

# Real Estate Professional Liability Insurance NEW BUSINESS APPLICATION PROCESS

# STOP

## PLEASE REVIEW THESE GENERAL INSTRUCTIONS PRIOR TO RETURNING YOUR APPLICATION:

- 1** Please complete the enclosed application in its entirety leaving no blanks.
- 2** Please avoid using N/A for your response as a "Yes" or "No" response is typically required.
- 3** If the firm has had any complaints/claims, please complete the applicable Supplemental Forms attached.
- 4** **NOTE:** A review of the firm's website, if applicable, will be completed. If the firm's website reflects areas of practice that are not indicated on the application, please include an explanation.
- 5** Please remember to sign and date the application in ink.
- 6** If you have current coverage, please provide a copy of the expiring Declarations Page and Prior Acts Endorsements (if applicable). Please note that we cannot accept a Certificate of Insurance as proof of coverage.

## PLEASE RETURN THE ABOVE REQUESTED MATERIALS TO:

**Email**

SIM.service@mercero.com

**Fax**

515-365-0681

**RealProEandO**

## Real Estate Professionals Errors & Omissions Insurance

Thank you for your interest in the Real Estate Professionals Errors & Omissions Insurance program.

Please return the completed application to our office using any of the methods listed below. If you are currently insured, please include a copy of your current policy declarations page with your completed application.

E-mail: [SIM.service@mercerc.com](mailto:SIM.service@mercerc.com)

Fax: 515-365-0681

Mail: Mercer Consumer  
P.O. Box 14438  
Des Moines, IA 50306-9803

We appreciate the opportunity to assist you with this important coverage and look forward to building our relationship. If you have any questions regarding the application or during the application process, please feel free to contact our office at 1-866-486-1946.



Mercer Consumer  
a service of Mercer Health & Benefits Administration LLC  
P.O. Box 14438  
Des Moines, IA 50306-9803

Phone: 866-486-1946  
Fax: 515-365-0681

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**Real Estate Professionals  
Errors and Omissions Insurance Application  
California**

Claims Made and Reported Policy Form

Complete the application in ink. Answer each question completely. If the question does not apply please indicate "n/a".

1. Name of Applicant \_\_\_\_\_  
(Company name if applicable)  
Contact \_\_\_\_\_ Managing Broker \_\_\_\_\_  
Principal Street Address \_\_\_\_\_  
City \_\_\_\_\_ ST \_\_\_\_\_ Zip \_\_\_\_\_  
(If operating under multiple names or additional locations, please list on letterhead)  
Telephone # ( \_\_\_\_\_ ) \_\_\_\_\_ Fax # ( \_\_\_\_\_ ) \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_ Website Address: \_\_\_\_\_

2. Date Firm was Established: \_\_\_\_\_ Desired Effective Date: \_\_\_\_\_

3. a. Is the applicant a:  Corporation/LLC  Independent Contractor  Sole Proprietor  Partnership/LLP  
b. Have you experienced any changes in ownership or management within the past year or do you anticipate changes in ownership or management within the next year?  Yes  No  
If Yes, please provide details on the changes anticipated including the effective date of such change.

4. Coverage Selection

Check the limit of liability desired

- \$100,000/\$100,000
- \$100,000/\$300,000
- \$250,000/\$250,000
- \$500,000/\$500,000
- \$500,000/\$1,000,000
- \$1,000,000/\$1,000,000
- \$1,000,000/\$2,000,000

Check the deductible option desired

- Zero
- \$1,000.00
- \$2,500.00
- \$5,000.00
- \$10,000.00
- Other \$ \_\_\_\_\_

5 a. Is the applicant owned by, associated with, or controlled by any business, investment group or syndication?  Yes  No  
If Yes, please provide the name of the entity(s) and the nature of the relationship:

5 b. Is any member or agent of the applicant involved in property development or construction (including renovations)?  Yes  No  
If Yes, please provide the extent of the firm's involvement and the percentage of revenues generated from such activities:

5 c. What percentages of sales were from new construction listings or sales (during the prior fiscal year)? \_\_\_\_\_ %

5 d. Do you have any exclusive listing/leasing agreements with any Builder(s) / Developer(s)?  Yes  No  
If Yes, please complete the builder/developer supplemental application.

6 a. Provide your gross revenues from the last fiscal year. If newly established, please provide an estimate of revenues for the current annual period. (Gross revenues are defined as all fees and commissions before expenses, including fees, commissions and bonuses payable to employees and independent contractors).

Gross Revenues for # of Transaction sides Projected Revenues for Projected # of

	<u>Last Fiscal Year</u>	<u>(closed real estate sales for last fiscal year)</u>	<u>Current Fiscal Year</u>	<u>Transaction Sides</u>
a. Residential Real Estate Sales	\$ _____	_____	\$ _____	_____
b. Residential Farm Land	\$ _____	_____	\$ _____	_____
c. Residential Appraisals	\$ _____	_____	\$ _____	_____
d. Commercial Appraisals	\$ _____	_____	\$ _____	_____
e. Title Agent Activities	\$ _____	_____	\$ _____	_____
f. Auctioneering (Real Property)	\$ _____	_____	\$ _____	_____
g. Raw Land Zoned Residential	\$ _____	_____	\$ _____	_____
h. Commercial Real Estate Sales	\$ _____	_____	\$ _____	_____
i. Industrial Real Estate	\$ _____	_____	\$ _____	_____
j. Non-Residential Farm Land	\$ _____	_____	\$ _____	_____
k. Property Management	\$ _____	_____	\$ _____	_____
l. Raw Land Zoned (Non-Residential)	\$ _____	_____	\$ _____	_____
m. Real Estate Consultations (provide details)	\$ _____	_____	\$ _____	_____
n. Residential Leasing (no management)	\$ _____	_____	\$ _____	_____
o. Commercial Leasing (no management)	\$ _____	_____	\$ _____	_____
p. Mortgage Brokering (Only if coverage is desired)	\$ _____	_____	\$ _____	_____
q. Insurance Agents E & O (Only if coverage is desired)	\$ _____	_____	\$ _____	_____
r. Broker Price Opinions (BPOs)	\$ _____	_____	\$ _____	_____
s. Other (provide details)	\$ _____	_____	\$ _____	_____

Details of Real Estate Consulting (m) and Other (s) from above:

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**6 b.** What percentage of transactions involves property where an owner, agent or member of the applicant holds an ownership interest in the property being listed, sold or rented? \_\_\_\_% Prior fiscal year's revenue to applicant from such transactions \$\_\_\_\_\_

**\* Professionals are defined as:** Owners, Partners, Officers, Real Estate Brokers/Agents/Salespersons, Appraisers, Property Managers, Consultants or Auctioneers including independent contractors.

**7 a.** Indicate the number of full-time professionals: \* \_\_\_\_\_

*\*Full time professionals are defined as earning more than \$20,000.00 in annual commissions or fees.*

**7 b.** Indicate the number of part time professionals: \* \_\_\_\_\_

*\*Part time professionals are defined as earning \$20,000.00 or less in annual commissions or fees.*

**7 c.** Complete the following for each owner or officer of the applicant: (PLEASE ATTACH ADDITIONAL SHEETS AS REQUIRED).

<b>Name &amp; Title</b>	<b>Professional Designations</b>	<b>Broker</b>	<b>Date First Licensed</b>
_____	_____	<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	_____

- 8 a. Please indicate the number of Owners, Officers, Partners and Professional Employees who participated in a formal real estate continuing education program during the past 12 months. \_\_\_\_\_
- 8 b. Does the firm offer a Home Warranty Program at all closings?  Yes  No  
If Yes, which program is offered? \_\_\_\_\_
- 8 c. What percentage of transactions involve acting as a dual agent, intermediary or transactional broker? \_\_\_\_\_%
- 8 d. Do you use standardized contracts and forms?  Yes  No  
If Yes, what is the percentage of use?  100%  75%  50%  Less than 50%
- 9 a. Has any member of your firm been involved in asset or property preservation services including any incidental repair work on bank owned properties within the last 3 year period?  Yes  No
- 9 b. Has any member of your firm been involved in property rehabilitation services on bank owned properties within the last 3 year period?  Yes  No  
If Yes to item 9a or 9b were all such repairs contracted by you done by a licensed contractor?  Yes  No
10. For any bank owned properties where you represent the buyer, do you advise the buyer in writing to have the property inspected by a licensed and insured home inspector prior to purchase?  Yes  No
11. Has any member of the applicant engaged in acquiring the properties or deeds of financially distressed homeowners, including sale – leaseback agreements within the last 3 year period?  Yes  No
- 12 a. Has the applicant engaged in any eviction services on pre-foreclosed or bank owned properties within the last 3 years?  Yes  No
- 12 b. If yes to item 12a, was the preparation, filing and service of the eviction complaint and obtaining the eviction judgment handled by an attorney?  Yes  No
13. Do you transact business in multiple states or outside of the United States?  Yes  No  
If Yes, please list the state(s) involved and the percent (%) of total gross revenues from each state or country:  
\_\_\_\_\_
14. After inquiring of all owners, officers, members, employees and independent contractors, are you aware of any:
- Professional Liability claim(s) made against any of the above persons in the past 5 years?  Yes  No
  - any act, error, omission, personal injury, fact, circumstance, situation or incident which could be a basis for a claim or suit?  Yes  No
  - changes in any claims previously reported on past applications?  Yes  No
- IF YOU ANSWERED YES TO QUESTION 14. a, b or c, PLEASE COMPLETE A SUPPLEMENTAL CLAIM INFORMATION FOR EACH CLAIM. IMPORTANT NOTICE:** Failure to report to your current insurance company any claim made against you during your current policy term, or facts, circumstances or events which may give rise to a claim against you BEFORE the expiration of your current policy term may jeopardize your coverage.
15. After inquiring of all owners, officers, members, employees and independent contractors has any of the  Yes  No  
aforementioned persons or the applicant been subject to a felony conviction, license surrender or been subject to any investigation, license revocation or suspension or other disciplinary action by any licensing board, real estate association or other regulatory body within the last 5 years.  
If yes, please complete the supplemental claim application and submit a copy of the initial board complaint, your response to the board and the final ruling
16. **Notice to Missouri Residents: This question does not apply:** During the past 5 years has any insurance carrier declined, canceled or refused renewal of similar insurance on behalf of this applicant or anyone to whom this insurance will apply?  
(Other than carrier is exiting this line of business)  Yes  No  
If Yes, please provide details to include the date, carrier and reason:  
\_\_\_\_\_

17. List previous Professional Liability Coverage policies this individual, firm or predecessors of firm have held within the last 5 years. If no insurance was in effect for a given year, state "none" where applicable below

*If you currently have an active policy in effect, please submit a copy of your expiring Declarations Page for consideration of continuous coverage including maintenance of your current retroactive date (prior acts coverage).*

Company	Policy Period	Limit of Liability	Deductible	Premium
_____	_____ to _____	_____	_____	\$ _____
_____	_____ to _____	_____	_____	\$ _____
_____	_____ to _____	_____	_____	\$ _____
_____	_____ to _____	_____	_____	\$ _____
_____	_____ to _____	_____	_____	\$ _____

18. Has the applicant ever purchased an extended reporting period endorsement?

Yes  No

If Yes, Please indicate the effective date of the endorsement \_\_\_\_\_ Length of the reporting period \_\_\_\_\_

Notice to California Applicants:

NOTICE:

1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE, OR, IF APPLICABLE, HAVE PURCHASED, IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.

2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.

3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-HELP (4357).

6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

**FRAUD WARNING:** Any person who knowingly and with the 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 purposes 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.

**COMPLETION OF THIS FORM AND TENDERING OF PREMIUM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL ATTACH TO THE POLICY.**

I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my Professional Liability application.

Please print your name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Must be signed by an owner or officer of the applicant.**



**REAL ESTATE PROFESSIONALS  
 ERRORS AND OMISSIONS INSURANCE  
 SUPPLEMENTAL APPLICATION  
 Exclusive Sales Agreement with Builder or Developer**

Complete Name of Applicant or Insured: \_\_\_\_\_

**EXCLUSIVE LISTING OR MARKETING AGREEMENT WITH BUILDERS OR DEVELOPERS**

**1. Please provide the following information for each builder or developer you represent under a Exclusive Sales, Marketing or Listing Agreement:**

Complete name of builder/developer and the name of the development project or subdivision?	Does any agent of the applicant have an ownership interest in this entity or project?	Number of transactions anticipated under the agreement?		Gross Revenue from these transactions?		Indicate whether this is a one time listing or an ongoing relationship?  Indicate the length of your relationship with this builder or developer?	On what percentage of these transactions did you act as dual agent?
		Prior Fiscal Year?	Estimate?	Prior Fiscal Year?	Estimate?		
1.	Yes / No					One time listing? Yes <input type="checkbox"/> No <input type="checkbox"/> Ongoing relationship? Yes <input type="checkbox"/> No <input type="checkbox"/>  Number of Years: _____	%
2.	Yes / No					One time listing? Yes <input type="checkbox"/> No <input type="checkbox"/> Ongoing relationship? Yes <input type="checkbox"/> No <input type="checkbox"/>  Number of Years: _____	%
3.	Yes / No					One time listing? Yes <input type="checkbox"/> No <input type="checkbox"/> Ongoing relationship? Yes <input type="checkbox"/> No <input type="checkbox"/>  Number of Years: _____	%
4.	Yes / No					One time listing? Yes <input type="checkbox"/> No <input type="checkbox"/> Ongoing relationship? Yes <input type="checkbox"/> No <input type="checkbox"/>  Number of Years: _____	%
5.	Yes / No					One time listing? Yes <input type="checkbox"/> No <input type="checkbox"/> Ongoing relationship? Yes <input type="checkbox"/> No <input type="checkbox"/>  Number of Years: _____	%

**2. Does the agency serve as on-site agent for any builder or developer?** Yes  No

I understand the information submitted herein becomes a part of my errors & omissions insurance application and is subject to the same warranty and conditions. The applicant represents that the above statements and facts are true and that no material facts have been suppressed or misstated. 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.

\_\_\_\_\_  
*Signature of Owner, Officer or Partner*

\_\_\_\_\_  
*Print or Type Name and Title*

\_\_\_\_\_  
*Date (mm/dd/yyyy)*

Real Estate Claims-Made Professional Liability
SUPPLEMENTAL CLAIM/INCIDENT INFORMATION

COMPLAINT AND CLAIM SUPPLEMENTAL APPLICATION

This form must be completed for each board investigation, disciplinary action, potential claim, claim or lawsuit.
Please answer all questions completely. Attach separate sheet if additional space is necessary to provide details.

Complete Name of Applicant or Insured: \_\_\_\_\_

I. BOARD COMPLAINTS AND DISCIPLINARY ACTIONS

- 1. Complete Name of Complainant: \_\_\_\_\_
2. Date of Complaint: \_\_\_\_\_
3. Did you report these circumstances to your E&O carrier as a claim or as potential claim circumstances? [ ] Yes [ ] No
If yes: Carrier? \_\_\_\_\_ Date Reported? \_\_\_\_\_
Please forward a copy of the initial complaint, your response submitted to the regulatory body and the final ruling or consent order.

II. CLAIMS AND/OR POTENTIAL CLAIM CIRCUMSTANCES

- 1. Complete name of actual or potential Claimant(s): \_\_\_\_\_
2. Name of agent involved: \_\_\_\_\_
3. Indicate whether: [ ] Claim/Suit [ ] Incident/Potential Claim
4. a. Date of alleged error: \_\_\_\_\_ b. Date you became aware of the claim: \_\_\_\_\_
5. Did you report these circumstances to your E&O carrier as a claim or as potential claim circumstances? [ ] Yes [ ] No
If yes: Carrier? \_\_\_\_\_ Date Reported? \_\_\_\_\_
6. Provide a description of the claim, indicating the type of engagement, alleged error and alleged injury.

\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_

- 7. a. Claimant's settlement demand: \_\_\_\_\_ b. Settlement Offer Made: \$ \_\_\_\_\_
b. Is claim in suit (lawsuit filed) ? [ ] Yes [ ] No
If yes, please provide the amount of damages alleged in the complaint: \$ \_\_\_\_\_

- 8. What risk management steps have been taken to prevent the occurrence of a similar incident/claim?
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_

Please complete a separate supplement for each disciplinary complaint, claim or potential claim circumstance.

Signature of Owner, Officer or Partner \_\_\_\_\_ Print or Type Name and Title \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_