, partner, managing member, director, officer, employee, leased employee or independent contractor of the Applicant, its predecessors in business, any subsidiary or affiliate of the Applicant or any other entity proposed for coverage? **Yes** **No**
24. Is the Applicant (after diligent inquiry of each principal, partner, managing member, director or officer) aware of any fact, circumstance, incident, situation, or accident (including without limitation: any shareholder action or derivative suit; or any civil, criminal, or regulatory action, or any complaint, investigation or proceeding related thereto) that may result in a claim being made against: (a) the Applicant; (b) its predecessors in business; (c) any subsidiary or affiliate of the Applicant; (d) any other entity proposed for coverage; or (e) any past or present principal, partner, managing member, director, officer, employee, leased employee or independent contractor of the Applicant, its predecessors in business, any subsidiary or affiliate of the Applicant or any other entity proposed for coverage?
 Yes **No**
25. Has the Applicant or any individual or entity proposed for coverage ever been the subject of a reprimand, or a disciplinary or criminal action by any federal, state or local authority, professional association or state licensing board? **Yes** **No**
26. Has the Applicant or any individual or entity proposed for coverage been involved during the past five years in any disputes with respect to fees or other compensation which may be due for professional

services rendered by the Applicant, any subsidiary or affiliate of the Applicant, or any other entity proposed for coverage? Yes No

27. Is the Applicant or any individual or entity proposed for coverage aware of any actual or alleged deficiencies, errors or omissions in work performed by the Applicant, any subsidiary or affiliate of the Applicant, any other entity proposed for coverage, or by others for whom the Applicant is legally responsible? Yes No

If the response to Question 23, 24, 25, 26 and/or 27 is "YES," please attach complete details.

NOTE: It is agreed that any claim or lawsuit against the Applicant, or any principal, partner, managing member, director, officer or employee of the Applicant, or any other proposed insured, arising from any fact, circumstance, act, error or omission disclosed or required to be disclosed in response to Questions 23, 24, 25, 26 and/or 27, is hereby expressly excluded from coverage under the proposed insurance policy.

28. Has the Applicant reported the matters listed in Questions 23-27 to its current or former insurance carrier?
 Yes No Not Applicable

NOTICE – PLEASE READ CAREFULLY

The undersigned, as authorized agent of all individuals and entities proposed for this insurance, declares that, to the best of his/her knowledge and belief, after diligent inquiry of each principal, partner, managing member, director, officer and employee of the Firm, the statements in this Application are true and complete and will be relied upon by the Insurer in issuing any policy. The undersigned agrees that if the information provided in this Application changes between the time this Application is executed and the time the proposed insurance policy is bound or coverage is commenced, the Applicant will immediately notify the Insurer in writing of such changes, and that the Insurer may withdraw or modify any outstanding quotations or agreements to bind the insurance. The undersigned hereby authorizes the Insurer to make any inquiry in connection with the information, statements and disclosures provided in this Application and further authorizes the release of claim information from any prior insurer to the Insurer.

The undersigned declares that all individuals and entities proposed for this insurance understand and accept that the policy applied for provides coverage for only those claims that are first made against the Insured and reported in writing to the Insurer during the policy period or any extended reporting period (if applicable) and that the limits of liability contained in the policy will include both Damages and Claim Expenses.

The signing of this Application does not bind the Insurer to offer nor the undersigned to purchase the insurance, but it is agreed this Application shall be the basis of the insurance and shall be considered physically attached to and become part of the Policy should a Policy be bound and issued. All attachments and information submitted to or obtained by the Insurer in connection with this Application are hereby incorporated by reference into this Application and made a part hereof.

The Application must be signed and dated by a Principal, Partner, Managing Member or Senior Officer of the Applicant. Electronically reproduced signatures will be treated as original.

Date (Mo./Day/Yr.)

Applicant Signature

Print or Type Name

Title