

**Real Estate Agents
Errors and Omissions Liability Application**



1. GENERAL INFORMATION

- a. **FIRM NAME** (including all firm names, trade names, franchise affiliation or DBA's under which you operate): _____
- ADDRESS (of principal office): _____
- CITY: _____ COUNTY: _____ STATE: _____ ZIP: _____
- TELEPHONE: _____ FAX: _____ E-MAIL/WEBSITE: _____
- CONTACT NAME: _____
- b. Does the firm have multiple sales office locations? Yes No. If "Yes", how many? _____
(Please use a separate sheet and list the addresses of all additional locations under the same ownership with the firm listed in Question #1.)
- c. Has the firm ever changed names or have there been any acquisitions, consolidations, dissolutions, mergers, or changes in the business organization? Yes No. If "Yes", please explain. _____
Coverage is not provided for any predecessor firms or prior owners unless specifically indicated on the policy.
- d. Please indicate all State(s) in which the firm operates: _____
Does the firm handle any sales in any foreign country? Yes No. If "Yes", provide details on a separate sheet.
- e. Month/Year firm established under current ownership? _____ / _____. Firm is an: Individual Partnership Corporation.

2. PRINCIPAL AND STAFF INFORMATION

- a. Complete the following for each **Owner, Partner, Director, and Officer**. If licensed less than three (3) years, please provide resumes. Attach an additional sheet, if necessary.

Name and Title	Date First Licensed as a Broker / Agent	License Status Active / Inactive	Professional Designations	License Ever Revoked or Suspended?
				<input type="checkbox"/> Yes <input type="checkbox"/> No.
				<input type="checkbox"/> Yes <input type="checkbox"/> No.
				<input type="checkbox"/> Yes <input type="checkbox"/> No.

- b. **STAFF:** Indicate numbers including **Owner(s), Partner(s), Director(s), and Officer(s)** list in 2a. above.

	Full-time	Part-time
Licensed Brokers - employed and independent contractors.....		
Licensed Agents - employed and independent contractors.....		
Property Management - staff and employees		
Mortgage Brokers/Loan Officers		
Other (describe):		
TOTAL STAFF:		

- c. Please indicate the percentage of licensed agents who have held their licenses more than two years: _____%
- d. Are you a member of the National Association of Realtors®? Yes No.
Please list all professional organizations/boards of which the firm is a member: _____
- e. Is the firm controlled or owned by, or associated with, or does the firm control or own, or is the firm affiliated with any other firm or business? Yes No.
If "Yes", please explain. _____
- f. Is the firm or any agent/principal engaged in any business enterprise or professional practice other than real estate sales, leasing, property management, appraisal, auctioneering, mortgage brokering or counseling? Yes No.
If "Yes", please explain. _____

3. GROSS COMMISSION INCOME- (gross income includes all fees and commissions before expenses and split with agents).

Description	Past 12 Months		Projections Next 12 Months	
	# of Transactions	Gross Income	# of Transactions	Gross Income
Residential Property (1-4 Units)	_____	\$ _____	_____	\$ _____
Residential Raw Land	_____	\$ _____	_____	\$ _____
Commercial/Industrial Property (including income producing farms/ranches)	_____	\$ _____	_____	\$ _____
Commercial Raw Land	_____	\$ _____	_____	\$ _____
Leasing – Commercial/Industrial (Property not managed)	_____	\$ _____	_____	\$ _____
Leasing – Residential (Property not managed)	_____	\$ _____	_____	\$ _____
*Property Mgmt-Residential (complete Property Management Supplement)	_____	\$ _____	_____	\$ _____
*Property Mgmt-Commercial (complete Property Management Supplement)	_____	\$ _____	_____	\$ _____
*Mortgage Brokerage (complete Mortgage Brokerage Supplement)	_____	\$ _____	_____	\$ _____
Consulting	_____	\$ _____	_____	\$ _____
Referral Fees	_____	\$ _____	_____	\$ _____
Other (describe): _____	_____	\$ _____	_____	\$ _____
TOTALS:	_____	\$ _____	_____	\$ _____

- a. Has the firm, in the past, engaged in any services listed above where no revenues were realized in the past 12 months? Yes No.
If "Yes", please describe on a separate sheet the past services provided, when provided and revenues earned.
- b. What is the percentage of the firm's transactions during the past year were from sales in which the firm represented both the buyer and seller in the **same** transaction (i.e. in some states referred to as Dual Agency)? _____ %
- c. Please indicate the average sales price of the firm's prior year closed residential transactions. \$ _____
- d. Does any client represent more than 25% of your firm's annual income? Yes No.
If "Yes", please explain. _____
- e. What percentages of sales are from new construction? _____ %
 Does the firm have any exclusive listing agreements with any builder/developer? Yes No.
If "Yes", please complete the attached Builder/Developer Exclusive Listings Supplement.
- f. Has any licensee of the firm handled or overseen the sale of foreclosed properties in the past three (3) years? Yes No.
If "Yes", are any of the following activities, services or practices involved in the handling of foreclosures:
- (i) Asset or property preservation services, including any rehabilitation work on bank or lender owned properties? Yes No.
**If Yes to question f.(i) above, were all such repairs contracted by the firm done by a licensed contractor?..... Yes No.*
 - (ii) If the licensee represents the buyer, is the buyer advised in writing to have the property inspected by a licensed and insured home inspector prior to the purchase? Yes No.
 - (iii) Are licensees allowed to engage in acquiring properties or deeds of financially distressed homeowners, including sale-leaseback agreements or cash for keys offers? Yes No.
 - (iv) Engaged in any eviction services on pre-foreclosed or bank or lender owned properties? Yes No.
**If Yes to question f.(iv) above, was the preparation, filing and service of the eviction complaint and obtaining the eviction judgment handled by an attorney or appropriate law enforcement authority? Yes No.*
- g. Does any licensee of the firm handle any sales, leasing or property management of mobile homes/RV parks, hotels, motels or timeshares?..... Yes No.
- h. Does any licensee of the firm handle or oversee the sale of businesses or business opportunities? Yes No.
If "Yes", provide the income from these activities. \$ _____ Estimate for next 12 months \$ _____
No coverage is provided for business brokerage activities unless coverage is specifically endorsed on to the policy.
- i. Does any licensee of the firm handle, form, manage, or organize group investments/syndications (i.e.-limited or general partnerships, real estate investment trusts, or corporations) for the purpose of investing in real property? Yes No.
If "Yes", provide the income from these activities. \$ _____ Estimate for next 12 months \$ _____
No coverage is provided for any of these activities.

- j. Does any licensee of the firm handle or have any involvement with real estate activities for which they act as a general contractor, construction manager or property developer (including renovations)? Yes No.
If "Yes", provide the income from these activities. \$ _____.
 Is this a separate business entity from the firm? Yes No.
 Please provide the name of this entity. _____
No coverage is provided any of these activities unless coverage is specifically endorsed on to the policy.

4. FIRM'S INTERNAL PROCEDURES, PRACTICES AND RISK MANAGEMENT:

- a. Does the firm have an in-house procedures manual? Yes No.
 b. Does the firm have in-house training and/or encourage agents to take outside training courses? Yes No.
 c. Does the principal broker have a specific training program for new sales associates? Yes No.
 d. In the past year, what % of the firm's licensees completed a risk reduction seminar? _____%
 e. In the past year, what % of the firm's agents completed a continuing education course? _____%
 f. What percentage of the firm's sales transactions:
 1) Include the use of a standard state real estate trade association purchase/sales contract? _____%
 2) Include a home warranty placed on the property? _____%
 3) Include a home inspection performed on the property? _____%
 4) Include a signed property disclosure from the Seller? _____%
 g. Are all disclosures required by the state(s) in which the firm operates used on every transaction? Yes No.

5. CLAIMS INFORMATION

ANSWER THE FOLLOWING QUESTIONS ONLY AFTER INQUIRY OF EACH MEMBER OF THE FIRM.

- a. Have any persons proposed for this coverage ever been subject to disciplinary action by any real estate association, state licensing board or other regulatory body? Yes No.
If "Yes", please attach a detailed explanation
 b. Has any similar Errors and Omissions Insurance policy written on behalf of the firm, its partners, owners, officers, or on behalf of the firm's predecessors in business, ever been declined, canceled, or refused renewal? Yes No.
*If "Yes", please attach a detailed explanation. **NOT APPLICABLE IN MISSOURI***
 c. Have any claims been made during the past five (5) years against the firm or those indicated in Question 2? Yes No.
If "Yes", the SUPPLEMENTAL CLAIM FORM must be completed for each claim.
 d. Is anyone affiliated with the firm aware of any acts, omissions, or circumstances which might reasonably be expected to result in a claim being made against the firm or those indicated in Question 2? Yes No.
If "Yes", a SUPPLEMENTAL CLAIM FORM must be completed for each circumstance.

Please note: This policy will not apply to any claim which any person proposed for this insurance knew of prior to the effective date of the policy. This policy also will not apply to any claim if any person proposed for this insurance knew prior to the effective date of the policy of acts or omissions which might reasonably be expected to be the basis of that claim.

6. INSURANCE HISTORY

PRIOR INSURANCE HISTORY: Provide the following information on all Real Estate Errors and Omissions Insurance carried by the firm for the past five (5) years.

POLICY PERIOD from / to	INSURANCE COMPANY	LIMITS OF LIABILITY Per Claim/Aggregate	DEDUCTIBLE	PREMIUM
-				
-				
-				
-				
-				

- a. Has your firm purchased Extended Reporting Period coverage in the past from any carrier? Yes No.
If "Yes", please provide the date purchased and carrier you purchased it from: _____.

7. LIMITS AND DEDUCTIBLES

a. LIMITS OF LIABILITY-

- \$250,000 / \$250,000 \$ 500,000 / \$500,000 \$500,000 / \$1,000,000 \$1,000,000 / \$1,000,000
 \$1,000,000 / \$2,000,000 Other _____

b. DEDUCTIBLE -

- \$1,000 \$1,500 \$2,500 \$3,500 \$5,000 \$10,000 \$15,000 \$20,000
 \$25,000 Other \$ _____

c. DESIRED EFFECTIVE DATE: _____
month/day/year

d. RETROACTIVE DATE: _____

Attach a copy of your current policy Declaration that shows your current in force retroactive coverage date.
NOTE: Retroactive coverage (i.e. prior acts) will not be provided without proof of existing retroactive coverage!

- e. If the firm has current coverage in force, does such coverage contain any endorsements that exclude or limit coverage under the policy? Yes No.
If "Yes", please provide a copy of all such endorsements.

FRAUD NOTICES

The following fraud notices supersede any others that may appear in any Application or Application Supplement:

NOTICE TO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO FRAUD ANY INSURANCE COMPANY OR ANOTHER 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 THE PERSON TO CRIMINAL AND CIVIL PENALTIES. (Not applicable in AR, CO, DC, FL, KS, KY, LA, MD, ME, NJ, NM, NY, OH, OK, OR, PA, RI, TN, VA, VT, WA OR WV.)

NOTICE TO ARKANSAS, RHODE ISLAND 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 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 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 KANSAS APPLICANTS: It is unlawful to commit a "fraudulent act" which means an act committed by any person who, knowingly and with intent to defraud, present, 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, any information concerning any fact material thereto.

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

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 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 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 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: 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 may be guilty of insurance fraud which may subject such person to criminal and civil penalties, including but not limited to fines, denial of insurance benefits, civil damages, criminal prosecution and confinement in state prisons.

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 presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

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 of the third degree.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or any 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 (\$5,000) and the stated value of the claim for each such violation.

I declare that the information provided in this application is true and accurate to the best of my knowledge, I have not withheld or misstated any material facts, and I will notify the company if the information on this application changes between the date of this application and the effective date of any insurance provided. I agree that this application does not bind the company to issue or the applicant to purchase the insurance. I further agree this application will become part of the policy of insurance should one be issued.

APPLICANT'S SIGNATURE

DATE (MM/DD/YYYY)

MUST BE SIGNED AND DATED BY A PRINCIPAL OF THE FIRM