

# Application for Agents and Brokers Errors and Omissions Liability Insurance

(Claims Made or Claims Made and Reported Basis)

## Instructions

If space is insufficient to answer any question fully, attach a separate sheet.

If response is none, state NONE.

## General information

Full name of applicant \_\_\_\_\_

Principal business premise street address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Contact person \_\_\_\_\_ Email address \_\_\_\_\_

Phone number \_\_\_\_\_ Fax \_\_\_\_\_

Website \_\_\_\_\_ Date organized (MM.DD.YYYY) \_\_\_\_\_

Business is a

Corporation       Partnership       Sole proprietorship       Other

Are there any predecessor organizations to the Applicant (any organization which was engaged in the same essential types of insurance activities as the Applicant, in whose financial assets and liabilities the Applicant is the majority successor in interest)?  Yes  No

If yes, name of predecessor organization(s)

\_\_\_\_\_

Is the Applicant controlled by, owned by, or commonly owned, affiliated or associated with any other organization?  Yes  No

If yes, are any services provided to such organization(s)?  Yes  No

If yes, provide details.

\_\_\_\_\_

During the last five years has the Applicant been involved in, or are they presently considering or contemplating:

Any merger or acquisition?  Yes  No

If yes, provide a complete explanation detailing liabilities assumed and any Errors and Omissions Liability Coverage purchased by any predecessor organization.

\_\_\_\_\_

\_\_\_\_\_

A change in the nature of business operations?  Yes  No

If yes, provide details.

\_\_\_\_\_

\_\_\_\_\_

During the last five years has:

(a) The name of the Applicant been changed?

Yes  No

(b) Ownership of the Applicant changed?

Yes  No

If yes to either (a) or (b) above, provide details.

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Does the Applicant have any subsidiaries or affiliated organizations?

Yes  No

If yes, provide the following for each subsidiary and affiliated company.

Name	Description of Operations	% Ownership by Applicant	Date Acquired, Created or Affiliated	Domicile State
		%		
		%		
		%		

Is coverage requested for any of the above organizations?

Yes  No

If yes, for which organization(s) is coverage requested?

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**Applicant operations**

During the last five years has the Applicant placed business with any insurance company, reinsurer, risk retention group, captive (or any other self-insurance plan or trust by whatsoever name) or any other organization that has been declared bankrupt, insolvent, or been placed in receivership, liquidation or rehabilitation or has been financially unable to meet all or part of its financial obligations?

Yes  No

During the last five years has the Applicant

(a) Negotiated, placed or bound reinsurance for any organization?

Yes  No

(b) Received commissions from, collected premiums or paid claims on behalf of any reinsurer?

Yes  No

(c) Placed coverage with any self insured risk assuming organization or risk retention group?

Yes  No

If yes to (a), (b) or (c) above, provide details.

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Total commission and fees from all lines of business:

Estimate for the coming year		Last twelve months		One year prior	
Year	Commission and Fees	Year	Commission and Fees	Year	Commission and Fees
	\$		\$		\$

Provide the total annual commission and fees from property and casualty that is placed with

Lloyd's of London                      Other Non-United States domiciled insurers

\$    \$

List all non-United States domiciled insurers, where coverage is placed

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Provide the percentage of total commission and fees for all lines of business that the Applicant acts as:

MGA, Underwriting Manager or Program Administrator	Surplus Lines Broker or Agent	Third Party Administration (TPA)*	Claims Administrator*
%	%	%	%

\*Complete TPA / Claims Administrator Supplement

**Property & Casualty (P&C) Insurance Operations:**

Total P&C Insurance Premium  
 Volume: \$ \_\_\_\_\_  
 Total P&C Commission/Fee Income: \$ \_\_\_\_\_  
 Total P&C Net Commission/Fee  
 Income: \$ \_\_\_\_\_

**P&C - Personal & Commercial Lines: Indicate the percentage of commission/fee income for each - This P&C section must total 100%**

**PERSONAL LINES:**

Auto (Standard)	%	Pleasure Boats/Craft	%
Auto (Non-Standard/Assigned Risk)	%	Umbrella/Excess	%
Homeowners/Fire (Standard)	%	Farm (Personal)	%
Homeowners/Fire (Non-Standard)	%	Other (Describe)	%

**COMMERCIAL LINES:**

Fire (Standard)	%	Crop	%
Fire (Non-Standard)	%	Medical Malpractice	%
SMP/BOP/Package	%	Professional Liability	%
Commercial General Liability	%	Inland Marine	%
Umbrella/Excess	%	Wet Marine	%
Auto (Standard)	%	Bonds - Surety	%
Auto (Non-Standard)	%	Bonds - All Other	%
Long Haul Trucking	%	Aviation	%
Workers Compensation	%	Directors & Officers	%
Employment Practices	%	Livestock	%
Liquor Liability - Restaurant	%	Liquor Liability - Bars/Clubs	%
Other (Describe):	%	Other (Describe):	%

**CALCULATE TOTAL (MUST EQUAL 100%)** %

**Life, Accident & Health (A&H) Insurance and Other Financial Products:**

Total Life, Accident & Health  
 Premium Volume: \$ \_\_\_\_\_  
 Total Life, Accident & Health  
 Commission/Fee Income: \$ \_\_\_\_\_  
 Total Life, A&H Net  
 Commission/Income: \$ \_\_\_\_\_

**Life, A&H Insurance and Other Financial Products - Indicate the percentage of commission/fee income for each - This section must total 100%**

Individual Life	%	Variable Life/Annuities	%
Individual A&H	%	Equity Indexed Annuities	%
Group Life	%	Mutual Funds	%
Group A&H	%	Securities	%
Long Term Care	%	Life Settlement/Viaticals	%
Fixed Annuities	%	Other (Describe):	%

**CALCULATE TOTAL (MUST EQUAL 100%):** %

**OTHER PRODUCTS AND/OR SERVICES (Total Gross Income):**

Human Resources Services                      Employee Benefit Plan Consulting & Administration Services                      \$                      \$

Third Party Insurance Claims Administration Services                      \$                      Other (Describe):                      \$

List your top five insurers by premium volume , the annual premium volume and % of commission or fees, and the number of years represented for business that the Applicant places with each insurer listed:

Insurer	Annual Premium Volume/% of Commission and Fees	No. Years Represented
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

Provide the percentage of annual total gross income from the following  
List all insurers you place business with an A.M. Best Rating below B+, or not rated along with the annual premium volume and % of commission/fees and the # of years represented. Please include this information on a separate sheet or report as needed.

Appraisal Services %	Insurance Claims Adjusting* %	Insurance Claims Administration* %	Insurance Commissions %
Insurance Consulting for a fee %	Insurance Program Administration %	Premium Financing %	Reinsurance Intermediary %
Risk Management for a fee %	Structured Settlements %	Third Party Administration* %	Other (specify) . %

\*Complete TPA / Claim Administrator Supplement

Provide number of the Applicant's total staff (including part-time)

Active principals, partners, officers, directors	+	Employed/independent contractor solicitors, brokers, agents	+	Other employees	=	Total
Total number of staff hired within the last twelve months		Total number of staff resigned, retired or terminated within the last twelve months				

Average number of years with the Applicant

Professional staff                      Clerical staff

Provide the following for each owner of the Applicant

Owner's Name	Title	Currently Active full time with the Applicant (Yes/No)	Total Number of Years With the Applicant	Total Number of Years in the Insurance Industry	Percentage Ownership
					%
					%
					%
					%
					<input type="checkbox"/> Yes <input type="checkbox"/> No

Does the Applicant place homeowners, property or flood insurance for any insureds located in the hurricane belt (AL, FL, GA, LA, MS, NC, NJ, SC or TX)?

If yes, does the Applicant always get a written sign-off from the client if they decline to purchase Flood and/or Windstorm coverage?                       Yes     No

If no, please explain.

What %, if any, of the applicant's insurance business is serviced by carrier's Service Center Operations: \_\_\_%

What % of the applicant's staff has completed an E&O Loss Prevention Class or Seminar? \_\_\_%

Does the agency have an Agency Management System in place? \_\_\_Yes \_\_\_No

If so, is the same system used for all locations or offices of the applicant? \_\_\_Yes \_\_\_No. If no, please explain.

Are there any staff at the agency who hold insurance-related designations? If so, please provide this information as a supplement including the staff member name and the designation(s) held.  Yes  No

When the Applicant receives a claim from an insured

What is maximum number of days within which the Applicant notifies the insurer?

What is the number of days after forwarding a notice to an insurer that the Applicant allows before following up with the insurer to confirm the insurer's receipt of the notice?

Are all notifications to the insurer in writing?  Yes  No

**Office procedures and controls**

Does the Applicant have procedures or controls to ensure that all

Date/time sensitive items are entered into a central diary/suspense system?  Yes  No

Incoming mail is date stamped?  Yes  No

Employees correctly follow procedures?  Yes  No

Quotes and Binders are in writing and contain a description of coverage and restrictions?  Yes  No

Orders to bind are in writing from the insured or sub producer and state the coverage the bind request is for?  Yes  No

Policies and endorsements comply with the insured's or sub producer's requests?  Yes  No

Requests for policy changes (endorsements) and reductions in coverage are in writing from the insured or sub producer?  Yes  No

Requests for cancellation are in writing from the insured, sub producer or premium finance company?  Yes  No

Policies that are renewed with less coverage than on the expiring policy, have a reduced coverage statement acknowledging the coverage reduction that is signed by the insured or the sub producer?  Yes  No

Does the Applicant place business as a retailer?  Yes  No

If yes, does the Applicant always

Use a comprehensive coverage checklist?  Yes  No

Get a written sign-off from the client if they decline to purchase recommended coverage?  Yes  No

Does the Applicant allow staff to sign an application on behalf of a client?  Yes  No

If yes, provide an explanation.

Does the Applicant check that all cancellation notices and nonrenewal notices are sent in compliance with policy provisions and state statutory requirements?  Yes  No

Does the Applicant:

Require all sub agents and producers to have Errors and Omissions Liability Coverage?  Yes  No

Require a copy of all sub agents'/producers' licenses prior to binding any risk for them?  Yes  No

Have a system which ensures that its sub agents/producers are licensed and have in-force Errors and Omissions Liability Coverage, each year?  Yes  No

**Managing General Agents, Underwriting Managers and Program Administrators**

1. Does the Applicant act as Managing General Agent ("MGA"), Underwriting Manager and/or Program Administrator?  Yes  No

If **no**, skip to **Claims/History** section.

If **yes**, answer the following questions

2. Provide the following information for each organization that the Applicant has represented as an MGA, Underwriting Manager or Program Administrator for the last five years.

Insurer	Domicile of Insurer	Number of Years Represented	Annual total commission and fees.	Number of Times Audited per Year
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3. In the last three years has any audit by an insurer stated that the Applicant had exceeded its premium cap or underwriting authority?  Yes  No  
 Did not issue the correct policy wording and/or endorsements as mandated by the insurer?  Yes  No  
 If yes to either of the above questions, provide details and actions taken to amend procedures.

4. In the last three years, other than minor infractions, were all audits by insurers satisfactory?  Yes  No  
 If no, provide details.

5. In the last five years has any MGA, Underwriting Manager or Program Administrator contract authority been canceled, revoked or terminated?  Yes  No  
 Insurer added any restrictions to the Applicant's underwriting or claim handling authority?  Yes  No  
 If yes to either of the above questions, provide details.

6. What is the Applicant's maximum authority for the following

Binding Risks	Claims Adjusting/Administration*	Loss Control	Reinsurance Placement
\$	\$	\$	\$

Does the Applicant have authority for any insurer other than stated in 2. herein above?  Yes  No  
 If yes, provide details.

Total number of insurers for which the Applicant has authority of any kind  
 \*Complete TPA / Claim Administrator Supplement

7. Provide the total number of producers that the Applicant has appointed as sub agents. Has the Applicant delegated any underwriting, claim handling and/or any other authority to any sub agent?  Yes  No  
 If yes, Provide a detailed description.

Provide a copy of the contract with the insurer that authorizes the Applicant to delegate authority to other organizations.

**Claims/History**

1. Limits of Liability: Indicate the limits of liability requested

**Per Claim / Aggregate**

- |  |  |
|--|--|
| <input type="checkbox"/> \$1,000,000 / \$1,000,000 | <input type="checkbox"/> \$3,000,000 / \$3,000,000 |
| <input type="checkbox"/> \$1,000,000 / \$2,000,000 | <input type="checkbox"/> \$3,000,000 / \$5,000,000 |
| <input type="checkbox"/> \$1,000,000 / \$2,000,000 | <input type="checkbox"/> \$4,000,000 / \$4,000,000 |
| <input type="checkbox"/> \$2,000,000 / \$2,000,000 | <input type="checkbox"/> \$5,000,000 / \$5,000,000 |
| <input type="checkbox"/> \$2,000,000 / \$4,000,000 | <input type="checkbox"/> other                     |

Deductible: Indicate the deductible requested

- |                                   |                                   |                                   |                                      |
|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| <input type="checkbox"/> \$5,000  | <input type="checkbox"/> \$10,000 | <input type="checkbox"/> \$15,000 | <input type="checkbox"/> higher – \$ |
|                                   |                                   |                                   | specify                              |
| <input type="checkbox"/> \$20,000 | <input type="checkbox"/> \$25,000 | <input type="checkbox"/> \$50,000 |                                      |

**The Company does not guarantee to offer any of the above limits and/or deductibles.**

2. During the last five years, have there been any claims or proceedings arising out of professional services against the Applicant or any of its principals, partners, officers, directors, trustees, employees, managers or managing members or predecessors, subsidiaries, affiliates, and/or against any other person or organization proposed for this insurance?  Yes  No  
If yes, how many?

Attach a completed copy of our Supplemental Claim Form.

3. Is the Applicant and/or any of its principals, partners, officers, directors, trustees, employees, managers or managing members or any person(s) or organization(s) proposed for this insurance aware of any fact, circumstance, situation, incident or allegation of negligence or wrongdoing, which might afford grounds for any claim such as would fall under the proposed insurance?  Yes  No  
If yes, complete a copy of our Supplemental Claim Form.

4. Has the Applicant and/or any of its principals, partners, officers, directors, trustees, employees, managers or managing members or any person(s) or organization(s) proposed for this insurance ever been involved in or have knowledge of any pending or completed investigative or administrative proceeding?  Yes  No  
If yes, provide details.

5. Has the Applicant and/or any of its principals, partners, officers, directors, trustees, employees, managers or managing members, predecessors, subsidiaries, affiliates, and/or any other person or organization proposed for this insurance ever had its/his/her license suspended or revoked or has its/his/her license ever been forfeited or ever been investigated or disciplined by a state insurance department, federal agency, regulatory agency or professional review board?  Yes  No  
If yes, provide details on a separate sheet.

6. Has any insurer cancelled, rescinded, nonrenewed or declined any similar insurance for the Applicant, its predecessors, subsidiaries, affiliates and/or for any other person or organization proposed for this insurance in the last five years?  Yes  No  
If yes, attach a copy of such insurer's notice.

7. Errors and Omissions Liability Insurance for the last five years

Policy Period	Insurer	Limits of Liability	Deductible	Retro Date	Premium
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## Representations

### BY SIGNING THIS APPLICATION THE APPLICANT AGREES THAT:

The Applicant has made a comprehensive internal inquiry or investigation to determine whether anyone in the Applicant organization is aware of any actual or alleged fact, circumstance, situation, error or omission which may reasonably be expected to result in a claim, and have divulged any and all such situations in Claims/History section, questions 2., 3., 4. and 5. of this application; and

The application and attachments, and all of the statements and answers given therein are:

- accurate and complete to the best of the Applicant's knowledge;
- representations the Applicant is making on behalf of all persons and organizations proposed to be insured;
- a material inducement to the Company to provide a proposal for insurance and any policy that the Company issues is issued on reliance upon these representations; and
- deemed attached herein, incorporated into, and form a part of the policy.

The Applicant agrees to report to the Company in writing any material change in its operations, conditions, or answers provided in this application that may occur or be discovered after the completion date of the application and before the effective date of the policy. On receipt of any such written notice the Company has the right to modify or withdraw any proposal for insurance the Company has offered, at the sole discretion of the Company.

Signing of this application does not bind the Company to offer, nor the Applicant to accept insurance, but it is agreed that this application shall be the basis of the insurance and it will be deemed attached to and made a part of the policy should a policy be issued.

Any person who, knowingly and with the intent to defraud any insurance company or other person, files an application for insurance containing any false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which may be considered a crime.

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF THIS POLICY IS ISSUED, THIS SIGNED STATEMENT WILL BE ATTACHED TO THE POLICY.

No fact, circumstance, situation or incident indicating the probability of a claim or action for which coverage may be afforded by the proposed insurance is now known by any person(s) or organization(s) proposed for this insurance other than that which is disclosed in this application. It is agreed by all concerned that if there be knowledge of any such fact, circumstance, situation, incident or allegation of negligence or wrongdoing, any claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

The policy applied for is SOLELY AS STATED IN THE POLICY, if issued, which provides coverage on a claims made basis for ONLY THOSE "CLAIMS" THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD, unless an automatic extended reporting period is available or the extended reporting period option is exercised in accordance with the terms of the policy. The policy has specific provisions detailing claim reporting requirements.

**New York Notice:** This application is for claims-made coverage. There shall be no coverage for "Claims" arising out of "Wrongful Acts" or "Personal Injuries" which took place prior to the "Retroactive Date". Upon termination of coverage for any reason, a sixty-day Automatic Extended Reporting Period will apply. For an additional premium, an Optional Extended Reporting Period of thirty-six months can be purchased. There is no coverage for "Claims" first made against the Insured after the "Policy Period" or Automatic Extended Reporting Period unless the Optional Extended Reporting Period is purchased. Gaps in coverage may arise if the policy is not replaced with comparable claims-made coverage upon expiration of either the policy or Optional Extended Reporting Period, if purchased.

During the first several years of claims-made coverage, claims-made rates are comparatively lower than occurrence rates, and the insured can expect substantial annual premium increases, independent of overall rate level increases, until the claims made risk reaches full maturity.

## Fraud Warnings

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 Alaska residents:** "A person who knowingly and with intent to injure, defraud, or deceive an insurance company, files a claim containing false, incomplete, misleading information may be prosecuted under state law."

**Notice to Arizona residents:** "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 residents:** "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 residents:** "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 Delaware residents:** "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 Florida residents:** "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 of the third degree."



**Notice to Idaho residents:** “Any person who knowingly and with intent to 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 residents:** “A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.”

**Notice to Kansas residents:** “A ‘fraudulent insurance act’ means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented, or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.”

**Notice to Kentucky residents:** “Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim or an application 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 Maryland residents:** “Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or 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 Maine residents:** “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 Minnesota residents:** “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 Hampshire residents:** “Any person who, with a 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 residents:** “Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.”

**Notice to New Mexico residents:** “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 residents:** “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 violation.”

**Notice to Ohio residents:** “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 residents:** “WARNING: Any person who knowingly, and with intent to injure, defraud, or deceive an 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 Pennsylvania residents:** “Any person who knowingly and with intent to defraud any insurance company or other person files a 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 residents:** “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 Texas residents:** “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.”

Must be signed within 60 days of the proposed effective date.

**Signatures**

Applicant's name

Title (Officer, partner, etc.)

Applicant's signature

Date

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Insurance Agent Name

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License Number