



CARRIER:

Insurance Agents Professional Liability

INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY APPLICATION

All questions must be answered and application must be signed by applicant.

NOTICE: this is a claims made and reported coverage form. This policy covers only those claims first made against any insured during the policy period or the extended reporting period, if purchased. **PLEASE READ YOUR POLICY CAREFULLY.**

I. AGENCY DETAILS

1. Applicant name: _____
 Home office address: _____
 City: _____ State: _____ Zip code: _____
 Phone: _____ Fax: _____ Web site: _____
2. a. Does the applicant have any branch offices or subsidiaries? Yes No
If "Yes," please attach an explanation.
- b. Is the applicant firm controlled, owned, affiliated or associated with any other firm, corporation or company? Yes No
If "Yes," please attach an explanation.
- c. During the past five years, has the name of the firm been changed or has any other business been acquired, merged into or consolidated with the original firm? Yes No
If "Yes," please attach an explanation including date(s) involved.
3. Date agency was established _____
 a. Date principal of applicant was first licensed _____
4. Enter total number of licensed agents and brokers (employees and principals) and independent contractors. _____

II. AGENCY OPERATIONS

5. Please give the approximate percentage breakdown of the total of your premium volume and fees as:
 Retail Agent _____ % (Business placed directly with insurance companies, JUA's or assigned risk pools, etc.)
 Retail Broker _____ % (Business placed through other agents, MGA's, wholesalers, etc.)
 Wholesale Broker _____ % (Business received from other non-employee or contract brokers or agents and placed by your agency.)
 "Other" (explain) _____ % _____
Must total 100%
6. Does applicant derive income from any activity/profession other than the sale of insurance products? Yes No
If "Yes," please attach an explanation including the percentage of your total annual income derived from it.
7. Does applicant currently act as an MGA, Third Party Administrator, Reinsurance Intermediary? Yes No

III. PREMIUM VOLUME INFORMATION

8. Is more than 25 percent of applicant's annual premium volume placed with a single carrier rated lower than B+ by AM Best? Yes No
9. Is 50 percent or more of applicant's annual premium volume placed with multiple carriers rated lower than B+ by AM Best? Yes No

By signing this application, the Applicant represents that the written premium figures and gross receipts, if applicable, provided in question 10 are an accurate reflection of written premium at the time of signing the application. The Applicant further agrees to provide, at the Company's request, full disclosure of the agency's books and records for premium audit purposes. If an audit reveals a material change in premium than stated on the application, then the company is entitled to collect additional earned premiums, cancel or nonrenew coverage. If the Applicant is a new entity, a projection of the next 12 months of written premium volume should be completed. These projections would not be subject to an audit.

10. Breakdown of annual written premium volume by line of coverage, and gross receipts if applicable as of this date

Date: ____/____/____ Commission receipts, latest 12-month period: _____

10a. **PERSONAL LINES Premium Volume:**

| | |
|-----------------------------|-----------------|
| Automobile—Standard | \$ _____ |
| Homeowners—Standard | \$ _____ |
| Mobile Homes | \$ _____ |
| Other (describe) | \$ _____ |
| <hr/> | |
| TOTAL PERSONAL LINES | \$ _____ |

TOTAL COMMERCIAL LINES \$ _____

10c. **LIFE/ACCIDENT/HEALTH LINES Premium Volume:**

| | |
|---|----------|
| Life, individual | \$ _____ |
| Life, group | \$ _____ |
| Accident, disability and health, individual | \$ _____ |
| Accident, disability and health, group | \$ _____ |
| Fixed annuities | \$ _____ |

TOTAL LIFE/ACCIDENT/HEALTH LINES \$ _____

10b. **COMMERCIAL LINES Premium Volume:**

| | |
|-------------------------------|----------|
| Workers compensation | \$ _____ |
| Trucking (including livery) | \$ _____ |
| Commercial auto | \$ _____ |
| Commercial property | \$ _____ |
| Ocean/Wet marine | \$ _____ |
| Inland marine | \$ _____ |
| Bonds/Surety | \$ _____ |
| Aviation | \$ _____ |
| Commercial umbrella/excess | \$ _____ |
| Professional liability, other | \$ _____ |
| Risk retention plans | \$ _____ |
| Crop/Hail | \$ _____ |
| Livestock (animal mortality) | \$ _____ |
| Other (describe) | \$ _____ |

TOTAL ALL LINES \$ _____

10d. **FINANCIAL SERVICES INCOME:**

List total gross receipts for the past twelve months for the following activities:

| | |
|---------------------------|----------|
| Variable life | \$ _____ |
| Variable annuities | \$ _____ |
| Mutual funds | \$ _____ |
| Stocks | \$ _____ |
| Bonds | \$ _____ |
| Commodities | \$ _____ |
| Financial plans for a fee | \$ _____ |

11. What percentage of the premium volume is written on a non-admitted basis? _____
12. Is the applicant a captive agent? Yes No
- Is applicant employed by any insurance company? Yes No
- If "Yes" to either, please answer the following:
- a. Please list the name of this company: _____
- b. Is professional liability already provided for business placed with this company? Yes No
13. Does the total insured value of any commercial property or inland marine account written by the applicant exceed \$1.5 million? Yes No

Only Answer Questions #14–17 if Volume Is Listed Under Question #10C (Life/Accident/Health Lines).

14. How many times in the past 12 months have you replaced an existing life insurance policy with a new policy? _____
- a. Why were these policies replaced? _____
15. Is applicant involved in the sale, ownership, formulation, creation, administration or operation of any self-insurance fund or program, Multiple Employer Trust, Multiple Employer Welfare Arrangement, pool, syndicate, association or other combination, formed for the purpose of providing insurance or benefits when they are not fully funded by an insurance product? Yes No
- If "Yes," advise details: _____
16. Is the applicant involved in any life settlement activity? Yes No
17. If you place or service any Group Life, Accident or Health Insurance, what is the largest plan (based on number of participants) that you handle? _____

Only Answer Questions #18–21 if Income Is Listed Under Question #10D (Financial Services)

18. Do you have discretionary control of any clients' assets? Yes No
19. Are you involved in the sale of structured settlement annuities? Yes No
20. Do you have any involvement in the development or solicitation of general or limited partnerships? Yes No
21. Would you like to purchase Financial Planning Coverage? Yes No

IV. CLAIM INFORMATION

Do not complete this section if this is an application for a renewal policy at the same limit of liability with one of the USLI companies.

22. During the past five (5) years, has any claim been made or suit brought against the agency, its predecessor(s) in business or any of its present or former owners, partners, officers, directors, employees or independent contractors? Yes No
If "Yes," provide details on the separate supplemental claims application.
23. Is any owner, partner, officer, director, employee or independent contractor aware of any circumstance, allegation, contention or incident which may result in a claim being made against the agency, its predecessor(s) in business or any of its present or former owners, partners, officers, directors, employees or independent contractors? Yes No
If "Yes," provide details on the separate supplemental claims application.
24. In the past five (5) years, has the applicant initiated litigation versus any carrier? Yes No

V. INSURANCE COVERAGE INFORMATION

25. Has the applicant been the subject of any reportings/complaints to a Better Business Bureau, Federal Trade Commission or any other consumer protection group? Yes No
26. Has any prospective insured ever had their license revoked or suspended or been fined or disciplined in any way or been the subject of any investigation by any state insurance department? Yes No
If "Yes," please attach an explanation.
27. During the past five years, has any director, officer, partner, employee or independent contractor ever been declined, cancelled or refused renewal of their fidelity or surety bond? Yes No
28. Has any policy of or application for similar insurance on your behalf or on the behalf of any of your principals, officers, employees or on behalf of any predecessors in business ever been declined, canceled or refused renewal? (not applicable in MO) Yes No
If "Yes," please attach an explanation.
29. Have you ever purchased "Extended Discovery/Reporting Period" coverage ("tail") from any prior insurer? Yes No
If "Yes," please attach an explanation.
30. Please provide the following information on your professional liability insurance for the past three years:

| Name of Insurer | Limit | Deductible | Policy Period | Premium |
|-----------------|-------|------------|---------------|---------|
| | \$ | \$ | | \$ |
| | \$ | \$ | | \$ |
| | \$ | \$ | | \$ |

31. Retroactive date of current policy (if any): ____ / ____ / ____

FRAUD STATEMENTS

Alabama, Arkansas, District of Columbia, New Mexico, Rhode Island and West Virginia: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado Fraud Statement: 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.

Florida Fraud Statement: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kansas Fraud Statement: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of a crime and may be subject to fines and confinement in prison.

Maine Fraud Statement: 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 Statement: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or 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 Statement: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Oklahoma Fraud Statement: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Oregon Fraud Statement: Notice to Oregon applicants: Any person who, with intent to defraud or knowing that he is facilitation a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Kentucky, Pennsylvania AND Ohio Fraud Statement: Any person who knowingly and with 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 purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Tennessee, Virginia and Washington Fraud Statement: 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 Statement (All Other States): Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

STATE NOTICES

Arizona Notice: Misrepresentations, omissions, concealment of facts and incorrect statements shall prevent recovery under the policy only if the misrepresentations, omissions, concealment of facts or incorrect statements are; fraudulent or material either to the acceptance of the risk, or to the hazard assumed by the insurer or the insurer in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or otherwise.

Florida Surplus Lines Notice: (Applies only if policy is non-admitted) You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

Florida and Illinois Punitive Damage Notice: I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

Maine Notice: The insurer is not permitted to withdraw any binder once issued, but a prospective notice of cancellation may be sent and coverage denied for fraud or material misrepresentation in obtaining coverage. A policy may not be unilaterally rescinded or voided.

Minnesota Notice: Authorization or agreement to bind the insurance may be withdrawn or modified only based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days' notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

New York Disclosure Notice: This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged Wrongful Acts or Wrongful Employment Acts that took place prior to retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting period coverage unless the insured purchases additional extend reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The Insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration for this extended reporting period. During the first several years of a claims made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

Ohio Representation Statement: By acceptance of this policy, the Insured agrees the statements in the application (new or renewal) submitted to the company are true and correct. It is understood and agreed that, to the extent permitted by law, the Company reserves the right to rescind this policy, or any coverage provided herein, for material misrepresentations made by the Insured. It is understood and agreed that the statements made in the insurance applications are incorporated into, and shall form part of, this policy. THE INSURED UNDERSTANDS AND AGREES THAT ANY MATERIAL MISREPRESENTATION OR OMISSION ON THIS APPLICATION WILL ACT TO RENDER ANY CONTRACT OF INSURANCE NULL AND WITHOUT EFFECT OR PROVIDE THE COMPANY THE RIGHT TO RESCIND IT.

Utah Punitive Damages Notice: I understand that Punitive Damages are not insurable in the state of Utah. There will be no coverage afforded for Punitive Damages for any Claim brought in the State of Utah. Any coverage for Punitive Damages will only apply if a Claim is filed in a state which allows punitive or exemplary damages to be insurable. This may apply if a Claim is brought in another state by a subsidiary or additional location(s) of the Named Insured, outside the state of Utah, for which coverage is sought under the same policy

Missouri and Rhode Island Disclosure Notice: I understand and acknowledge that if a \$100,000 or \$250,000 Limit of Liability is chosen or if the Insured Organization has more than 200 employees, that Defense Costs are a part of the Limit of Liability. This means that Defense Costs will reduce my limits of insurance and may exhaust them completely and should that occur, I shall be liable for any further legal Defense Costs and Damages. Defense Costs are as defined in Section III. I also understand that the Limit of Liability for the Extended Reporting Period, if applicable, shall be a part of and not in addition to the limit specified in the Policy Declarations.

Virginia Notice: This Policy is written on a claims-made basis. Please read the policy carefully to understand your coverage. You have an option to purchase a separate limit of liability for the extended reporting period. If you do not elect this option, the limit of liability for the extended reporting period shall be part of the and not in addition to limit specified in the declarations. If you have any questions regarding the cost of an extended reporting period, please contact your insurance company or your insurance agent. Statements in the application shall be deemed the insured's representations. A statement made in the application or in any affidavit made before or after a loss under the policy will not be deemed material or invalidate coverage unless it is clearly proven that such statement was material to the risk when assumed and was untrue.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail agency name: _____ License #: _____

Agent's signature: _____ Main agency phone number: _____

(Required in New Hampshire)

Agency mailing address: _____

City: _____ State: _____ Zip: _____

The signer of this application acknowledges and understands that the information provided in this Application is material to the Insurer's decision to provide the requested insurance and is relied on by the Insurer in providing such insurance. The signer of this application represents that the information provided in this Application is true and correct in all matters. The signer of this Application further represents that any changes in matters inquired about in this Application occurring prior to the effective date of coverage, which render the information provided herein untrue, incorrect or inaccurate in any way will be reported to the Insurer immediately in writing. The Insurer reserves the right to modify or withdraw any quote or binder issued if such changes are material to the insurability or premium charged, based on the Insurer's underwriting guides. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a Policy be issued and it will be attached and become a part of the Policy.

New York Fraud Statement: Any person who knowingly and with 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 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 five thousand dollars and the stated value of the claim for each such violation.

Applicant's signature: _____ Title: _____
Owner, Officer or Partner

Date: _____