



REAL ESTATE PROFESSIONAL ERRORS AND OMISSIONS INSURANCE APPLICATION

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. A. 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
B. Is the applicant affiliated with any outside entity or LLC that is conducting business on the applicant's behalf? (If yes, please attach details on a separate sheet) [] Yes [] No
6. During the past 5 years: [] Yes [] No
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? _____%



Insurance Agent Information	Name	Agent License Number
Return to:	Pearl Insurance 1200 East Glen Ave. Peoria Heights, IL 61616	phone 800.289.8170 fax 309.688.5820

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.

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

* 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: \$_____



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)			
TOTAL			

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 as 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. % _____
- 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

	Insurer	Limits of Liability	Deductible	Premium	Policy Period	Policy Retroactive Date (If applicable)
Current Year		\$	\$	\$		
Previous Year 1		\$	\$	\$		
Previous Year 2		\$	\$	\$		
Previous Year 3		\$	\$	\$		
Previous Year 4		\$	\$	\$		

- 23. Desired limit of insurance: \$ _____ / \$ _____

Each Claim
Aggregate

(Please attach financial statement for deductibles \$25,000 or higher.)
- 24. Desired deductible: \$ _____

Each Claim

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: Yes No
 - 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.)**
 - 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 "24B", 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 NOTICE

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 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 claiming with regard to a settlement or award payable for 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 insurance company 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 HAWAII APPLICANTS: 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.

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 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 NEW YORK APPLICANTS: All Commercial Insurance Forms, Except As Provided for Automobile Insurance: 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.

NOTICE TO NEW YORK APPLICANTS: Automobile Insurance Forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, 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 value of the subject motor vehicle or stated claim for each violation.

NOTICE TO NEW YORK APPLICANTS: Fire Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.

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 to defraud includes false information in an application for insurance or file, assist or abet in the filing of a fraudulent claim to obtain payment of a loss or other benefit, or files more than one claim for the same loss or damage, commits a felony and if found guilty shall be punished for each violation with a fine of no less than five thousand dollars (\$5,000), not to exceed ten thousand dollars (\$10,000); or imprisoned for a fixed term of three (3) years, or both. If aggravating circumstances exist, the fixed jail term may be increased to a maximum of five (5) years; and if mitigating circumstances are present, the jail term 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 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 TENNESSEE APPLICANTS: Workers Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.



NOTICE TO UTAH APPLICANTS: 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.

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 APPLICANTS: 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. (Fraud Language last updated 02/10)

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.