



REAL ESTATE PROFESSIONAL ERRORS AND OMISSIONS INSURANCE APPLICATION

Company Providing Coverage: Greenwich Insurance Company

Notice: This is an application for a policy that contains "Claims-made" liability protection. Coverage for prior acts and claims made after termination of this policy may be restricted. Please read the policy carefully.

Firm Name: \_\_\_\_\_
Street Address: \_\_\_\_\_
Mailing Address: \_\_\_\_\_
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_
Contact Name: \_\_\_\_\_ E-mail & Website: \_\_\_\_\_

- 1. List all states in which the applicant operates and the percentage of revenue for each state: \_\_\_\_\_
2. Year firm established: \_\_\_\_\_
3. Year principal broker licensed as agent: \_\_\_\_\_ as broker: \_\_\_\_\_
(If firm has been established less than 3 years, please submit a copy of the principal broker's resume.)
4. Is applicant a(n): [ ] Individual [ ] Partnership [ ] Corporation [ ] LLP [ ] LLC
5. Is the applicant owned, controlled by, or affiliated with any other entity? (If yes, please attach details on a separate sheet) (Do not include Franchise affiliation information.) [ ] Yes [ ] No
6. During the past 5 years:
A. Has the applicant been involved in any merger, acquisition, or consolidation? (If yes, please attach details on a separate sheet. Please include any firm name changes.) [ ] Yes [ ] No
B. Has any principal, partner, director, officer, or professional of the applicant performed professional services for any other business which the applicant has any ownership or managerial interest? (If yes, please attach a detailed explanation on a separate sheet.) [ ] Yes [ ] No
7. Does the applicant perform or intend to perform professional services for REITS or property syndications? If yes, what is the percentage of the gross commission income derived from these services? \_\_\_\_\_%

|                                    |  |                      |
|------------------------------------|--|----------------------|
| <b>Insurance Agent Information</b> | Name   | Agent License Number |
| <b>Return to:</b>                  | <b>Pearl Insurance phone</b> 800.289.8170<br>1200 East Glen Ave. <b>fax</b> 309.688.5820<br>Peoria Heights, IL 61616 |                      |

8. **Real Estate Services:** Please indicate the Applicant's total gross commission income or fees derived from each of the following real estate services.

**Please note: Total gross commission income or fees are those which are paid to the Applicant for the listing or sale of real estate before commission or fees to sales persons representing the applicant firm, but after commissions or fees to other firms. If new company, please estimate/project commissions income/fees for the next 12 months.**

| <b>Real Estate Services</b>   | <b>Last 12 Months Commissions/Fees</b> | <b>Last 12 Months # of Transactions</b> |
|---|--|---|
| <b>Residential Sales and Leasing</b>  |  |   |
| 1-4 Family Dwellings  |  |   |
| Properties Owned by Applicant or Agent  |  |   |
| <b>Non-Residential Sales and Leasing</b>                                      |  |   |
| Commercial Properties   |  |   |
| Sale of Land (Developed or Undeveloped)                                       |  |   |
| Properties Owned by Applicant or Agent  |  |   |
| <b>Real Estate Consulting</b><br>(Provide a detailed explanation of services) |  |   |
| <b>Other Services</b>   |  |   |
| Sale of Business Opportunities  |  |   |
| Real Estate Development or Construction                                       |  |   |
| Appraising, Auctioning, Mortgage Brokering, and Property Management*          |  |   |
| <b>Referrals/BPO's/CMA's</b>  |  |   |
| Other (describe on separate sheet)  |  |   |
| <b>TOTALS</b>   |  |   |

**\*If you have commission/fees derived from Appraising, Auctioning, Mortgage Brokering or Property Management, please complete Other Real Estate Services Supplemental Application.**

**Estimated Gross Commission Income/Fees for next 12 months:** \$ \_\_\_\_\_

**Total Gross Commission Income/Fees from previous year to that reported above:** \$ \_\_\_\_\_

9. **Staff Information:** Please list the total number of staff for each of the following: (List each person only once, identifying their primary area of responsibility)

|  | Agents Earning More than \$20,000 in commission | Agents Earning Less than \$20,000 in commission | No Income |
|--|---|---|-----------|
| Real Estate Agents/Brokers/Independent Contractors |   |   |           |
| REALTOR® Assistants (licensed & unlicensed)        |   |   |           |
| Property Managers                                  |   |   |           |
| Appraisers   |   |   |           |
| Auctioneers  |   |   |           |
| Mortgage Brokers                                   |   |   |           |
| Real Estate Consultants                            |   |   |           |
| Referral Agents (referring only to applicant)      |   |   |           |
| Clerical   |   |   |           |
| Other (please describe)                            |   |   |           |
| <b>TOTAL</b>                                       |   |   |           |

**Underwriting Information**

10. Do at least 15% of all licensees hold a professional designation? (Such as GRI, Broker, Associate Broker)  Yes  No
11. Have at least 50% of all licensees participated in an accredited real estate continuing education program?  Yes  No
12. Does the applicant offer a Home Warranty Program to all residential clients?  Yes  No
13. Does the applicant use a standard contract form for the listing and sale of all Real Estate approved by a board of REALTORS® or state association of REALTORS®? (If no, please explain on a separate sheet why nonstandard forms are used.)  Yes  No
14. Does any client represent more than 25% of the applicant's annual income? (If yes, please provide details on a separate sheet. Please include: name of the entity, percentage of revenues from that entity and the expected percentage for the next 12 months.)  Yes  No
15. Do all of the applicant's brokers and salespersons disclose to their clients, in writing, the legal nature of their relationship (i. e. whether the salesperson is representing the buyer/seller or both?)  Yes  No
16. During the last 12 months, what percentage of transactions did the applicant represent both the buyer and the seller? If a new firm, provide us with the estimated percentage. \_\_\_\_\_ %
17. During the last 12 months, what percentage of transactions was derived from REO's/Foreclosures/Short Sales? If a new firm, provide us with the estimated percentage. \_\_\_\_\_ %
- If Question 17 is greater than 0%, does the applicant utilize a neutral third party loss mitigation service for all REOs/Foreclosures/Short Sale Transactions?  Yes  No
18. In the past year, what was the average value of properties sold by applicant? \$ \_\_\_\_\_

19. Does the applicant have a written procedures manual, including procedures on how to handle complaints and compliance with Federal, State and Local statutes?  Yes  No
20. Does the applicant's standard contract include wording that recommends the use of alternative dispute resolution techniques, such as arbitration or mediation, to settle client disputes?  Yes  No
21. Does the applicant have a formalized training program for all professionals and staff?  Yes  No

**Insurance History**

22. Please provide the applicant's prior Errors and Omissions Insurance history and a copy of your current policy declarations page.

No prior Insurance

|                 | <b>Insurer</b> | <b>Limits of Liability</b> | <b>Deductible</b> | <b>Premium</b> | <b>Policy Period</b> | <b>Policy Retroactive Date (if applicable)</b> |
|-----------------|----------------|----------------------------|-------------------|----------------|----------------------|--|
| Current Year    |                | \$                         | \$                | \$             |                      |  |
| Previous Year 1 |                | \$                         | \$                | \$             |                      |  |
| Previous Year 2 |                | \$                         | \$                | \$             |                      |  |
| Previous Year 3 |                | \$                         | \$                | \$             |                      |  |
| Previous Year 4 |                | \$                         | \$                | \$             |                      |  |

23. Desired limit of insurance: \$ \_\_\_\_\_ / \$ \_\_\_\_\_  
Each Claim Aggregate
24. Desired deductible: \$ \_\_\_\_\_  
Each Claim **(Please attach financial statement for deductibles \$25,000 or higher.)**

**Note: The applicant's disclosure of claim information by responding to the following questions does not indicate nor imply, in any way, that any act or omissions is covered by this policy**

25. During the past 5 years:
- A. Have any principals, partners, directors, officers or other professionals been subject to disciplinary action by any regulatory agency or association or have they ever had their license revoked or suspended? **(If yes, please attach a detailed explanation on a separate sheet.)**  Yes  No
  - B. After inquiry, have any errors and omissions claims been made against the applicant, or any of their past or present principals, partners, directors, officers, or other professionals? **(If yes, please submit copies of your carrier's loss reports for the past 5 years, or if your loss report is not available, for each claim being reported, complete the claim supplemental form. If any claim is over \$10,000, whether submitting a carrier loss report or not, please complete the claim supplemental form.)**  Yes  No
  - C. Has any similar errors or omissions coverage been cancelled, declined, or non-renewed? (Not applicable to Missouri applicants.) **(If yes, please attach a detailed explanation on a separate sheet.)**  Yes  No
26. After inquiry, does the applicant, or any principals, partners, directors, officers or other professionals have knowledge or information of any circumstance or incident, or any allegation or contention of any incident, which may result in any claim being made against them? **(If yes, please complete the claim supplemental form.)**  Yes  No
27. If you answered yes to "25.B.", have these incidents been reported to the applicant's former or current insurers.  Yes  No

**IMPORTANT**

**Circumstances or incidents that might reasonably be expected to be the basis of a claim must be reported to the applicant's current insurer before the claim reporting period expires.**

28. Have you purchased any extended reporting period endorsement or tail coverage? (If yes, please attach a copy of the endorsement including the effective and expiration dates.)  Yes  No

**APPLICANT FRAUD WARNINGS**

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**NOTICE TO ARKANSAS 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 CALIFORNIA APPLICANTS: All applications for liability insurance and all claim forms:** For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a 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 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 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 KANSAS APPLICANTS:** 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, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or 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 that 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 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 crime and may be subject to fines and confinement in prison.

**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 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 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 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 PUERTO RICO APPLICANTS:** 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.

**NOTICE TO RHODE ISLAND 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 TENNESSEE 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 VIRGINIA 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 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 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 ALL OTHER STATES:** Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

**NOTICE TO NEW YORK 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 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.

**AUTHORIZATION**

The applicant represents that the above statements and facts are true and that no material facts have been suppressed or misstated. Completion of this form does not bind coverage. Applicant's acceptance of the company's quotation is required prior to binding coverage and policy issuance. All written statements and materials furnished to the Company in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Applicant: \_\_\_\_\_ Title: \_\_\_\_\_

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Broker/Owner Name: \_\_\_\_\_

The applicant's signature will authorize Pearl Insurance to fax the quotation and other policy information to the fax number listed on Page 1 unless otherwise noted.  No, do not fax.