

APPLICATION FOR PROFESSIONAL LIABILITY INSURANCE

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

1. Principal Contact: _____ Title: _____
 Address: _____ City: _____ State: _____ Zip Code: _____
 Best# to Reach You: _____ Fax#: _____
 E-Mail: _____

2. Form of Business Entity: Corporation Sole Proprietorship Partnership LLC
 Name of Entity: _____ Lic # _____
 Preferred/DBA: _____
 # of Brokers: _____ # of Agents: _____ Prof. Designations: (Ex. GRI/CRS) _____
 Does the applicant have multiple sales office locations? ___Yes ___No. If Yes, how many? _____. (Please list the names and addresses of all additional locations under the same ownership with the firm given in Question #1 & #2)

3. Requested Effective Date: ____/____/____ Prior Acts Date: ____/____/____ (attach current declarations page)

Limits Requested – Per Claim/Aggregate (Check all that apply)

___ \$500,000/\$500,000 ___ \$500,000/\$1,000,000 ___ \$1,000,000/\$1,000,000 ___ \$1,000,000/\$2,000,000
 ___ \$1,000,000/\$3,000,000 ___ \$2,000,000/\$2,000,000 ___ \$3,000,000/\$3,000,000 Other: _____

Deductible Requested (Check all that apply)

___ \$1,000 ___ \$2,500 ___ \$5,000 ___ \$10,000 ___ \$20,000 ___ \$25,000 Other: _____

4. Has the firm name ever changed or has there ever been any acquisition, consolidation, dissolution, merger or change in business organization? ___Yes ___No. If yes, please explain by attachment. (coverage is not provided for any predecessor firms or prior owners unless approved in writing by the insurance company).

5. Are there any Additional Insured's needed? (Franshises, e.g.) _____

6. Is your firm or any agent/broker/principal engaged in any business enterprise or professional practice with any other firm or business? ___Yes ___No If yes, please explain by attachment.

7. List real estate errors and omissions insurance policies carried over *past 5 years* (if applicable):

Policy Start Date	Policy End Date	Carrier Name	Liability Limits	Deductible	Premium
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

8. Has any policy for the above entity been declined, cancelled or non-renewed in the *past 5 years*? YES NO
 If yes, please explain by attachment.

9. Has any person proposed for this coverage ever been the subject of a disciplinary action by any real estate association, state licensing board or other regulatory body as a result of real estate agents or brokers, property managers or real estate appraiser activities? YES NO If yes, please attach a detailed explanation.

10. Have any claims been made during the *past 5 years* against you, any current/past agents, brokers, employees or any persons proposed for this coverage in connection with the rendering of professional services? YES NO
 (If yes, current loss runs are required)

11. Are you or any persons proposed for this coverage 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 current/past agents, brokers, employees or clients in connection with the rendering of professional services? YES NO
 (If yes, details are required)

12. List **Gross Commission Income** (prior to commission split) for *past* and *projected* 12 month periods.

ACTIVITY <i>Be sure to list all revenue for the Entity in #2 (only activities you are seeking coverage for)</i>	Past 12 Months (NOT CALENDAR YEAR)		Projected Next 12 Months	
	Gross Commission Income	Total Trans Count Dual as 2	Gross Commission Income	Total Trans Count Dual as 2
Residential Real Estate Sales (1-4 Units)	\$	#	\$	#
Commercial Real Estate Sales (includes 5+ Units)	\$	#	\$	#
Raw, Vacant or Partially Developed Land Sales	\$	#	\$	#
Real Estate Counseling/Consulting	\$	#	\$	#
1-4 Units Real Estate Leasing Fees	\$	#	\$	#
5+ Units/Commercial Real Estate Leasing Fees	\$	#	\$	#
Residential Real Estate Appraisal	\$	#	\$	#
Commercial Real Estate Appraisal	\$	#	\$	#
1-4 Units Property Mgt. Fees	\$	#	\$	#
5+ Units/Commercial Property Mgt. Fees	\$	#	\$	#
Seasonal/Vacation Rental Fees	\$	#	\$	#
Mortgage Brokering	\$	#	\$	#
Mortgage Banking	\$	#	\$	#
Escrow: Broker Held or 3rd Party	\$	#	\$	#
Business Brokering/Opportunities	\$	#	\$	#
Referrals/Broker Price Opinions	\$	#	\$	#
Agent or Direct Relative-Owned Property Sales	\$	#	\$	#
Other:	\$	#	\$	#
TOTAL:	\$	#	\$	#

13. In the last five years, has the applicant engaged in any professional services or business other than those indicated above? ___ Yes ___ No. If yes, please describe _____

14. What percentage of sales are from new construction? _____% If any, are you the exclusive sales agent for a builder/developper? ___ Yes ___ No If yes, please describe _____

15. What percentage of transactions involve dual agency, in any? _____%

16. During the last 12 months, what % of transactions were REO's/Foreclosures/Short Sales? _____%

17. Is the applicant involved in property management? ___ Yes ___ No. If yes, please complete the following:

Is a budget prepared for each piece of property managed? ___ Yes ___ No

Is a credit report obtained on each prospective tenant? ___ Yes ___ No

Do you use standard management and lease agreements? ___ Yes ___ No

Number of residential units managed: _____

Commercial/Industrial units/building managed:

_____ res units _____ condos _____ 5+ units apts _____ office buildings _____ warehouses _____ shopping centers

Does the applicant (or anyone who may qualify as an insured) have a combined financial interest that exceeds 10% in any property managed? ___ Yes ___ No

Do you provide property management services for HOA's? ___ Yes ___ No

18. Does the applicant have an in-house procedures manual? ___ Yes ___ No

Does the applicant conduct in-house training and/or encourage agents to take outside training courses? ___ Yes ___ No

Does the principal broker have a specific training program for his/her sales associates? ___ Yes ___ No

Has the applicant's principal broker attended a risk reduction seminar in the last year? ___ Yes ___ No

Are standard contract forms used? ___ Yes ___ No

If yes, what percentage of transactions use standard contract forms? _____ %

Are property/seller disclosure forms used? ___ Yes ___ No

If yes, what percentage of transactions use disclosure forms? _____ %

Does the applicant require their agents to perform visual inspections of properties? ___ Yes ___ No

19. Complete this section **ONLY** if requesting coverage for **RESIDENTIAL REAL ESTATE BROKERAGE**

a. Do you or your agents buy or sell your own properties? YES NO

If yes, How many in the *past* 12 months _____? *Anticipated next* 12 Months _____?

b. Have you ever / do you intend to list a new or conversion condominium project? YES NO

c. Average sale price of residential transactions sold in *past* 12 months: \$ _____

d. Top 3 sales prices from *past* 12 months:

\$ _____ \$ _____ \$ _____

e. % sales representing: Buyer _____% Seller _____% Dual _____%

f. % of transactions covered by home warranties: _____ % Companies used: _____

g. % of sales using a transaction coordinator: _____ % Transaction coordinator used: _____

20. Complete this section ONLY if requesting coverage for **RESIDENTIAL MORTGAGE BROKERING**

- a. Average Loan Amount: \$ _____ Value of Largest Mortgage: \$ _____
- b. What percentage of your total loans:
 - Are Conforming Loans _____% Are Construction Loans _____%
 - Have a Yield Spread Premium _____% Are Jumbo Loans _____% Are Combo Loans _____%
 - Are A Loans _____% B Loans _____% C Loans _____%
- c. Do any of your activities include:
 - Performing any underwriting duties? YES NO
 - Soliciting investors/use of your own capital in loans you broker? YES NO
 - Holding loans longer than 30 days? YES NO
 - Loans via a warehouse line of credit or other means in your own name? YES NO
 - Brokering or funding any commercial loans? YES NO
 - Funding loans without having advance written commitment from an investor? YES NO
 - Reverse mortgages? YES NO
 - Providing loan-servicing duties? YES NO
 - Any non-institutional/private money loans? YES NO
- d. Do you have written procedures for compliance with Truth in Lending, Equal Credit Opportunity Act & Real Estate Settlement Procedures Act? YES NO
- e. Do you perform audits? YES NO
- f. Have you ever had a correspondent relationship terminated by an investor? YES NO

21. Complete this section ONLY if requesting coverage for **COMMERCIAL/LAND BROKERAGE**

- a. Provide percentages of type of commercial transactions for the *past 3 years* below: (sum of all must = 100%)
 - _____ %Office, Warehouse, or Habitational (5+ units) Leasing/Property Management
 - _____ %Office, Warehouse, Habitational (5-29 units), Land (Raw, Vacant, or Partially Developed) Sales
 - _____ %Habitational (30+ units), Research & Development, Industrial/Manufacturing, Entitlement Operations, or Retail Sales
- b. List the 3 highest sale prices in the *past 3 years* and what type of commercial/land they were:
 - \$ _____ Type/Land Acreage: _____
 - \$ _____ Type/Land Acreage: _____
 - \$ _____ Type/Land Acreage: _____
- c. Do you have dedicated agents conducting your commercial transactions? YES NO
- d. Does your office employ attorneys to assist with commercial contracts? YES NO
- e. What type of commercial transactions do you project to have in the next 12 months? _____

22. Complete this section ONLY if requesting coverage for **BUSINESS BROKERAGE**

a. List the 3 highest sale prices in the *past 3 years* and what type of business opportunity they were:

\$ _____ Type: _____ Including the building? YES NO

\$ _____ Type: _____ Including the building? YES NO

\$ _____ Type: _____ Including the building? YES NO

b. Type of business opportunities involved in/planning on: _____

c. Do you have dedicated business opportunity agents? YES NO

who? _____

How many years of business brokerage experience? _____

Please Read carefully and Sign Below where indicated.

The undersigned proprietor, partner, member or officer, acting on behalf of the applicant and all others to be insured, hereby,

- (A) declares after diligent inquiry that the above statements and particulars are true and that no material facts have been suppressed or misstated:
- (B) acknowledges that it is understood and agreed that (1) the completion of this application does not bind Liberty Surplus Insurance Corporation to issue nor the Applicant to purchase the insurance; (2) however, this application will be the basis of the contract if a policy is issued; and (3) all written statements and material furnished to Liberty Surplus Insurance Corporation in conjunction with this application are hereby incorporated by reference into this application and made part hereof; and
- (C) acknowledges that, in the event Liberty Surplus Insurance Corporation issues a policy, (1) Liberty Surplus Insurance Corporation in providing coverage will have relied upon, as representations, the declarations and statements which are contained in or attached to or incorporated into the policy; and (2) in the event of a claim for which coverage would otherwise be available under this policy, the Applicant will be required to be defended by lawyers appointed by Liberty Surplus Insurance Corporation and if the Insured elects to handle any claim without such lawyers or otherwise without Liberty Surplus Insurance Corporation's involvement, then no coverage for such claim will be afforded the Applicant under the policy.

Name _____ Title _____

Signature _____ Date ____/____/____

NOTE: Early cancellations subject to minimum earned premium up to \$750 and/or a short rate charge of 10%

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

FRAUD WARNINGS BY STATE

NOTICE TO ALABAMA 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 ALASKA APPLICANTS: A person who knowingly and with intent to injure, defraud or deceive an insurance company files a claim containing false, incomplete or misleading information may be prosecuted under state law.

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 ARIZONA APPLICANTS: For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

NOTICE TO CALIFORNIA APPLICANTS: For your protection California law requires the following to appear on this form. 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 CONNECTICUT 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 DELAWARE APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

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 GEORGIA 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 HAWAII APPLICANTS: 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.

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 ILLINOIS 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 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 IOWA APPLICANTS: Any person who 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 KANSAS APPLICANTS: Any person who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and imprisonment.

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 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 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, MASSACHUSETTS, MICHIGAN, MINNESOTA, MISSISSIPPI, MISSOURI AND MONTANA 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 NORTH CAROLINA APPLICANTS: Any person who knowingly presents false information in an application for insurance is guilty of a felony and may be subject to fines and imprisonment.

NOTICE TO NORTH DAKOTA 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 NEBRASKA APPLICANTS: Any person who 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 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 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 NEVADA 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 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 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.

NOTICE TO OREGON APPLICANTS: It is a crime to knowingly intend to defraud, provide materially false information related to the acceptance of the risk or provide materially 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.

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 RHODE ISLAND 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 SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, VIRGINIA, WASHINGTON, WISCONSIN AND WYOMING 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 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.
