



# Real Estate Professionals Errors and Omissions Liability Application

- 1) a. Legal name of firm. (If sole proprietorship, provide full name of sole proprietor.) \_\_\_\_\_  
 \_\_\_\_\_
- b. All DBAs under which you operate. (Include all firm names, trading names and franchise affiliations.) \_\_\_\_\_  
 \_\_\_\_\_
- c. Address of Principal Office: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_ Website: \_\_\_\_\_
- d. Type of Firm:  Sole proprietorship  Corporation  Partnership  Other (please explain) \_\_\_\_\_
- e. List all states in which the firm operates: \_\_\_\_\_

- 2) Month / Year the firm was established under current ownership: \_\_\_\_\_ / \_\_\_\_\_
- 3) Is the firm independently owned and operated? If No, please explain on a separate sheet.  Yes  No
- 4) a. Has this firm undergone a change in ownership, name or operations including acquisition or mergers? **Note:** Coverage is not provided for predecessor firms or prior principals unless approved by the insurance company.  Yes  No
- b. Do you, your firm or any principal engage in any other professional or real estate related enterprise or practice?  Yes  No
- 5) Complete the following for each principal, partner, director or officer. Use separate sheet if necessary.

| Name | Title | Current Status of License                                      | Year First Licensed/<br>Certified as Real Estate | Professional Designations | License Ever Revoked or Suspended?                 |
|------|-------|--|--|---------------------------|--|
|      |       | <input type="radio"/> Active<br><input type="radio"/> Inactive | Agent:<br>Broker:<br>Other:                      |                           | <input type="radio"/> Yes <input type="radio"/> No |
|      |       | <input type="radio"/> Active<br><input type="radio"/> Inactive | Agent:<br>Broker:<br>Other:                      |                           | <input type="radio"/> Yes <input type="radio"/> No |

- 6) **Staff:** Include individuals only once.
- |   |               |  |
|---|---------------|--|
|   | <b>Number</b> |  |
| a. Principals, Partners, Directors, Officers: | _____         | * Describe <b>Other Professionals</b> referred to in Question 6d:<br>_____<br>_____<br>_____<br>_____<br>_____ |
| b. Full-Time Real Estate Professionals:       | _____         |  |
| c. Part-Time Real Estate Professionals:       | _____         |  |
| d. Other Professionals:*                      | _____         |  |
| e. Non-Professional Employees:                | _____         |  |
| TOTAL STAFF:                                  | _____         |  |
- 7) Active Professional Association Memberships of key professionals: \_\_\_\_\_

## GENERAL QUESTIONS

- 8) a. Does the firm:
1. Have in-house office policy/procedures manual in place?  Yes  No
  2. Use local board, state association or other association approved contracts/forms? (If no, attach copies of your forms.)  Yes  No
  3. Use an in-house counsel, counsel on retainer, and/or risk manager?  Yes  No
  4. Have any one client which represents more than 25% of the firm's income and/or listings?  Yes  No
- b. Has the firm provided services for environmentally impacted sites or foreclosed properties?  Yes  No
- c. In the past 12 months, have at least 75% of professionals had formal training designed to reduce real estate professional liability?  Yes  No

**INSURANCE AGENT MUST COMPLETE THE FOLLOWING:**

|                              |                       |                       |                |                 |
|------------------------------|-----------------------|-----------------------|----------------|-----------------|
| Licensed Agent/Broker Name:  |                       |                       |                |                 |
| Agency Name:                 |                       |                       |                |                 |
| Address:                     |                       |                       |                |                 |
| Phone:                       |                       | FAX:                  |                |                 |
| E-mail Address:              |                       |                       |                |                 |
| Licensed Casualty Agent for: | Yes                   | No                    | License Number | Expiration Date |
| CNA                          | <input type="radio"/> | <input type="radio"/> |                |                 |
| Other Company                | <input type="radio"/> | <input type="radio"/> |                |                 |
| Licensed Insurance Broker    | <input type="radio"/> | <input type="radio"/> |                |                 |

**YOUR INCOME**

9) \* Does the firm or anyone in the firm sell, appraise, or lease properties constructed, developed or owned by the firm, anyone in the firm, or a related firm? If Yes, provide commission or fee income from these activities:  Yes  No  
 \$ \_\_\_\_\_

10) Does this firm or anyone in the firm provide any of the following services: If Yes, provide gross income to the firm:

|  |     |    |          |
|--|-----|----|----------|
| a. * Real Estate Development/Construction  | Yes | No | \$ _____ |
| b. **Construction Management   | Yes | No | \$ _____ |
| c. **Mortgage Banking  | Yes | No | \$ _____ |
| d. * Formation or Management of Group Investments/Syndications, Trusts and/or Partnerships | Yes | No | \$ _____ |
| e. Sale of timeshares  | Yes | No | \$ _____ |
| f. Management of associations (i.e., condominium, cooperative, homeowners)                 | Yes | No | \$ _____ |

\* **Note:** Refer to Policy regarding activities described in Questions 9 and 10. Income from these activities will not be included in the rating of this policy.

\*\* Coverage for these activities may be available through our Surplus Lines Real Estate Industry Services product. Refer to <http://www.PlanetRealtyChoice.com> for details.

11) Real Estate Activities: Show all income, fees and commissions BEFORE split with brokers or salespeople or deduction of expenses. Do not include income reported in 9 and 10.

| <i>Do not report property values.</i>            | PAST FISCAL YEAR Ending: ____/____/____ |        | NEXT 12 MONTHS: Estimates |        |
|--|---|--------|---------------------------|--------|
|  | #Transactions (not sides)               | INCOME | #Transactions (not sides) | INCOME |
| a. Residential Real Estate Sales (1-4 units)     |   | \$     |                           | \$     |
| b. Farm and/or Ranch Sales                       |   | \$     |                           | \$     |
| c. Land and Lot Sales                            |   | \$     |                           | \$     |
| d. Commercial, Industrial, Income Property Sales |   | \$     |                           | \$     |
| e. Business Opportunities Brokerage              |   | \$     |                           | \$     |
| f. Real Estate Leasing Fees                      |   | \$     |                           | \$     |
| g. Real Estate Consulting/Counseling             |   | \$     |                           | \$     |
| h. Residential Real Estate Appraisal             |   | \$     |                           | \$     |
| i. Commercial Real Estate Appraisal              |   | \$     |                           | \$     |
| j. Property Management Fees                      |   | \$     |                           | \$     |
| k. Auctioneering (Real Property Only)            |   | \$     |                           | \$     |
| l. Mortgage Brokerage/Financial Arrangements     |   | \$     |                           | \$     |
| m. Other (Please Describe)                       |   | \$     |                           | \$     |
| <b>TOTAL GROSS INCOME</b>                        |   | \$     |                           | \$     |

**RESIDENTIAL BROKERAGE**

12) Please indicate the average sale price of residential properties sold by this firm in the past twelve months: \$ \_\_\_\_\_

13) What percentage of residential properties sold in the past twelve months:  
 a. included a home protection or warranty program? \_\_\_\_\_% b. included a signed property disclosure form? \_\_\_\_\_%

14) Do you always use agency disclosure forms on dual agency sales?  Yes  No

15) What percentage of residential sales income in the past twelve months was *fee for service* income rather than \_\_\_\_\_% commission income?

16) Does your firm specialize in any certain types of residential properties? If Yes, please list types:  Yes  No

**SPECIALTY SECTION**

For the following specialty areas, please provide:   
 • List of key personnel and qualifications   
 • Brochures describing services provided and promotional material (if available)

**COMMERCIAL BROKERAGE / PROPERTY MANAGEMENT / LEASING GROSS INCOME**

17) Does the firm specialize in the brokerage, property management, leasing of hotels, motels, and/or mobile homes/RV parks? If Yes, what percentage of income is derived from these activities?  Yes  No \_\_\_\_\_%

18) Does the firm use a written contract on all properties managed or leased? If No, please explain.  Yes  No

**REAL ESTATE APPRAISAL**

| Types of Appraisals               | Total Gross Income | Types of Appraisals          | Total Gross Income |
|-----------------------------------|--------------------|------------------------------|--------------------|
| a. Single Family Residences       | \$                 | g. Farms/Ranches/Forestry    | \$                 |
| b. Multi Family Dwellings         | \$                 | h. Estate or Tax Purposes    | \$                 |
| c. Lots/Vacant Land               | \$                 | i. Right-of-Way              | \$                 |
| d. Land Development/Subdivisions  | \$                 | j. Personal Property         | \$                 |
| e. Commercial/Industrial Property | \$                 | k. Flood zone certifications | \$                 |
| f. Construction phase inspections | \$                 | l. Other                     | \$                 |

**REAL ESTATE CONSULTING / COUNSELING**

20) Please describe the nature of consulting / counseling services provided: \_\_\_\_\_

**MORTGAGE BROKERAGE**

21) a. Top 3 Lender/Investor clients: \_\_\_\_\_

b. Provide a percentage breakdown of the areas in which the mortgages are made:

Residential \_\_\_\_\_ % Commercial \_\_\_\_\_ % Industrial \_\_\_\_\_ % Construction \_\_\_\_\_ % Other \_\_\_\_\_ %

c. Services rendered:

|              |         |              |         |
|--------------|---------|--------------|---------|
| Origination  | _____ % | Warehousing  | _____ % |
| Servicing    | _____ % | Soliciting   | _____ % |
| Underwriting | _____ % | Repurchasing | _____ % |

22) What percentage of loans originated are reviewed by separate quality control personnel? \_\_\_\_\_ %

23) In transactions where the applicant serves as both real estate agent/broker and mortgage broker, does the applicant inform the client that they are under no obligation to use the applicant's mortgage broker services?  Yes  No

**PREVIOUS COVERAGE**

24) Please complete the following for your firm with respect to Real Estate Professionals Errors and Omissions Liability Insurance for the past 6 years. If no past coverage, indicate NONE.

| Policy Period<br>Mo / Day / Yr | Insurance Company (Not Agent) | Limit Of Liability | Deductible | Annual Premium Or<br>Per Transaction Rate |
|--------------------------------|-------------------------------|--------------------|------------|---|
| To                             |                               |                    |            |   |
| To                             |                               |                    |            |   |
| To                             |                               |                    |            |   |
| To                             |                               |                    |            |   |
| To                             |                               |                    |            |   |
| To                             |                               |                    |            |   |

25) Please forward a copy of your current declarations page along with confirmation of the expiring retroactive date: \_\_\_/\_\_\_/\_\_\_

26) During the past 6 years, has any Insurance Company declined, canceled or refused to renew the applicant, any predecessor firm or anyone indicated in Question 6? (MISSOURI APPLICANTS ARE NOT REQUIRED TO RESPOND.)  Yes  No

If Yes, please explain: \_\_\_\_\_

**COVERAGE OPTIONS REQUESTED**

- 27) a. Limits of Liability (each claim / annual aggregate)  
 \$250,000/\$250,000     \$500,000/\$500,000     \$1,000,000/\$1,000,000     \$2,000,000/\$2,000,000     \_\_\_\_\_  
 \$250,000/\$500,000     \$500,000/\$1,000,000     \$1,000,000/\$2,000,000
- b. Deductible per claim:  \$0     \$1,000     \$2,500     \$5,000     \$10,000     \$20,000     \$25,000     \_\_\_\_\_
- c. First Dollar Defense coverage option (additional premium):  Yes  No

**CLAIMS SECTION**

Answer Questions 28 and 29 only after inquiry of each member of your firm. If Yes to 28 or 29, please complete Claims Supplement for each claim.

28. Have any claims (including violations of fair housing laws) been made against your firm, any predecessor firm or anyone indicated in Question 5 or 6?  Yes  No

29. Are you aware of any act, error, omission or other circumstances which might reasonably be expected to be the basis of a claim or suit against you or anyone indicated in Question 5 or 6?  Yes  No

30. Have all matters in Questions 28 and 29 above been reported to the applicant's former or current insurers?  Yes  No

**Note: Incidents or potential claims which might reasonably be expected to result in a claim being made should be reported to your present insurance company.**

**NOTE:** The insurance coverage for which you are applying is written on a Claims-made Policy; therefore, only claims which are first made against you during the policy period are covered, subject to policy provisions. "Claim" means a demand received by you for money or services arising out of a negligent act or omission in the rendering or failure to render professional real estate services. If you have any questions about the coverage, please discuss them with your insurance agent.

**WARNING - COLORADO, DISTRICT OF COLUMBIA, FLORIDA, HAWAII, KENTUCKY, LOUISIANA, MAINE, NEW JERSEY, NEW YORK, NEW MEXICO, OHIO, OKLAHOMA, PENNSYLVANIA AND VIRGINIA RESIDENTS ONLY**

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 (for New York residents only: 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.) (For Colorado Residents only: 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.) (For Hawaii residents only: 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.)

I / we hereby declare that the above statements and particulars are true and that I / we have not suppressed or misstated any material facts and I / we agree that this application shall be the basis of the contract with the company and that coverage, if written, will be provided on a claims-made basis. It is understood and agreed that completion of this application does not bind the company to issue or the applicant to purchase the insurance.

**CLAIMS SUPPLEMENT**

- A. Please complete this supplement if you have been involved in any claim or suit during the past 6 years.
- B. Complete one form for each claim. Please copy and use this form to report additional claims.

|   |   |
|---|---|
| 1. Firm Name  |   |
| 2. Full Name of Individual Involved in the Claim  |   |
| 3. Full Name of Claimant  |   |
| 4. Date of Alleged Error        /        /  | 5. Date of Claim        /        /              |
| 6. Additional Defendants  |   |
| 7. Name of Insurer  |   |
| 8. Present Status of Claim: <input type="checkbox"/> Pending <input type="checkbox"/> Closed <input type="checkbox"/> In Suit     |   |
| 9. If Closed, Loss Paid: \$   | Expense Paid (not including deductible): \$     |
| 10. If Pending, Amount Asked in Summons: \$   | Claimant's Settlement Demand: \$                |
| 11. Defendant's Offer for Settlement: \$  | Insurer's Combined Loss Reserve and Expense: \$ |
| 12. Description of Claim - Including Assessment of Liability if Pending: (Please provide enough information to allow evaluation.) |   |
| A. Description of Claim and Events:   | B. Allegation Upon Which Claimant Bases Claim:  |
|   |   |
|   |   |
|   |   |
| 13. Explain what action(s) have been taken to prevent a recurrence or similar claim:  |   |
|   |   |

I / we hereby declare that the above statements and particulars are true and that I / we have not suppressed or misstated any material facts and I / we agree that this application shall be the basis of the contract with the company and that coverage, if written, will be provided on a claims-made basis. It is understood and agreed that completion of this application does not bind the company to issue or the applicant to purchase the insurance.

|           |       |
|-----------|-------|
| Name      | Title |
| Signature | Date  |

**APPLICATION MUST BE CURRENTLY SIGNED AND DATED BY A PRINCIPAL OF THE FIRM TO BE CONSIDERED FOR A QUOTATION.**