

**Insurance Professionals Errors and Omissions Liability
Basic Application for Claims Made and Reported Coverage**

1. **Name of Applicant Firm:** _____
Address (City, State, Zip): _____
Contact Person: _____ **E-mail Address:** _____
Phone: _____ **Fax:** _____
Named insured is: Corporation Partnership LLC Individual Other _____

2. Date Agency Established: _____ Total office locations: one two three other _____

- 3a. Do you belong to an agency cluster? Yes No
3b. Have there been any mergers or acquisitions with other agencies in the last three years?..... Yes No
4a. Does any organization own or control your agency? Yes No
4b. Does your agency own or control any other entity or business?..... Yes No
4c. Have there been any changes in agency ownership in the last three years?..... Yes No
4d. Are any merger, acquisition, account sale, or other organization changes planned in the next 12 months? . Yes No

Please describe "YES" responses in the Notes Section.

| | | |
|----------------------------------|-----------------|---------------------------|
| 5a. Total Agency Premium Volume: | Last 12 Months: | Projected Next 12 Months: |
| 5b. Total P&C Premium Volume: | Last 12 Months: | Projected Next 12 Months: |
| 5c. Total P&C Gross Commission: | Last 12 Months: | Projected Next 12 Months: |
| 5d. Total LAH Gross Commission: | Last 12 Months: | Projected Next 12 Months: |

5e. Percentage of your business written outside your state: _____ % List States: _____

| 6. Current business mix by total premium volume. (Total must equal 100%). | Line of Business | % | Line of Business | % |
|--|---------------------------------|--------------------|--------------------------|--------------------------------|
| | | Sub-Standard Auto: | | Sub-Standard, other than Auto: |
| | Standard Personal Lines: | | Group L, A, & H: | |
| | Individual L, A, & H: | | Crop Insurance: | |
| | Aviation: | | Commercial Ocean Marine: | |
| | Trucking: | | Bonds: | |
| | Professional Liability and D&O: | | Workers Compensation: | |
| | All Other Commercial P&C: | | Reinsurance: | |

| 7. List carriers accounting for 95% of production. (If needed, include a separate sheet or production report.) | % of total premium | Binding Authority? | Major Lines Placed | Number of Years Represented |
|--|--------------------|--|--------------------|-----------------------------|
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

8a. What percent of your volume is placed with carriers not rated or rated below B+, IV by A.M. Best? _____ %
8b. Do you monitor your carriers' ratings?..... Yes No
8c. What minimum financial standard do you require for your insurance companies? _____

9a. Is the agency an MGA, an Underwriter, a TPA, a Wholesaler, or a Surplus Lines Broker? Yes No
(Describe in the Notes section or on a separate sheet; include commission or fee income for each service)

9b. Percentage of your premium volume for each of the following placements: (9b. must equal 100%)

| | |
|---|---|
| Directly with admitted P&C insurance companies: | % |
| Brokered to admitted P&C insurance companies: | % |
| Brokered to non-admitted P&C insurance companies: | % |
| With admitted L, A, & H insurance companies: | % |
| In risk assuming entities other than described above in Question 9b through 9e: | % |

9c. Does the agency have other sources of revenue? (describe in Notes Section)
Revenue for: Other Insurance Activities \$ _____ Non-Insurance Activities \$ _____

10a. What percentage of your premium volume is direct billed by your insurance companies? _____%

10b. List insurance companies whose licensed employees provide customer service for your in-force clients.

| Company | Premium in plan | Agency held harmless? | Commercial or Personal Lines? | Do you pay a fee to the insurance company for this service? |
|---------|-----------------|--|---|---|
| | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> CL <input type="checkbox"/> PL | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> CL <input type="checkbox"/> PL | <input type="checkbox"/> Yes <input type="checkbox"/> No |

11a. In the past 3 years, has any carrier or other risk bearing entity used become insolvent, bankrupt, put into rehabilitation or receivership, or otherwise become unable to meet its duties to insureds? Yes No

11b. Have agency contracts been cancelled in the last 3 years for reason other than low production? (*Please explain "yes" responses in the Notes section) * Yes No

12. What percent of your premium volume is brokered into your agency from others? _____%

13. Which describes your agency's E&O risk management education over the past two years:
 5%-10% of staff attended a course 11% -25% of staff attended a course More than 25% attended a course
 Consultant hired (without audit) Consultant hired (including an audit) None Other (describe in Notes)

| 14. Active Owners & Staff | # Licensed | # Unlicensed | # hired in last 2 years | # left agency in last 2 years |
|---|-------------|-----------------|-------------------------|-------------------------------|
| Owners/Principals | | | | |
| Employees | | | | |
| Individual Independents (no FICA withheld) | # Exclusive | # Non-exclusive | | |
| | | | | |

15. Professional Designations held by agency staff: CIC CPCU CLU CISR Other _____
 Agency's organization memberships: IIA PIA Other _____

16a. Does the applicant have written or automated procedures to be used by all staff? Yes No
 Are agency file audits conducted? Yes No

16b. Do agency procedures include instructions to assure consistency in the following areas:

| | | |
|---|--|--|
| 1. Mail Handling <input type="checkbox"/> Yes <input type="checkbox"/> No | 4. Quoting/Binding <input type="checkbox"/> Yes <input type="checkbox"/> No | 7. Client Refused Cover <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. File Documentation <input type="checkbox"/> Yes <input type="checkbox"/> No | 5. Certificates/L P's <input type="checkbox"/> Yes <input type="checkbox"/> No | 8. Change of Carrier <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Phone Documentation <input type="checkbox"/> Yes <input type="checkbox"/> No | 6. Cancellation/Declination <input type="checkbox"/> Yes <input type="checkbox"/> No | 9. Reporting Claims <input type="checkbox"/> Yes <input type="checkbox"/> No |

17a. What agency management software does the agency use? _____

17b. When was the last upgrade completed? _____

18. What is your Web Site Address? www. _____

19. CURRENT E&O COVERAGE INFORMATION

Current Insurer: _____ How many years? 1 2 3 4 5+

Have you been continuously insured for the past five years? Yes No (If "NO", explain in the Notes Section)

Retro Date _____ (No Retro Date) First Dollar Defense? Yes No

| Limits | | Deductible | | Premium | Policy Period |
|--------|------------|------------|------------|---------|---------------|
| \$ | Claim / \$ | \$ | Claim / \$ | \$ | |
| | Agg | | Agg | | |

20a. How many E&O claims have been made against the applicant, its past or present owners, partners, officers, employees or solicitors within the past five years (whether paid, reserved or closed without payment)?
 0 1 2 3 or more

20b. Of these claims, how many resulted in payment or reserve greater than \$2500 for defense or indemnity before application of deductible:
 In the past *three years*? 0 1 2 _____
 In the past *five years*? 0 1 2 _____

| | | |
|--|------------|--|
| 21. After inquiry, does the applicant, predecessor in business or any other person for whom coverage is requested have knowledge of any actual or alleged act, error, or omission or circumstance that may result in a claim being made? * <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 22. Has any policy or application for errors and omission insurance for the applicant, its owners, officers, partners, employees or solicitors been declined, canceled, rescinded, non-renewed or otherwise refused? * <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 23. Has the applicant or any party associated/affiliated with the applicant or identified in question 4a been subject to any disciplinary action by a governmental regulatory agency or law enforcement agency (other than a misdemeanor) in the past 5 years? * <input type="checkbox"/> Yes <input type="checkbox"/> No * Please explain "YES" responses in the Notes Section. | | |
| 24. What additional coverage options would you like quoted? | | 25a. Do you require Real Estate E&O? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Limits: \$ | Claim / \$ | Agg |
| Deductible: \$ | Claim / \$ | Agg |
| Limits: \$ | Claim / \$ | Agg |
| Deductible: \$ | Claim / \$ | Agg |
| | | 25b. Do you need Mutual Funds and Variable Annuity Coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | 25c. Do you need coverage for your duties under a written PEO sales agreement? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | 26a. Are you appointed by a Liberty Mutual Group company? <input type="checkbox"/> Yes <input type="checkbox"/> No List the company and agency codes in the Notes Section. |

**NOTICE TO APPLICANT — PLEASE READ THE FOLLOWING CAREFULLY
(WARNING: NOT APPLICABLE IN COLORADO, NEBRASKA, OHIO, OKLAHOMA, AND OREGON)**

Any person who knowingly and with intent to defraud any insurance company or another 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 the person to criminal and civil penalties. In Maine and Virginia, insurance benefits may also be denied.

Washington State: 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.

SIGNATURE AND AGREEMENTS

The undersigned represent that all statements and answers to questions are true, complete and accurate and that there has been no suppression or misstatement of fact. The undersigned agrees that any policy issued will rely on the truth of the statements and representations made on the application and that misrepresentations that are fraudulent, or such that the Company would not have issued the policy if the true facts had been known, may result in a denial of coverage for any claim which may be made under this insurance (if issued). The undersigned hereby authorizes Liberty Mutual Insurance Companies to use the information contained in this application and in their files for the purpose of underwriting this insurance. The undersigned also authorizes Liberty Mutual Insurance Companies to provide information, including claim and premium details, on any policy issued pursuant to this application, to a past or present franchising organization named as an Insured on the policy.

THE APPLICANT ACCEPTS NOTICE THAT HE/SHE IS REQUIRED TO PROVIDE WRITTEN NOTIFICATIONS TO THE COMPANY OF ANY CHANGES IN THE RESPONSES GIVEN TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE.

Except to such an extent as may be provided otherwise in the policy, the policy for which application is being made is limited to ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED and reported to the company while the policy is in force and which arise from services performed on or after the Retroactive Date of the policy.

Signature of Applicant _____ **Date** _____

Title of signing applicant: Owner Executive Officer Partner Member of LLC Other _____

(Must be signed by an active owner, partner, member, or executive officer.)

SIGNING THIS FORM OR SENDING PREMIUM WITH THIS APPLICATION NEITHER BINDS COVERAGE NOR GUARANTEES A POLICY WILL BE ISSUED. ADDITIONAL INFORMATION MAY BE REQUESTED.

Individual Licensed Agent's Name who produced this business (Required in Iowa):

**Insurance Professionals Errors and Omissions Insurance
Supplemental Application A — Claims or Incidents**

New Applicants - Please complete one report for each claim or incident within the past five years.

Renewal Applicants – Please complete one report for each claim or incident within the past year, Questions 3, 7 & 8 only.

1. Claim or Incident *A claim means a demand made for money or professional services. An incident is knowledge of an actual or alleged act, error, omission or circumstance which may result in a claim being made.*
2. The claimant is a(n): Insured Insurance Company Third Party Other: _____
3. Date error reported to E&O carrier: _____
4. Cause of Loss: inadequate coverage inadequate limits failure to place coverage misstatement of coverage
 coverage gap due to cancel for nonpay insolvency of carrier Other: _____
5. Specific line of coverage involved: _____ Carrier involved: _____
6. Status: Open Closed
If closed, give the amount paid including deductible: Indemnity \$ _____ Defense \$ _____
If open, give carrier loss reserve amount: \$ _____
7. Please provide claimant's name and a brief description of the claim:

8. Loss Prevention **Please provide a detailed response.**
What action has been taken by the Applicant to prevent this type of claim from occurring in the future?

Signature of Applicant _____ Date _____
(MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, OR EXECUTIVE OFFICER)

Title of signing applicant: Owner Executive Officer Partner Member of LLC Other _____

Notes Section

(Further notes can be supplied on agency letterhead, signed and dated, and attached to the application.)