

## Application for Claims-Made Professional Liability Insurance Coverage

Your acceptance is subject to Underwriter's approval. All questions must be answered. Please attach additional sheets for comments and explanations to questions asked where the answer cannot be fully addressed on this application form. The term "Applicant", as used herein, refers to the person or entity applying for coverage and proposed to be covered under the policy, if issued, as the "First Named Insured". "Applicant" shall also mean any other person or entity applying for coverage as a Named Insured.

We recommend this application be submitted electronically. If you are unable to do so, please print and scan the document and save to your hard drive both before and after completing. Please utilize Adobe Acrobat Reader 8.0 or higher, which is available at no cost at <http://www.adobe.com/products/acrobat/readstep2.html>

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Requested Effective Date: \_\_\_\_\_

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1. Applicant Entity Name/First Named Insured:  
**[for each additional entity request, complete the Additional Entity Supplemental Application]**

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Physical Street Address: \_\_\_\_\_

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

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

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City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Website address: \_\_\_\_\_

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2. Contact Person: \_\_\_\_\_ Email: \_\_\_\_\_ Phone: \_\_\_\_\_

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3. Is Applicant an IIABA State affiliate member?  Yes  No

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4. Entity Type:  Sole Proprietorship  Corporation  LLC  Partnership  LLP

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5. Date entity established: \_\_\_\_\_ **[If less than 3 years, the owners' resumes and business plan are required]**

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6. Has the Applicant had any of the following occur within the last 5 years?  Yes  No  
**[If yes, the Mergers, Acquisitions and Clusters Supplemental Application, must be completed]:**

Name Change  Ownership change  Acquisition  Merger  Cluster arrangement

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7. Is the Applicant owned or controlled by another entity?  Yes  No If yes, please answer the questions below:

a. Name of entity: \_\_\_\_\_ Type: \_\_\_\_\_ % of ownership: \_\_\_\_\_

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b. Percentage of Applicant revenue derived from insurance placements where a parent or affiliated company is the client \_\_\_\_\_ %

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8. Is office space shared with another agency or do you provide business processing services for another agency?  Yes  No  
 If yes, provide the name of the agency: \_\_\_\_\_  
**[If providing business processing services for another agency, please attach proof of their E&O coverage]**

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9. Do you outsource any agency function overseas such as policy, endorsement or certificate review or issuance?  Yes  No  
 If yes, provide details: \_\_\_\_\_

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10. Provide current and prior Insurance Agents Errors & Omissions Liability policy history for the past 5 years below:

| Insurance Carrier | Effective Date | Policy Limit/Aggregate | Deductible | Annual Premium | Retro Date |
|-------------------|----------------|------------------------|------------|----------------|------------|
|                   |                |                        |            |                |            |
|                   |                |                        |            |                |            |
|                   |                |                        |            |                |            |
|                   |                |                        |            |                |            |
|                   |                |                        |            |                |            |

Attach copy of current E&O policy Declarations Page

11. Limits of Liability options requested that are different from the current policy: \$ \_\_\_\_\_ Per Claim \$ \_\_\_\_\_ Aggregate

12. Deductible options requested that are different from the current policy: \$ \_\_\_\_\_

13. What type of Deductible do you have on your current policy?  Damages & Defense  Damages Only [First Dollar]

14. Is optional coverage for Employment Practices Liability being requested?  Yes  No

[If yes, the Employment Practices Liability Endorsement Supplemental Application must be completed]

15. Total Premium Volume for the past fiscal year for ALL locations: \$ \_\_\_\_\_ Estimated next 12 months: \$ \_\_\_\_\_

16. Total Revenue for ALL locations: \$ \_\_\_\_\_

[Revenue is all sources of income with the exception of earnings from premium finance contracts, investment income, and profit sharing bonuses received from insurance companies]

Property & Casualty – Past fiscal year: \$ \_\_\_\_\_ Estimated next 12 months: \$ \_\_\_\_\_

Life/Accident & Health – Past fiscal year: \$ \_\_\_\_\_ Estimated next 12 months: \$ \_\_\_\_\_

Other – Past fiscal year: \$ \_\_\_\_\_ Estimated next 12 months: \$ \_\_\_\_\_

17. List nonresident licenses held: \_\_\_\_\_

18. Number of locations: \_\_\_\_\_

If more than one, complete the following:

| Location       | 1 - Principal Address | 2 | 3 | 4 | 5 |
|----------------|-----------------------|---|---|---|---|
| City           |                       |   |   |   |   |
| County & State |                       |   |   |   |   |
| Revenue        |                       |   |   |   |   |
| Total Staff    |                       |   |   |   |   |

19. Indicate total staff for all locations below: [Staff members should only be counted once].

|  | Full Time | Part Time |
|--|-----------|-----------|
| Licensed Owners & Officers   |           |           |
| Licensed Employed Producers  |           |           |
| Independent Contractor Producers Exclusive to the Agency               |           |           |
| Independent Contractor Producers NOT Exclusive to the Agency*          |           |           |
| Customer Service Representatives                                       |           |           |
| Unlicensed Administrative Staff (i.e., Receptionist, Bookkeeper, etc.) |           |           |
| Total  |           |           |

\*[The Non-Exclusive Independent Contractor Supplemental Application must be completed]

20. For those indicated in #19 above, how many are licensed to sell Life/Accident & Health Products:

21. For those indicated in #19 above provide the following:

a. P&C Insurance agency experience that is less than 3 years:                      % 3-5 years                      % More than 5 years                      %

b. Percent that have completed insurance designations such as CPCU, CIC, ARM, RPLU, etc.                      %

c. Turnover rate over the past 3 years:                      %

[To calculate, divide the number of staff that have left over the last 3 years by the average number of staff over the last 3 years.

Example: Average staff count over the last 3 years is 10. 2 people left the agency in the last 3 years. 2 divided by 10 is 20%].

22. Has the required staff taken an IIABA state sponsored loss control seminar within the past 3 years?                       Yes                       No

If yes, attach documentation of completion.

23. List the top 5 insurance carriers or other insuring entities where insurance coverage is placed. Insuring entities include self-insured groups, state insurance plans, PEO's, etc:

| Insurance Carrier/Insuring Entity | Annual Premium Volume | Binding Authority        |                          | A. M. Best's Rating | Admitted                 | Nonadmitted              | Does Not Apply           |
|-----------------------------------|-----------------------|--------------------------|--------------------------|---------------------|--------------------------|--------------------------|--------------------------|
|                                   |                       | Yes                      | No                       |                     |                          |                          |                          |
|                                   |                       | <input type="checkbox"/> | <input type="checkbox"/> |                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                   |                       | <input type="checkbox"/> | <input type="checkbox"/> |                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                   |                       | <input type="checkbox"/> | <input type="checkbox"/> |                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                   |                       | <input type="checkbox"/> | <input type="checkbox"/> |                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|                                   |                       | <input type="checkbox"/> | <input type="checkbox"/> |                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

24. Indicate the distribution for the following types of placements: [Responses MUST equal 100%]

|  |       |
|--|-------|
| Admitted:  | %     |
| Nonadmitted:   | %     |
| State Insurance Plans: (Examples: JUAs, Fair Plans, State Workers Comp Plans, State Earthquake and Wind Plans) | %     |
| Self-Insured Groups: (Examples: Trusts, public entity pools, captives)   | %     |
| PEOs: [If conducting business with a PEO, the PEO Referral Supplemental Application must be completed]         | %     |
| Total:   | 100 % |

25. Indicate the percentage of placements by A.M. Best Rating: [Responses MUST equal 100%]

|                                    |       |
|------------------------------------|-------|
| Rated B+ or better:                | %     |
| Rated less than B+:                | %     |
| Does not have an A.M. Best Rating: | %     |
| Total:                             | 100 % |

26. Indicate the percentage of placements: [Responses MUST equal 100%]

|  |      |
|--|------|
| By the Applicant direct to the carrier/insuring entity:                      | %    |
| By the Applicant through a Managing General Agent (MGA):                     | %    |
| By the Applicant through a Surplus Lines Broker, wholesaler or other broker: | %    |
| As a Managing General Agent:   | %    |
| As a Surplus Lines Broker or wholesaler:                                     | %    |
| Other – Explain:   | %    |
| Total:   | 100% |

27. What is the total number of MGAs, Surplus Lines Brokers, wholesalers and other brokers the agency places business through:

28. Indicate the percentage of billing placements:

|  |      |
|--|------|
| Direct bill of policyholders by the insurance company/risk bearing entity: | %    |
| Agency bill basis:   | %    |
| Total  | 100% |

29. What percentage of your clients have physical locations outside of the U.S. (not including U.S. territories, Puerto Rico or Canada)? %

30. Is the Applicant involved in the creation, formation, operation and/or administration of any of the following:

Alternative Risk Transfer Arrangements (ART), Captive Plans or Arrangements, Risk Retention Groups, Risk Purchasing Groups, Professional Employer Organizations (PEOs), Self-Insured Trusts, Multiple Employer Trusts (METs) or Multiple Employer Welfare Arrangements (MEWAs)?

Yes  No

If yes, attach a detailed explanation.

31. What percentage of your business is placed for building contractors and construction risks? %

32. Provide revenue distribution by your sales activities and services provided: [All columns combined MUST total 100%]

| Column A<br>Commercial and Casualty  | Column B<br>Personal Property and Casualty       | Column C<br>Life, Accident and Health                 | Column D<br>Financial Products:<br>Annuities, Mutual Funds,<br>Variable Products and Securities* | Column E<br>Other Services                              |
|--|--|---|--|---|
| ___ % Standard Property/Fire   | ___ % Auto – Standard                            | ___ % Life – Individual                               | ___ % Variable Life  | ___ % Reinsurance Intermediary                          |
| ___ % Nonstandard Property/Fire  | ___ % Auto – Nonstandard and Assigned Risk Plans | ___ % Life – Group                                    | ___ % Mutual Funds   | ___ % Third Party Administrator – Workers Compensation* |
| ___ % SMP, BOP, Package  | ___ % Homeowners and Standard Fire               | ___ % A&H – Individual                                | Annuities:<br>___ % Equity Indexed<br>___ % Fixed<br>___ % Variable                              | ___ % Employee Benefits Administration*                 |
| ___ % CGL  | ___ % Fire - Nonstandard and Fair Plans          | ___ % A&H – Group: Fully Insured [Including HMO/PPO]  | ___ % Securities [stocks]  | ___ % Actuarial Services                                |
| ___ % Excess & Umbrella  | ___ % Pleasure Craft                             | ___ % A&H – Group: Partially Insured or Self Insured* | ___ % Bonds  | ___ % Real Estate, Escrow, Mortgage Broker, Title Agent |
| Transportation:<br>___ % Auto – Standard<br>___ % Auto - Nonstandard<br>___ % Long Haul Trucking<br>___ % Other Trucking<br>___ % Livery | ___ % Umbrella                                   | ___ % Long Term Care                                  | ___ % Other, list below:   | ___ % Claims Adjusting Services*                        |
| ___ % Workers Compensation   | ___ % Flood, Wind, Earthquake                    | ___ % Other, list below:                              |  | ___ % Loss Control/ Risk Management                     |
| ___ % Crop Coverage*   | ___ % Other, list below:                         |   |  | ___ % Consulting – Fee Based                            |
| ___ % Medical Malpractice  |  |   |  | ___ % Premium Financing for Others                      |
| ___ % Professional Liability (nonmedical): D&O, E&O, EPLI, etc.  |  |   |  | ___ % Other, list below:                                |
| ___ % Wet Marine   |  |   |  |   |
| ___ % Inland Marine  |  |   |  |   |
| ___ % Bonds – Surety*  |  |   |  |   |
| ___ % Bonds – All Other*   |  |   |  |   |
| ___ % Aviation   |  |   |  |   |
| ___ % Oil, Gas, Petrochemical  |  |   |  |   |
| ___ % Hazardous Materials Pollution, Environmental Liability   |  |   |  |   |
| ___ % Flood, Wind, DIC, Earthquake   |  |   |  |   |
| ___ % Other, list below:   |  |   |  |   |
| ___ % Subtotal Column A  | ___ % Subtotal Column B                          | ___ % Subtotal Column C                               | ___ % Subtotal Column D  | ___ % Subtotal Column E                                 |
| *Complete Supplemental Form  |  |   |  | 100% Total All Columns                                  |

33. Answer the following questions regarding your agency's office procedures:

|   |                              |                             |
|---|------------------------------|-----------------------------|
| a. Are all notes, correspondence and important phone conversations with clients, underwriters and others, dated and retained?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Does the agency consistently use a diary system?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If yes, is it: <input type="checkbox"/> automated <input type="checkbox"/> manual   |                              |                             |
| c. Does the agency have an Agency Management System?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If yes, which one do you use?   |                              | When was it last upgraded?  |
| d. If multiple locations, are the same procedures, systems and controls the same for all offices?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If no, please explain:  |                              |                             |
|   |                              |                             |
| e. Are expiration lists maintained and reviewed on all accounts?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f. Does the agency use a checklist or other formalized coverage analysis to assist in the evaluation of your client's exposures and insurance requirements?                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| g. If coverage is quoted with a company or other insuring entity that is either unrated or has less than a B+ rating from A.M. Best, does the agency use a disclaimer?                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| h. Does the agency have a procedure to notify policyholders of negative carrier rating changes or other adverse developments involving those entities where you have placed their business? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| i. If coverage provided is more restrictive than the client's prior coverage or from what the client requested, does the agency obtain a signed acknowledgement from the client?            | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| j. Are umbrella/excess policies reviewed to be certain they are consistent with primary policy terms and conditions?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| k. Are certificates of insurance reviewed to be certain they are consistent with the policy terms and conditions?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| l. Are policies and endorsements checked against expiring policies, the application, and other client requests for correctness prior to delivery to your clients?                           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| m. Does the agency have a procedure for the prompt reporting of claims?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

34. Please provide an answer to the following questions regarding your agency's history:

|  |                              |                             |
|--|------------------------------|-----------------------------|
| a. Has any policy or application for Insurance Agents Errors & Omissions insurance on behalf of the Applicant or its predecessors in business, ever been declined, cancelled or refused renewal?<br>[This question is not applicable in Missouri]  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If yes, please explain:  |                              |                             |
|  |                              |                             |
| b. During the past 5 years, has the Applicant made an "adjustment" or "goodwill payment" in settlement of any dispute?<br>[If yes, attach a detailed explanation]  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Has any principal, director, officer, manager, member, partner, employee or agent of the Applicant ever been subject to a complaint, reprimand or disciplinary or criminal action by Federal, State or local authorities as a result of their professional services activities?<br>[If yes, attach a detailed explanation]                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. Does the Applicant or any principal, director, officer, manager, member, partner, employee or agent of the applicant proposed for coverage have knowledge of or information concerning any fact, circumstance, situation, act, error or omission which might reasonably be expected to give rise to a claim?<br>[If yes, attach a detailed explanation] | <input type="checkbox"/> Yes | <input type="checkbox"/> No |



# FRAUD STATEMENT



## IMPORTANT INFORMATION – PLEASE READ

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 and subjects such person to criminal and civil penalties (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties). (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation). (Not applicable in AL, AR, AZ, CO, DC, FL, HI, ID, KS, LA, ME, MD, MN, NM, NJ, OH, OK, PR, RI, TN, UT, VA, VT, WA and WV)

### APPLICABLE IN AL, AR, AZ, DC, LA, MD, NM, RI AND WV:

Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment for a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### APPLICABLE IN COLORADO:

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.

### APPLICABLE IN FLORIDA AND OKLAHOMA:

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 FL, a person is guilty of a felony of the third degree).

### APPLICABLE IN HAWAII:

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: The absence of such a warning in any application or claim form shall not constitute a defense to a charge of insurance fraud under state law.

### APPLICABLE IN IDAHO:

Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement containing any false, incomplete, or misleading information is guilty of a felony.

### APPLICABLE IN KANSAS:

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 commits a fraudulent insurance act.

### APPLICABLE IN MAINE, TENNESSEE, VIRGINIA AND WASHINGTON:

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.

### APPLICABLE IN MINNESOTA:

A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.



**APPLICABLE IN NEW JERSEY:**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**APPLICABLE IN OHIO:**

Any person who, with intent to defraud or knowingly 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.

**APPLICABLE IN PUERTO RICO:**

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**APPLICABLE IN UTAH (WORKERS COMPENSATION):**

Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

**APPLICABLE IN VERMONT:**

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.