

# INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY APPLICATION

The insurance coverage for which you are applying is written on a claims-made and reported policy form. Subject to policy provisions, this insurance will apply only to liability for claims that are first made against you and reported to the company while the policy is in force. This policy provides that the limits of liability available to pay judgments or settlements shall not be reduced by amounts incurred for legal defense. Note, however, that amounts incurred for legal defense shall be applied against the deductible amount.

Select Desired Limits of Liability and Deductible (Selections may be subject to underwriting approval)

**LIMITS OF LIABILITY (Per Claim/Aggregate)**

- \$250,000 / \$500,000
- \$300,000 / \$600,000
- \$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

**DEDUCTIBLE (Per Claim)**

- \$1,000
- \$2,500
- \$5,000
- \$7,500
- \$10,000
- Other \_\_\_\_\_

Desired Effective Date (MM/DD/YYYY) \_\_\_\_\_ Current Retro. Date / Prior Acts Date (MM/DD/YYYY) \_\_\_\_\_

Please Print or Type and Complete All Questions.

1. Name of Applicant Agency: \_\_\_\_\_ Contact Person: \_\_\_\_\_  
 \_\_\_ Sole Proprietorship \_\_\_ Partnership \_\_\_ Corporation \_\_\_ LLC \_\_\_ Other (Please Specify) \_\_\_\_\_

D/B/A: (if applicable) \_\_\_\_\_

Phone: \_\_\_\_\_ Fax No.: \_\_\_\_\_ Email Address \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_

2. Additional Business Locations (Attach a separate sheet if necessary)  
 \_\_\_\_\_  
 \_\_\_\_\_

3. Are all additional locations owned and under direct control of applicant's agency?  YES  NO (If NO, attach explanation)

4. What % of your business is:           Retail (Business Sold Directly to Insureds)           \_\_\_\_\_ %  
   \*Wholesale (Business Sold to Other Agents)           \_\_\_\_\_ %  
   \*MGA (Business for which you have underwriting authority)           \_\_\_\_\_ %  
   \*Supplemental Application must be completed.           **Must total 100%**

5. Date Agency Established (MM/DD/YYYY): \_\_\_\_\_ ;           Year Current Owner Assumed Management: \_\_\_\_\_

**Resumes for all owners and employees must be provided if agency was established within the past 3 years**

- a. Number of Owners, Officers and Partners \_\_\_\_ ; Number of other Solicitors, Brokers and Agents \_\_\_\_\_ ; Number of clerical \_\_\_\_ : Total of all staff and owners \_\_\_\_\_.
- b. Have you or any of your staff attended an approved E&O seminar within the last 12 months or in the next 30 days? If so, provide a listing of name(s) and title and location of the seminar.
- c. Do you or any of your staff hold industry-recognized and approved insurance designations, including CPCU, CIC, CPSR, CISR, ACSR? If so, provide a listing of name(s) and designation description.

6. Is agency owned or controlled by or associated with any other business or entity?  YES  NO (If YES, attach explanation)

7. Within the last five years, have there been:
- |  |                          |                          |
|--|--------------------------|--------------------------|
|  | YES                      | NO                       |
| a. Changes in name                             | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Changes in agency ownership                 | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Mergers with/or purchases of other agencies | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Agency cluster arrangements                 | <input type="checkbox"/> | <input type="checkbox"/> |

(If you answered YES to any of Questions 7a, 7b, 7c or 7d, attach a detailed explanation.)

e. Please list any and all predecessor firms below and the dates each predecessor firm was in business.

<u>Predecessor Firm Name(s)</u>	<u>Dates in Business</u>
_____	____/____/____ To ____/____/____
_____	____/____/____ To ____/____/____
_____	____/____/____ To ____/____/____

8. List the names of officers/shareholders/partners/members/owners and years of insurance experience. (Attach another sheet if necessary)

Name	Relationship to Agency	Years of Insurance Experience

9. Breakdown of agency business

<u>COMMERCIAL LINES</u>	<u>Premium Volume</u>	<u>Commission/ Fee Income</u>	<u>PERSONAL LINES</u>	<u>Premium Volume</u>	<u>Commission/ Fee Income</u>
Workers Comp	_____	_____	Automobile (Standard)	_____	_____
Commercial Auto	_____	_____	Automobile (Non-Standard)	_____	_____
Commercial Multi Peril	_____	_____	Property (Dwelling) / Homeowners	_____	_____
Professional Liability	_____	_____	Other (Specify)	_____	_____
Directors & Officers Liability	_____	_____			
Medical Malpractice	_____	_____	<b>TOTAL PERSONAL LINES</b>	<b>\$_____</b>	<b>\$_____</b>
Umbrella/Excess	_____	_____			
Aviation	_____	_____	<u><b>LIFE &amp; HEALTH</b></u>		
Wet Marine	_____	_____	Life (Group)	_____	_____
Long Haul Trucking	_____	_____	Life (Individual)	_____	_____
Bonds	_____	_____	Health & Accident (Group)	_____	_____
Other (Please specify)	_____	_____	Health & Accident (Individual/Family)	_____	_____
			Annuities & Pension	_____	_____
<b>TOTAL COMMERCIAL LINES</b>	<b>\$_____</b>	<b>\$_____</b>	<b>TOTAL LIFE &amp; HEALTH</b>	<b>\$_____</b>	<b>\$_____</b>
			<b>TOTAL ALL</b>	<b>\$_____</b>	<b>\$_____</b>

10. List All Carriers/Companies and the Percent of Business Placed with each (Attach Separate Sheet if Necessary):

<u>Carrier / Company</u>	<u>% of Business</u>	<u>Agency / Contract</u>	<u>Admitted or Non-Admitted</u>	<u>A.M. Best's Rating</u>	<u># of Years Represented</u>
-----	-----	<input type="checkbox"/> YES <input type="checkbox"/> NO	-----	-----	-----
-----	-----	<input type="checkbox"/> YES <input type="checkbox"/> NO	-----	-----	-----
-----	-----	<input type="checkbox"/> YES <input type="checkbox"/> NO	-----	-----	-----
-----	-----	<input type="checkbox"/> YES <input type="checkbox"/> NO	-----	-----	-----
-----	-----	<input type="checkbox"/> YES <input type="checkbox"/> NO	-----	-----	-----

11. Do you permit business to be placed through wholesalers or general agencies with companies rated less than B+ by A.M. Best? **If Yes, attach a listing of the company name and A.M. Best Rating**  YES  NO

12. Do you sell Mutual Funds?  YES  NO

13. In the past five years, has the agency: YES NO

- a. Placed coverage for risks involved in petroleum exploration and extraction, mineral exploration and mining, hazardous waste operations with significant pollution exposures?  YES  NO
- b. Specialized in any programs or classes of business?  YES  NO

If any of the above is answered YES, attach a detailed explanation for each. Details for 13a and 13b must include: the name of the program(s), the name of the insurer(s); the extent of the coverage provided by the insurer(s); the name and address of the administrator; any administrative duties performed by the applicant; and appropriate financial information, if applicable. You must also provide a copy of the promotional literature.

14. Does the applicant or any owner, officer, partner, member, solicitor or employee perform any of the following activities? **If YES, attach resume, promotional material and sample contract. NOTE: Coverage may be excluded under the policy.**

	YES	NO	<u>Annual Revenue / Income</u>
Reinsurance Intermediary	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Third Party Administrator	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Claim Adjustment Services	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Investment, Securities Advisor	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Pre-Paid Legal Services	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Human Resources	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Actuarial Services	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Tax Advisor	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Risk Management / Loss Control	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Premium Finance for Operations	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Real Estate (* See below)	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Other (Please describe)	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____

\* Supplemental Application must be completed.

- |  | YES                      | NO                       | N/A                      |
|--|--------------------------|--------------------------|--------------------------|
| 15. Office Procedures  |                          |                          |                          |
| a. Does the agency utilize a computerized production and accounting system?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Do you maintain a separate premium trust account?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is the agency on-line with any carrier?<br>Name of carrier _____ Annual Volume with Carrier _____   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Is the agency using the Internet?<br>Name of home page and/or website _____   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Is incoming mail date stamped?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Are copies of binders mailed to the insured and/or the company within specified guidelines?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Is there a procedure for documenting files and telephone conversations?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Is a policy expiration list maintained?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Are all applications, policies and endorsements checked for accuracy?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| j. Are files marked to ensure certificate holders are notified of cancellation and material changes?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| k. Is there a back-up procedure for computerized production?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| l. Does the agency have a diary/suspense system?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| m. Does the agency have procedures in place to ensure proper disclosure of exclusions including but not limited to Mold/Fungus and War/Terrorism? <b>Attach description of procedures.</b>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| n. Does the agency have procedures in place to ensure written documentation of policy limitations including but not limited to; wind deductibles, hurricane deductibles, and earthquake deductibles? <b>Attach description of procedures.</b>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Does the agency have procedures to ensure written confirmation of coverages requested, declined and accepted by the insured?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Is there any entity(s) having a 10% or more interest in the applicant agency or in any subsidiary or affiliate of the applicant agency? If YES, provide the Entity's name: _____<br>Ownership interest _____% and relationship to applicant agency _____   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Has any past or present owner, officer, partner, employee, member or solicitor been the subject of complaints filed and/or disciplinary action by any insurance regulatory authority? <b>If YES, attach a detailed explanation.</b>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Has any policy or application for similar insurance on the applicant agency's behalf or any of its owners, officers, partners, members, employees or solicitors, or on behalf of any predecessor in business ever been declined, cancelled, or renewal refused. <b>If YES, attach a detailed explanation.</b>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Have any claims been made against the applicant or any of its past or present owners, shareholders, partners, members, owners, employees or solicitors or to the knowledge of the applicant agency on behalf of its predecessors in business, within the last 5 years? <b>If YES, attach Supplemental Claim Form and loss runs.</b>                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Does any prospective insured person or entity have knowledge of any known acts, proceedings, events or developments, which may reasonably be expected to give rise to a claim against the applicant agency, past or present owners, officers, partners, employees or solicitors, or its predecessor(s) in business? <b>If YES, attach Supplemental Claim Form.</b> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**IT IS AGREED WITH RESPECT TO QUESTIONS 20 AND 21 THAT ANY CLAIM ARISING THEREFROM (WHETHER OR NOT DISCLOSED HEREIN), IS EXCLUDED FROM THE PROPOSED COVERAGE.**

22. If YES to 20 or 21, have they been reported to your Professional Liability Insurance Carrier?  YES  NO

23. Please provide the information below with regard to your professional liability coverage for the past 5 years, beginning with your present company / carrier. **Also, please attach a copy of your expiring Declarations Page.**

Company	Policy Period	Retroactive / Prior Acts Date	Limit of Liability	Deductible	Annual Premium
	___/___/___ to ___/___/___	___/___/___			
	___/___/___ to ___/___/___	___/___/___			
	___/___/___ to ___/___/___	___/___/___			
	___/___/___ to ___/___/___	___/___/___			
	___/___/___ to ___/___/___	___/___/___			

**PRODUCER COMPENSATION DISCLOSURE:** The applicant acknowledges by its signature below and hereby warrants that it will appropriately disclose any potential conflicts of interest based upon contingent or other commission arrangements to its clients and will secure the clients' agreement to such arrangement in writing prior to binding coverage. The applicant further agrees to be bound by the provisions related to producer compensation disclosure that have or may be enacted by the state(s) in which the applicant conducts operations. The applicant acknowledges that failure to abide by the aforementioned producer compensation disclosure requirements may affect coverage under this policy, if ultimately issued.

**NOTICE OF PURCHASING GROUP MEMBERSHIP:** (For all states except Florida) By applying for this insurance, the applicant also is applying for membership in FABLUS (For Agents & Brokers Liability Underwriting Services), a purchasing group formed and operating pursuant to the Federal Liability Risk Retention Act of 1986 (15 USC 3901 et seq.) This purchasing group was formed for the sole purpose of providing professional liability insurance to insurance agents and brokers. The sole purpose of becoming a member is to purchase professional liability insurance.

**FRAUD WARNING:** Any person who knowingly and with intent to defraud any insurance company or other person who files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any act material thereto, commits a fraudulent insurance act, which is a crime. In New York, any person shall also be subject to a civil penalty not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each violation.

**NOTICE TO APPLICANT – PLEASE READ CAREFULLY BEFORE SIGNING**

THE APPLICANT AND AGENCY AND ALL PROPOSED INSUREDS ACCEPT NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" AND REPORTED BASIS. The undersigned is authorized by and acting on behalf of the Applicant and represents that all statements and particulars herein are true, complete and accurate and that there has been no suppression or misstatements of fact and agrees that this application shall be the basis of coverage. THE APPLICANT AND ALL PROPOSED INSUREDS ACCEPT NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE.

THE APPLICATION MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, OFFICER OR MEMBER OF THE APPLICANT.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name of Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Person Signing

**SIGNING THIS FORM OR TENDERING PREMIUM WITH THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE.**