

# MISCELLANEOUS PROFESSIONAL LIABILITY

## ERRORS & OMISSIONS APPLICATION

NOTICE: THIS IS AN **APPLICATION** FOR A CLAIMS-MADE AND REPORTED POLICY WHICH, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY **CLAIM** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** FOR **WRONGFUL ACTS** COMMITTED OR ALLEGEDLY COMMITTED ON OR AFTER THE **RETROACTIVE DATE**. THE LIMIT OF LIABILITY AVAILABLE TO PAY **DAMAGES** SHALL BE REDUCED BY AMOUNTS INCURRED AS **CLAIM EXPENSES**, AND SUCH **CLAIM EXPENSES** SHALL BE SUBJECT TO THE APPLICABLE DEDUCTIBLE. DEPENDING ON THE INFORMATION PROVIDED BY THE APPLICANT, IT MAY BE NECESSARY FOR THE APPLICANT TO RESPOND TO ADDITIONAL WRITTEN QUESTIONS WHICH WOULD FORM PART OF THIS **APPLICATION**.

1. Name of Applicant: \_\_\_\_\_  
2. Address: \_\_\_\_\_

3. Web Site Address: www. \_\_\_\_\_  .com  .net  .org (check one)

4. a. Status: (check one):  
 Corporation  Partnership  Individual  Other

b. Date firm was established: \_\_\_\_\_

5. Please describe in detail the services provided for which coverage is desired (include percent of total receipts):

<u>Service</u>	<u>% of Total</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Are there other services provided by the Applicant? .....  Yes  No

If yes, please list services:

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

7. Please provide the total gross receipts for services listed in Question 5:

- a. Current projected 12 months \$ \_\_\_\_\_  
b. Last 12 months \$ \_\_\_\_\_  
c. One year prior \$ \_\_\_\_\_

8. Please list the Applicant's five (5) largest jobs over the past three (3) years:

<u>Client Name</u>	<u>Services Provided</u>	<u>Revenue/One Year</u>

9. Does the Applicant firm have any subsidiaries or affiliates for which coverage is desired? .....  Yes  No

a. If yes, please provide the following for each by attachment:

- i. Name
- ii. Description of operations
- iii. Percentage of ownership by the Applicant or, if not applicable, description of affiliation with the Applicant.

b. Is the Applicant firm controlled, owned or associated with any other firm, corporation or company? .....  Yes  No

c. Are any activities listed in Question 5 of this application provided to such an affiliated enterprise? .....  Yes  No

If yes, please attach an explanation.

10. Please provide the following:

- a. Number of principals, officers and partners of the firm ..... \_\_\_\_\_
- b. Number of other professional employees ..... \_\_\_\_\_
- c. Number of non-professional employees (clerks, secretaries, etc.) ..... \_\_\_\_\_

11. Please list (If necessary, please attach information on separate attachment):

a. professional **associations** to which the Applicant belongs:

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b. professional **designations** held by any principals, owners or staff:

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c. professional **licenses** held by any principals, owners or staff:

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12. Does the Applicant use a written contract with all clients? .....  Yes  No

a. If not, approximately what percent of time are contracts not used? \_\_\_\_\_ %

b. Please explain why contracts are not used:

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c. Are contracts reviewed by legal counsel?  Yes  No

d. Does the Applicant have procedures to ensure compliance with Federal, State and Local Statutes? .....  Yes  No

If yes, please attach a copy of the procedure or provide a detailed description on a separate sheet.

e. Does the applicant's contract contain the following?

- 1. Hold Harmless or indemnity agreements?  Yes  No
- 2. In Applicant's favor?  Yes  No
- 3. Acceptance of consequential damages?  Yes  No

13. A. Has a client ever refused to pay for services rendered by applicant?  Yes  No

If yes describe: \_\_\_\_\_

B. What is the customer's potential for consequential damages and resulting monetary loss due to product or service failure by your company?

\_\_\_\_\_

14. What percentage of the Applicant's business involves subcontracting of work to others? \_\_\_\_\_%

If so, does the Applicant require evidence of professional liability insurance from subcontractors? .....  Yes  No

15. Does the Applicant have a procedure for following up on complaints? .....  Yes  No

If yes, please attach a copy.

16. Please list all prior professional liability insurance coverage:

<u>Insurer</u>	<u>Limit Carried</u>	<u>Deductible</u>	<u>Premium</u>	<u>Expiration Date</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

a. If coverage is currently in force, what is the retroactive date? \_\_\_\_\_

b. Has any application for any other insurance on behalf of the Applicant or any of its predecessors in business been declined or cancelled, or renewal of such insurance been refused? .....  Yes  No

If yes, please explain. \_\_\_\_\_

c. Does the Applicant currently maintain General Liability coverage? .....  Yes  No

If yes: Carrier \_\_\_\_\_  
Limit of Liability \_\_\_\_\_ Effective Dates \_\_\_\_\_

16. a. Limit of Liability desired:

- \_\_\_\_\_ \$250,000
- \_\_\_\_\_ \$500,000
- \_\_\_\_\_ \$1,000,000
- \_\_\_\_\_ \$2,000,000
- \_\_\_\_\_ \$5,000,000
- \_\_\_\_\_ Other \$ \_\_\_\_\_

b. Deductible desired:

- \_\_\_\_\_ \$2,500
- \_\_\_\_\_ \$5,000
- \_\_\_\_\_ \$10,000
- \_\_\_\_\_ \$25,000
- \_\_\_\_\_ Other \$ \_\_\_\_\_

17. Has the Applicant or any of its principals, partners, officers or directors been the subject of any disciplinary action by the authorities or any professional association? .....  Yes  No

If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_

18. Does any person to be insured have knowledge of any fact, circumstance or situation or act, error or omission which may result in a **Claim** against him or the Applicant under the proposed policy?.....  Yes  No

If yes, please attach an explanation on a separate sheet of paper.

19. Has any **Claim** or **Claims** been made against the Applicant or any of its predecessors in business, or any of the past or present partners, owners, officers or employees during the last five years?.....  Yes  No

If yes, please attach an explanation of each such claim on a separate sheet of paper.

20. IT IS AGREED THAT WITH RESPECT TO QUESTIONS 17, 18, AND 19 THAT SUCH KNOWLEDGE OR INFORMATION EXISTS (WHETHER OR NOT DISCLOSED), IN ADDITION TO ANY OTHER REMEDY THAT THE **INSURER** MAY HAVE, ANY **CLAIM** ARISING THEREFROM WILL BE EXCLUDED FROM THIS PROPOSED COVERAGE.

21. Please attach the following materials:

- a. **Current annual report;**
- b. **Promotional materials or brochures;**
- c. **Resumes of the principals, if less than five (5) years of operation;**
- d. **A copy of a sample contract and/or engagement/proposal letter.**

THE APPLICANT DECLARES THAT THE PARTICULARS AND STATEMENTS MADE IN THIS **APPLICATION**, TOGETHER WITH ALL ATTACHMENTS TO THIS **APPLICATION** INCLUDING ANY SUPPLEMENTAL **APPLICATION** AND ANY OTHER MATERIALS SUBMITTED TO THE **INSURER** ARE TRUE AND CORRECT. THE APPLICANT AGREES THAT IF ANY OF THE INFORMATION CONTAINED IN THIS **APPLICATION**, OR ANY OTHER MATERIALS SUBMITTED TO THE **INSURER**, IS RENDERED INACCURATE OR INCOMPLETE AS A RESULT OF ANY CIRCUMSTANCE WHICH TAKES PLACE AFTER THE DATE OF THIS **APPLICATION**, THE APPLICANT WILL IMMEDIATELY NOTIFY **INSURER** OF SUCH CIRCUMSTANCE IN WRITING AND SHALL PROVIDE THE **INSURER** WITH THE INFORMATION NOT CONTAINED IN THE **APPLICATION**. THE **INSURER**, AT ITS SOLE DISCRETION, MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS.

SIGNING OF THIS **APPLICATION** DOES NOT BIND THE APPLICANT OR THE **INSURER** TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THE **APPLICATION**, TOGETHER WITH ALL ITS ATTACHMENTS AND OTHER MATERIALS SUBMITTED TO THE **INSURER**, SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED. IT IS FURTHER AGREED THAT THE **APPLICATION** WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY AND THAT ALL ATTACHMENTS AND MATERIALS SUBMITTED THEREWITH (WHICH SHALL BE ON FILE WITH THE **INSURER** AND DEEMED ATTACHED TO THE POLICY AS IF PHYSICALLY ATTACHED THERETO) ARE TRUE AND ARE THE BASIS OF THE PROPOSED POLICY AND ARE TO BE CONSIDERED AS INCORPORATED INTO AND CONSTITUTING A PART OF THE PROPOSED POLICY.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT HEREBY ACKNOWLEDGES THAT BY AFFIXING HIS/HER SIGNATURE TO THIS STATEMENT THAT HE/SHE IS AWARE THAT THE LIMIT OF LIABILITY CONTAINED IN THIS POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, FOR **CLAIM EXPENSES** AND IN SUCH EVENT, THE **INSURER** SHALL NOT BE LIABLE FOR **CLAIM EXPENSES** OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT SUCH EXCEEDS THE LIMIT OF LIABILITY OF THIS POLICY.

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**PLEASE READ THE FOLLOWING CAREFULLY**

**WARNING**

(NOT APPLICABLE IN COLORADO, HAWAII, NEBRASKA, OHIO, OKLAHOMA, OREGON AND UTAH See Below)

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OF 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.

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**APPLICABLE IN COLORADO**

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.

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**APPLICABLE IN HAWAII**

FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT OR BOTH.

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**APPLICABLE IN OHIO**

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE 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.

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**APPLICABLE IN OKLAHOMA**

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.

SIGNATURE OF APPLICANT: \_\_\_\_\_

PLEASE PRINT THE INFORMATION BELOW

APPLICANT'S NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

# MISCELLANEOUS PROFESSIONAL LIABILITY

## SUPPLEMENTAL APPLICATION FOR MORTGAGE BROKERS AND MORTGAGE BANKERS

1. Name of Applicant: \_\_\_\_\_

2. Applicant operates as:

Independent Mortgage Brokerage Entity, or

as part of a:

Mortgage Company

Savings and Loan

Federal Savings Bank

Commercial Bank

Life Insurance Company

Other (Please Specify) \_\_\_\_\_

3. Attach any brochures or other forms of advertisement that the Applicant firm uses in rendering mortgage brokerage services. Does your advertising comply with all RESPA, FTC, FHLBB, State and other applicable laws and regulations? .....  Yes  No

4. Has the Applicant ever lost a lender's approval such that the Applicant could no longer submit client applications to that lender? .....  Yes  No

*If yes, explain below. Please attach separate sheet if necessary:*

\_\_\_\_\_

*Indicate all methods lenders use to determine the Applicant's qualifications:*

Resumes

Financial Statements

Reference

Background Check

Verification of Licenses

Credit Reports

5. How many lenders do you **currently** have business relationships with? \_\_\_\_\_

Name the three lenders you most frequently submit applications to:

A. \_\_\_\_\_

B. \_\_\_\_\_

C. \_\_\_\_\_

6. What is the total amount of all mortgages handled in the past year?

	<u>Residential</u>	<u>Commercial</u>
Dollar Amount	_____	_____
Number of Mortgages	_____	_____
Maximum Value of any One Mortgage	_____	_____

7. What types of mortgage loans are handled? Please give percentage of gross income for each mortgage brokerage service listed below:

*Note any reference to gross income made herein means all income from fees and commissions before split with brokers or salespeople or deduction for expenses.*

I. <u>ORIGINATIONS</u>	II. <u>SERVICING</u>
<u>New</u>	
<u>Construction</u> <u>Existing</u>	

<u>Residential:</u>	
<u>Commercial:</u>	
Office Buildings	
Condominiums/Co-Op	
Apt. Complexes	
Shopping Centers	
Motels/Hotels	
Industrial Bldgs.	
Other*	

\*If Other is more than 10%, please provide list and explanation.

8. Applicant is involved in which of the following?       Warehousing       Wholesale

Provide further explanation if the Applicant is involved in warehousing, specifying net interest from warehouse loans and/or profit/loss from sale of loans. Please attach separate sheet if necessary: \_\_\_\_\_

9. What percentage of gross income from mortgage brokerage has been derived from placing conventional mortgages? .....  
 \_\_\_\_\_ %

A. Of these conventional mortgages, what percentage of these are guaranteed by the VA or FHA? \_\_\_\_\_ %

B. Please list and explain all other sources of lending capital:  
 \_\_\_\_\_  
 \_\_\_\_\_

C. List and describe desirable types of financing arrangements:  
 \_\_\_\_\_  
 \_\_\_\_\_

10. Does the Applicant have any discretionary authority to make a loan? .....  Yes     No

*If yes, how often is this authority used and under what circumstances?*  
 \_\_\_\_\_  
 \_\_\_\_\_

Has the Applicant ever closed and funded a loan in the Applicant's name, using the Applicant's funds or a warehouse line available to the Applicant? .....  Yes     No

*If yes, indicate what percentage of all loans handled by the Applicant have been closed and funded in this manner.* ..... %

11. Breakdown of gross income from mortgage brokerage services:

Application Fees .....	_____	% of Gross Income
Origination Fees .....	_____	% of Gross Income
Service Released Fees .....	_____	% of Gross Income
Interest Rate Override .....	_____	% of Gross Income
Other Fees or Commissions (Explain below) .....	_____	% of Gross Income
Total .....	_____	100%
Other: _____		

12. How do you prequalify:

A. a borrower on a Residential Mortgage Loan?

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

B. a borrower on a Commercial Mortgage Loan?

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

13. How do you verify:

A. that the information you are providing a lender is accurate?

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

B. the validity of documents you receive from mortgagees to protect against forgery, alteration or counterfeiting?

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

14. Do the Applicant's mortgage brokerage activities involve seeking lenders for construction loans or land acquisition development loans? .....  Yes  No

*If yes, describe the Applicant's experience with these types of loans:*

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

IF THIS IS A RENEWAL OF THE **INSURER**, SKIP QUESTIONS 15 & 16.

15. Does any person to be insured have knowledge of any fact, circumstance or situation or act, error or omission which might reasonably be expected to give rise to a **Claim** against him or the Applicant under the proposed policy? .....  Yes  No

*If yes, please attach an explanation on a separate sheet of paper.*

16. Has any **Claim** or **Claims** been made against the Applicant or any person to be insured during the last three years? .....  Yes  No

*If yes, please attach an explanation of each such **Claim** on a separate sheet of paper.*

THE APPLICANT UNDERSTANDS THAT THE INFORMATION SUBMITTED HEREIN SHALL BECOME A PART OF THE **APPLICATION** ATTACHED HERETO.

APPLICANT'S AUTHORIZED SIGNATURE: \_\_\_\_\_

APPLICANT'S TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_