

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

1. Name of Applicant Firm (include all Named Insured legal entities): _____

Address: _____

Contact Person: _____ E-mail Address: _____

Phone: _____ Fax: _____

Named insured is a(n): Corporation Partnership LLC Individual Other _____

2. How many total office locations do you have? one two three _____

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 or does your agency own or control any entity?..... Yes No

4b. Have there been any changes in agency ownership in the last three years?..... Yes No

If either are "YES", please describe in the Notes Section.

5. Total agency premium volume (annual)	Current:	Last Year:	% written outside your state:
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6. Please indicate current business mix (% of total premium volume): Total = 100%	Line	%	Line	%
	Standard Personal Lines:		Sub-Standard Personal Lines:	
	Individual L, A, & H:		Group L, A, & H:	
	Aviation:		Commercial Ocean Marine:	
	Trucking:		Bonds:	
	Professional Liability and D&O:		Workers Compensation:	
	All Other Commercial P&C:		Reinsurance:	

7. List your 5 largest carriers.	% of total premium	Binding Authority?	Major Lines Placed	Years Represented
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		<input type="checkbox"/> Yes <input checked="" 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? _____

9. What percent of your premium volume is made from the following placements: (Total should equal 100%)

a. As an MGA or underwriter:	%
b. Directly with admitted P&C insurance companies or their MGA's (not brokered):	%
c. Brokered to admitted P&C insurance companies through other agencies:	%
d. With admitted L, A, & H insurance companies or their GA's:	%
e. Directly or through a broker with a non-admitted insurance company:	%
f. Directly or through a broker with a risk assuming entity other than an insurance company:	%
g. Other sources of revenue (describe in Notes Section):	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. Has any agency contract been cancelled by a carrier in the last 3 years for reason other than low production? * Yes No
*Please explain "YES" responses in the Notes Section.
12. What percent of your premium volume is brokered into your agency from others? _____%
13. Check which describes your agency's E&O risk management education over the past two years:
 5%-10% of staff attended a course 11% -50% of staff attended a course More than 50% 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. Check which Professional Designations are held: CIC CPCU CLU CISR Other _____
Check which organization memberships are held: IBA West IIA PIA Other _____

- 16a. Does the applicant have written procedures to be used by all staff? Yes No
Are internal procedure audits conducted periodically? Yes No

- 16b. Do your written procedures include instructions to assure consistency in the following areas:
- | | | | | | |
|---------------------------|--|----------------------------|--|--------------------------|---|
| File Documentation | <input type="checkbox"/> Yes <input type="checkbox"/> No | Phone Documentation | <input type="checkbox"/> Yes <input type="checkbox"/> No | Mail Handling | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Quoting Coverage | <input type="checkbox"/> Yes <input type="checkbox"/> No | Carrier Declined Coverages | <input type="checkbox"/> Yes <input type="checkbox"/> No | Binding Coverage | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Changing Coverage Carrier | <input type="checkbox"/> Yes <input type="checkbox"/> No | Customer Refuses Coverage | <input type="checkbox"/> Yes <input type="checkbox"/> No | Certificates/Loss Payees | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Cancellation of Coverage | <input type="checkbox"/> Yes <input type="checkbox"/> No | Reporting Claims | <input type="checkbox"/> Yes <input type="checkbox"/> No | Back-up for Absentees | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

17. Is your agency automated? Yes No The year last agency management software upgrade was completed? _____
- 18a. Does your agency use the Internet Yes No
If "YES": 18b. What is your Web Site Address?: _____
18c. Is the Internet used for marketing or sales Yes No
18d. Are applications or other coverage requests completed/submitted through the Internet Yes No

19. CURRENT E&O COVERAGE INFORMATION					
Current Insurer:		How many years? <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 5+			
Have you been continuously insured for the past five years? <input type="checkbox"/> Yes <input type="checkbox"/> No		If "NO", explain in the Notes Section.			
Retro Date _____ <input type="checkbox"/> No Retro Date		First Dollar Defense <input type="checkbox"/> Yes <input type="checkbox"/> No			
\$	Limits Claim / \$	Agg	\$	Deductible Claim / \$	Agg
			\$	Premium	Policy Period

- 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? * Yes 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? * Yes 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? * Yes 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	25b. Do you require Mutual Funds Coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No
Deductible: \$	Claim / \$	Agg	25c. Do you require PEO sales coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No
Limits: \$	Claim / \$	Agg	26a. Are you an agent for a SAFECO company? <input type="checkbox"/> Yes <input type="checkbox"/> No
Deductible: \$	Claim / \$	Agg	26b. Are you a Partnership Plus member? <input type="checkbox"/> Yes <input type="checkbox"/> No

Please use the Notes Section for additional explanations and to request other coverage needs.

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 [NY: substantial] civil penalties. In Maine and Virginia, insurance benefits may also be denied.

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 SAFECO 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 SAFECO 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, 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.

**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 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.)



Insurance Professionals Errors and Omissions Insurance
Supplemental Application G — General Information

Name of Applicant: _____

Reference Question on Basic Application	Supplemental Questions			
2.	<p>List the city, state, and percent of total applicant premium volume for each additional office.</p> <p>Do all locations use a common set of procedures? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If "No", please explain.</i></p> <p>All locations are: <input type="checkbox"/> Commonly Managed <input type="checkbox"/> Managed Individually <input type="checkbox"/> Other:</p>			
5.	<p>Please explain any change in premium volume exceeding 20%:</p>			
8.	<p>List <i>all</i> carriers not rated or rated below B+, IV by A.M. Best:</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: left;"><u>Carrier</u></td> <td style="text-align: center;"><u>Current Premium Volume</u></td> <td style="text-align: right;"><u>Type of Coverage</u></td> </tr> </table> <p>Describe how you evaluate and monitor the use of these and similar carriers:</p> <p>Over the next year, use of these carriers is likely to <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> No Change</p>	<u>Carrier</u>	<u>Current Premium Volume</u>	<u>Type of Coverage</u>
<u>Carrier</u>	<u>Current Premium Volume</u>	<u>Type of Coverage</u>		
9e.	<p>List 100% of non-admitted carriers and/or your agency's minimum financial security standards for placing coverage:</p>			
9f.	<p>List 100% of risk-assuming entities, other than insurance companies, through which business is placed:</p> <p>Are you involved in the formation, management or administration of any of these entities? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", please explain:</p>			

<p>11a.</p>	<p>List all carriers and risk assuming entities used in the past 3 years that have become insolvent, bankrupt, put into rehabilitation or receivership, or otherwise become unable to meet its duties to insureds:</p> <table border="1"> <thead> <tr> <th><u>Carrier</u></th> <th><u>Date of Insolvency</u></th> <th><u>Number of Policies</u></th> <th><u>Annual Premium Volume</u></th> <th><u>Type of Coverage</u></th> </tr> </thead> <tbody> <tr> <td colspan="5"> <p>Were all of the above policies placed with a new carrier or risk-assuming entity with an A.M. Best rating of B+ or better? <input type="checkbox"/> Yes <i>If "Yes", what date was replacement completed?</i> <input type="checkbox"/> No <i>If "No", please explain.</i></p> </td> </tr> </tbody> </table>	<u>Carrier</u>	<u>Date of Insolvency</u>	<u>Number of Policies</u>	<u>Annual Premium Volume</u>	<u>Type of Coverage</u>	<p>Were all of the above policies placed with a new carrier or risk-assuming entity with an A.M. Best rating of B+ or better? <input type="checkbox"/> Yes <i>If "Yes", what date was replacement completed?</i> <input type="checkbox"/> No <i>If "No", please explain.</i></p>				
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<p>12.</p>	<p>What type of business is being brokered into your agency from others?</p> <p>Do you use written contracts for which you are held harmless for acts of other agents? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Do you require other agents to carry E&O coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Over the next year, this percentage is likely to <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> No Change</p>										
<p>14a.</p>	<p>Explain reason for high turnover:</p> <p>What is being done to mitigate losses as a result of the exposure created by high turnover?</p>										
<p>14b.</p>	<p>List all non-exclusive independents:</p> <table border="1"> <thead> <tr> <th><u>Name</u></th> <th><u>Years With Applicant</u></th> <th><u>Premium Volume With Applicant</u></th> <th><u>Percent Placed Through Applicant</u></th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	<u>Name</u>	<u>Years With Applicant</u>	<u>Premium Volume With Applicant</u>	<u>Percent Placed Through Applicant</u>						
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<p>25b.</p>	<p>List all individuals who hold Series 6 Licenses and sell Mutual Funds:</p> <p>_____</p> <p>_____</p> <p>Agency's annual Mutual Funds commission: \$ _____</p> <p>Are all Mutual Funds sold SEC Registered? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If "No", please explain.</i></p>										

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I understand information submitted herein becomes a part of the Applicant's Errors & Omissions Insurance application and is subject to the same representations and conditions.

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 _____