

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@mercero.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 1-866-795-9613.



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

5 b. Is any member or agent 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</u> <u>Last Fiscal Year</u>	<u># of Transaction sides</u> <u>(closed real estate sales</u> <u>for last fiscal year)</u>	<u>Projected Revenues for</u> <u>Current Fiscal Year</u>	<u>Projected # of</u> <u>Transaction Sides</u>
a. Residential Real Estate Sales	\$ _____	_____	\$ _____	_____
b. Residential Farm Land Sales	\$ _____	_____	\$ _____	_____
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 mgmt)	\$ _____	_____	\$ _____	_____
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:

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).

Name & Title	Professional Designations	Broker	Date First Licensed
_____	_____	<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 and / or outside of the United States? Yes No
 If Yes, please list each state and/or country involved and the percent (%) of total gross revenues from each state and/or country:

- 14.** After inquiring of all owners, officers, members, employees and independent contractors, are you aware of any:
- a.** professional liability claim(s) made against any of the above persons in the past 5 years? Yes No
 - b.** any act, error, omission, personal injury, fact, circumstance, situation or incident which could be a basis for a claim or suit? Yes No
 - c.** 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 have 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. 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

THIS IS AN APPLICATION FOR CLAIMS-MADE INSURANCE. IT IS IMPORTANT THAT THE APPLICANT REPORT ANY CURRENTLY KNOWN CLAIMS OR CIRCUMSTANCES THAT COULD RESULT IN A CLAIM TO THE APPLICANT'S CURRENT INSURER OR PURCHASE AN EXTENDED REPORTING PERIOD ENDORSEMENT TO COVER SUCH CLAIMS OR INCIDENTS. GENERAL STAR WILL NOT PROVIDE COVERAGE FOR CLAIMS OR INCIDENTS WHICH THE APPLICANT IS AWARE OF PRIOR TO THE INCEPTION DATE OF ANY COVERAGE THAT IS OFFERED AND ACCEPTED.

THIS REAL ESTATE ERRORS AND OMISSIONS INSURANCE POLICY PROVIDES COVERAGE ON A CLAIMS-MADE BASIS. THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO ONLY THOSE **CLAIMS**, WHICH ARISE FROM **PROFESSIONAL SERVICES** RENDERED ON OR AFTER THE RETROACTIVE DATE AS STATED ON THE DECLARATIONS PAGE AND BEFORE THE END OF THE **POLICY PERIOD**, THAT ARE FIRST MADE AGAINST THE **INSURED** DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE COMPANY AS SOON AS PRACTICABLE DURING THE **POLICY PERIOD**, ANY RENEWAL THEREOF, OR APPLICABLE EXTENDED REPORTING PERIOD. AFTERWARDS, COVERAGE CEASES.

THE LENGTH OF THE AUTOMATIC EXTENDED REPORTING PERIOD IS 60 DAYS, THE OPTIONAL EXTENDED REPORTING PERIOD CAN BE 12 MONTHS, 24 MONTHS OR 36 MONTHS AND OTHER EXTENDED REPORTING PERIODS MAY BE AVAILABLE FOR AN UNLIMITED DURATION OF TIME AFTER THE **TERMINATION OF COVERAGE**. IF THERE IS NO

UNLIMITED EXTENDED REPORTING PERIOD, POTENTIAL COVERAGE GAPS MAY ARISE UPON EXPIRATION OF ANY APPLICABLE EXTENDED REPORTING PERIOD.

DURING THE FIRST SEVERAL YEARS OF THE CLAIMS-MADE RELATIONSHIP, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES, AND THE **NAMED INSURED** MAY EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF OVERALL RATE LEVEL INCREASES, UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY.

PLEASE REVIEW THE POLICY CAREFULLY. THIS POLICY CONTAINS IMPORTANT EXCLUSIONS AND CONDITIONS. ALL WORDS OR PHRASES (OTHER THAN CAPTIONS) THAT ARE PRINTED IN BOLD FACE ARE DEFINED IN THE POLICY. PLEASE DISCUSS ANY QUESTIONS CONCERNING THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

NOTICE – State Insurance Guarantee Fund

General Star National Insurance Company is an “admitted” or “licensed” insurer in all states except Connecticut (where General Star Indemnity Company is “admitted” or “licensed”), subject to the financial solvency regulation and enforcement which applies to licensed companies. This insurance company participates in state insurance guarantee funds.

IT IS AGREED THAT. the statements in the **Application** are the **Named Insured's** agreements and representations, that they shall be deemed material, that this Policy is issued in reliance upon the truth of such representations that this Policy embodies all agreements existing between the **Named Insured** and the Company or any of its agents relating to this insurance, and they shall be considered as incorporated into and constitute a part of this Policy.

Completion of the application or tendering of premium does not bind coverage.

I understand that the final premium will be rounded to the next dollar. I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my Application for Real Estate Errors and Omissions Insurance.

Warning -- New York Residents

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of a 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 \$5,000, and the stated value of the claim for each such violation.

Signature _____ Date ____/____/____

Must be signed by 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)