



Name of Insurer to which Application is made (the "Insurer")

INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY INSURANCE APPLICATION

IF A POLICY IS ISSUED IT WILL BE ON A CLAIMS-MADE AND REPORTED BASIS

NOTICE: THE POLICY PROVIDES THAT THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENCE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

1. **Name of Applicant:** _____ **Date Established:** _____

2. **Contact Name:** _____
Phone: _____ **Fax:** _____
Email address: _____ **Website address:** _____

3. **Mailing Address:** _____

4. **Specify if:** **Individual** **Partnership** **Corporation** **Other (explain)** _____

5. **During the last 5 years (if yes, please explain):**
a) Has the name of the Applicant changed? Yes / No _____
b) Has there been a change in ownership? Yes / No _____
c) Have you acquired, merged with, or purchased another agency? Yes / No _____

6. **Coverage History:** Please provide the past 5 years history of Professional Liability purchased:

| Name of Insurer | Limits of Liability | Deductible | Policy Period | Retroactive Date | Premium | Admitted/ Non Admitted |
|-----------------|---------------------|------------|---------------|------------------|---------|------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

7. **Coverage Desired:**
Limits of Liability \$1,000,000 \$2,000,000 \$4,000,000 \$5,000,000
Deductible Desired: \$10,000 \$15,000 \$20,000 \$25,000
 \$50,000 Other (please state): _____

8. **Effective Date Desired:** _____

9. **Named Insured's:** List all Named Insured's to be covered and current Retroactive Dates (Outside of Agency Name per question 1Please use additional sheet if required):

| Name of Insurer | Retroactive Date | Relationship to Applicant |
|-----------------|------------------|---------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

10. **Professional Services:**

- a) Please give the approximate percentage breakdown of the total premium volume and fees as:

| Professional Service | Percentage |
|--|------------|
| Agent | |
| Broker | |
| Consultant (for fee) | |
| Managing General Agent | |
| Managing General Underwriter | |
| Program Administrator | |
| Underwriting Manager | |
| Surplus Lines Broker | |
| Wholesale Broker | |
| Insurance Appraiser | |
| Claims Administration | |
| Reinsurance Intermediary or Broker | |
| Excess or Surplus Lines Broker | |
| Insurance Premium Financier | |
| Expert Witness in connection with insurance related litigation | |
| Other (please explain): | |

- b) List the Top 5 Brokers, MGA's or Intermediaries by annual premium. (X if 'None')

| Name of Broker, MGA or Intermediary | Annual Premium |
|-------------------------------------|----------------|
| | |
| | |
| | |
| | |
| | |

11. **Financials by Line of Business**

Please give the following financial related information based upon 3 Years of operation listed below:

| Line of Business | Premium Volume | | | Net Commission | | |
|----------------------------------|----------------|-----------|-----------|----------------|-----------|-----------|
| | Last Year | This Year | Next Year | Last Year | This Year | Next Year |
| Standard | | | | | | |
| Non-Standard* | | | | | | |
| Property & Casualty | | | | | | |
| Life, Accident & Health Products | | | | | | |
| Total | | | | | | |

*includes Surplus Lines, Brokerage Business from other agents or brokers, Fair Plans, Government Pools and other distressed business the applicant controls or processes.

12. **Production by Business Line**

a) Please breakdown your business lines by Premium Volume:

| Commercial Lines (% of Total Premium Volume) | Current Year | Prior Year |
|---|--------------|------------|
| Commercial Auto | | |
| BOP/CGL/Package | | |
| Umbrella / Excess | | |
| Commercial Property | | |
| Crop Coverage | | |
| Workers Compensation | | |
| Flood | | |
| Inland Marine | | |
| Wed Marine | | |
| Livestock | | |
| Physicians / Hospitals Professional Liability | | |
| Other Professional Liability / D&O | | |
| Aviation | | |
| Bonds Surety | | |
| Bonds All Other | | |
| Long Haul Trucking | | |
| Other (please list) | | |

| Life Insurance (% of Total Premium Volume) | Current Year | Prior Year |
|---|---------------------|-------------------|
| Annuities – Fixed | | |
| Annuities – Variable | | |
| Credit Life | | |
| Group | | |
| Individual | | |
| Other (please list) | | |
| TOTAL Life, A&H | | |

| Accident & Health Insurance (% of Total Premium Volume) | Current Year | Prior Year |
|--|---------------------|-------------------|
| Group – Insurer Insured | | |
| Group – Self Insured | | |
| HMO / PPO /DSP | | |
| Individual | | |
| Other (please list) | | |
| TOTAL Accident & Health | | |

| Personal Lines (% of Total Premium Volume) | Current Year | Prior Year |
|---|---------------------|-------------------|
| Auto – Standard | | |
| Auto – Assigned Risk / FAIR Plan | | |
| Homeowners & Standard Fire | | |
| Non-Standard Fire | | |
| Watercraft | | |
| Umbrella | | |
| Flood | | |
| Farm Owners | | |
| Other (please list) | | |
| TOTAL Personal Lines | | |
| TOTAL Premium Volume | 100% | 100% |

- b) Approximate number of policies in force? _____
- c) % of policies on direct bill basis: _____

13. **Professional Service by Activity**

Does the applicant perform any of the following activities (for a third party):

| | | | | |
|------------------------------------|------------------------------|-----------------------------|--------------|-------|
| Actuarial Services | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Claims Adjustment Services | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Human Resources | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Legal Advisor | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Tax Preparation/Advisor | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Title Insurance | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Premium Finance | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Mortgage/Mortgage Service Facility | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Data Processing Consulting | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Loan Origination | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Pre-Paid Legal Services | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Mutual Fund Sales | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Investment Securities Sales | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Real Estate | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Captive Management | <input type="checkbox"/> Yes | <input type="checkbox"/> No | % of Revenue | _____ |
| Other (please explain) | _____ | | | |

14. **MGA Operations**

Does the applicant act as a Managing General Agent? Yes No
 (If 'Yes' please complete Supplemental Application)

15. **Consulting and Risk Management Services**

a) Does the applicant engage in Risk Management Consulting? Yes No

If, 'Yes' – What type of consulting is performed? _____

b) Does the Applicant perform Loss Control or Safety Inspection service? Yes No

If 'Yes', please describe history, specify services performed, personnel and personnel experience:

c) What Revenue is derived for each service? _____

16. **Third Party Administrator**

a) Does the applicant act as a Third Party Administrator? Yes No

(If 'Yes' please complete Supplemental Application) _____

17. **Wholesale v Retail**

What percentage of Gross Premium Volume do you place as a Wholesaler _____ v Retailer _____?

18. **Does the Applicant have any involvement in Captives, RRG's, RPG's, MET's, MEWA's?**

(If 'Yes' please explain) _____

19. **Insurance Carrier Information:**

a) List the Top 5 Insurance Carriers applicant places business with.

| Carrier | Admitted/ Non Admitted | A.M Best Rating & Outlook | Lines of Business (P&C/L, A&H) | Years Represented | Annual Premium Volume |
|---------|------------------------|---------------------------|--------------------------------|-------------------|-----------------------|
| | | | | | |
| | | | | | |
| | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| | | | | | |

b) Indicate approximate percentage amount of business placed with the following:

| Type of Business | Percentage |
|----------------------------------|------------|
| A.M Best rating of lower than B+ | |
| Un-rated by A.M Best | |
| Non-Admitted | |
| Rated by other Rating Agency | |

c) Does the Applicant have procedures in place to notify policyholders of carrier's rating or adverse change? Yes No

d) Does the Applicant have procedures in place to check carriers financial position with State Insurance Commissioner? Yes No

e) List all Insurance Carriers with whom contracts have been terminated in the past 5 years:
(X if 'None')

| Carrier | Lack of Production | Loss Ratio | Carrier Insolvency | Market Withdrew | Other (please explain) |
|---------|--------------------|------------|--------------------|-----------------|------------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

20. **Staff**

a) Number of Personnel:

| | Full Time | Part Time |
|--|-----------|-----------|
| Owners, Officers, Partners | | |
| Licensed Employee: Agents / Brokers / Solicitors / Partners / Officers | | |
| Licensed CSR's | | |
| Non Licensed CSR's | | |
| Non Employee Producers | | |
| TOTAL STAFF | | |

b) Number of employees with professional designations (CIC, CPSR, CPCU, CLU) _____

c) What percentage of licensed staff have agency experience:
 < 3 years _____% 3-5 years _____% > 5 years _____%

d) What was the average turnover of staff for the last 3 years: _____%

21. **Office Procedures:**

- a) Is there a procedure in place for documenting phone conversations? Yes No
- b) Is there a time lines for monetary transactions and service issues Yes No
- c) Is a computerised Policy expiration list maintained? Yes No
- d) Are copies of binders mailed to insured and/or the company promptly? Yes No

- e) Procedure to maintain written documentation of all coverage rejections? Yes No
- f) Are binders confirmed in writing? Yes No
- g) Are all policies and endorsements checked for accuracy? Yes No
- h) Does the Applicant have a diary/suspense system? Yes No
- i) Does the applicant have an Office Procedures Manual? Yes No
- j) Does Applicant utilise a computerised production system? Yes No
- k) Does Applicant utilise a computerised accounting system? Yes No
- l) Is incoming mail date stamped Yes No
- m) Does each account receive a formal Cause of Loss survey annually? Yes No
- n) Is there an orientation program in place for new employees? Yes No
- o) Are in-house training sessions provided on a regular basis? Yes No
- p) What percentage of staff attend further educational programs? _____ %
- q) What programs do they attend? _____
- r) What type of filing system does the applicant use? _____
- s) Do you have a method in place to record clients insurance requirements? Yes No
- t) Do you use checklists for marketing to carriers? Yes No
- u) Does Applicant check "Broker of Record" letter to ensure requested coverage's are clear prior to acceptance of client? Yes No
- v) Does Applicant's "Broker of Record" letter contain a Hold Harmless clause? Yes No
- w) How does the Applicant handle cancellation and non-renewal requests? _____

22. Claims Experience

In the past 5 years, please indicate number of E&O claims _____

(Please attach full 5 year currently valued loss runs and attach claims supplement for each claim)

Has the Applicant been the subject of disciplinary action or investigation as a result of professional activities? Yes No

(If 'Yes', add details) _____

Does the applicant have any knowledge of any actual or potential errors or omissions claim(s), or any act, error or omission which might give rise to a claim under the proposed policy? Yes No

Has any policy of or application for similar insurance on the applicant's behalf or any of its partners, officers, directors, salespersons, employees, or on behalf of any predecessors in business ever been declined, cancelled, or renewal refused? * Yes No

(If yes to any of the above please attach explanation with details.)

***MISSOURI APPLICANTS NEED NOT REPLY.**

It is agreed that with respect to Question 22 above, that if such disciplinary action, investigation, claim, or knowledge exists, then such disciplinary action, investigation, claim, and any claim, proceeding, action or investigation arising from such claim, proceeding, action or investigation is excluded from proposed coverage.

23. Audit

a) Has the Applicant had an Errors and Omissions Audit? Yes No

b) Were all recommendations implemented? Yes No

c) Name of audit firm: _____ Date of audit _____

24. Would the applicant consider undergoing an audit with a firm recommended by the Insurer at the Insurer's request? Yes No

25. Have any employees attended any E&O loss prevention seminars or other industry related education courses within the past two years? Yes No

Who Sponsored: IIAA PIA Other _____

The undersigned authorized officer of the applicant declares that the statements set forth herein are true. The undersigned authorized officer agrees that if the information supplied on this application changes between the date of this application and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the insurer of such changes, and the insurer may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance.

Signing of this application does not bind the applicant or the insurer to complete the insurance, but it is agreed that this application shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the policy.

All written statements and materials furnished to the insurer to which this application is submitted in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

The insured represents that the information furnished in this application is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond or policy issued.

Notice to applicants: 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 act, which is a crime and may subject such person to criminal and civil penalties.

Notice to Arkansas, New Mexico and West Virginia 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 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 insurer. 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 authorities.

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 Kentucky applicants: 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.

Notice to Louisiana 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 Maine 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 may include imprisonment, fines or a denial of insurance benefits.

Notice to Maryland applicants: any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully 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 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 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 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 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 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 Oklahoma applicants: 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 (365:15-1-10, 36 §3613.1).

Notice to Oregon applicants: 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 act, which may be a crime and may subject such person to criminal and civil penalties.

Notice to Pennsylvania applicants: 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.

Notice to Tennessee, Virginia and Washington 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.

Notice to Vermont applicants: 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 act, which may be a crime and may subject such person to criminal and civil penalties.

Please read the following statement carefully and sign where indicated. If a policy is issued, this signed statement will be attached to the policy.

The insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the insurer shall not be liable for the costs of legal defense or the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

Signed _____ (Applicant)
Date _____
Title _____
Corporation _____
Broker _____
License Number _____
Broker's Address _____

