

# 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@mercer.com](mailto:SIM.service@mercer.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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In CA d/b/a Mercer Health & Benefits Insurance Services LLC • CA Ins. Lic. #0G39709 • AR Ins. Lic. #303439



P.O. Box 14438  
Des Moines, IA  
50306-9803 866-486-1946

**Real Estate Professionals  
Errors and Omissions Insurance Application  
All States Except California and New York**

7359704

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).

	<u>Gross Revenues for Last Fiscal Year</u>	<u># of Transaction sides (closed real estate sales for last fiscal year)</u>	<u>Projected Revenues for Current Fiscal Year</u>	<u>Projected # of 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).

**If the applicant is located in the state of Florida you must list all professionals\* retained (attach separate sheet if necessary)**

<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 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.  Yes  No  
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 \_\_\_\_\_

This insurance company participates in state insurance guarantee funds and is subject to the financial solvency regulation and enforcement, which applies to licensed companies.

**FRAUD WARNING**

**COLORADO FRAUD WARNING:** 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.

**DISTRICT OF COLUMBIA (DC) FRAUD WARNING:** 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.

**FLORIDA FRAUD WARNING:** Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**KENTUCKY 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.

**MAINE FRAUD WARNING:** 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 a denial of insurance benefits.

**MARYLAND FRAUD WARNING:** 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.

**NEW JERSEY FRAUD WARNING:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**OHIO FRAUD WARNING:** 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.

**OREGON 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, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties.

**VIRGINIA FRAUD WARNING:** 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.

**FRAUD WARNING (all other states):** 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.*

***For Florida and Iowa Agents Only:***

Insurance Agent or Producer's Name: \_\_\_\_\_ License Number: \_\_\_\_\_

***For New Hampshire Agents Only:***

Insurance Agent or Producer's Name: \_\_\_\_\_

Insurance Agent or Producer's Signature: \_\_\_\_\_