

Collection Agency Application

The Applicant is applying for CLAIMS-MADE Professional Liability POLICY which, if issued, applies only to CLAIMS FIRST MADE AND REPORTED DURING THE POLICY PERIOD. The LIMIT OF LIABILITY available to pay DAMAGES will reduce and may be exhausted by the payment of CLAIM EXPENSES.

Applicant means all corporations, organizations or other entities, including subsidiaries, proposed for this coverage.

1. Applicant Information:

Name of Applicant: _____
 Main Address: _____
 City: _____ State: _____ Zip: _____
 Telephone: _____ Fax: _____
 Website Address: _____
 Contact Name: _____ Email : _____

2. Organization Information:

- a. The entity has been in business since: _____
 b. The entity is a: ☐ Corporation ☐ Partnership ☐ Individual ☐ LLC
☐ Non-Profit ☐ For-Profit ☐ Other _____
 c. Are there services you or your firm provides which you are not seeking coverage for: ☐ Yes ☐ No
 If yes, please list with revenues.

d. Please provide the following:

	Owners/Officers/ Managers Professionals	Administrative / Clerical Staff	Employed Lawyers / In- house Attorneys	Total Number of Employees	Number of Independent Contractors Utilized
Full Time					
Part Time					
Total					

Note: Coverage for Employed Lawyers is not available through this program.

If Independent Contractors are utilized, do you require proof of Professional liability Coverage? ☐ Yes ☐ No

e. List the following information of Owners, Officers, Principals and Partners:

Name	Title	% of Ownership	# of Years of Experience in Industry	# of Years in Current Position

If there are more individuals to list, please attach a separate page to the application.

- f. Does your firm have a parent company or affiliate company with common ownership? ☐ Yes ☐ No
If yes, please list entity and relationship below:

g. What Professional Associations does your firm belong to?

h. Has the company, its owners/principals or professional employees ever been the subject of an investigation? ☐ Yes ☐ No If yes, please attach an explanation of circumstances and outcome.

i. Has the company ever filed for bankruptcy, reorganization or liquidation: ☐ Yes ☐ No
If yes please explain on separate sheet

3. Requested Insurance:

Limit of Liability: ☐ \$250,000 ☐ \$500,000 ☐ \$1,000,000 ☐ Other _____
Retention: ☐ \$5,000 ☐ \$10,000 ☐ \$20,000 ☐ Other _____

4. Expiring Information

Carrier	Limits of Liability	Retention	Premium	Expiration (Mo/Day/Yr)

Retroactive Date: _____

If there is no Retro Date information, any potential indication of coverage offered will reflect a Retro Date of Policy Inception.

5. Professional Information & Revenues:

Professional Services	%	Revenues for Most Recent Fiscal Year End (if new enterprise then list through year to date)
Collection of Non-Owned Debt*:		\$
Collection of Owned Debt**:		\$
Outsourcing of owned debt: <i>Do you require proof of E&O insurance before you Outsource debt to a 3rd party collection agency? <input type="checkbox"/> Yes <input type="checkbox"/> No</i>		\$
Early out/pre-collect/billing services		\$
Consumer Reporting Agency Services***:		\$
Debt Portfolio		\$
Other (please explain):		\$
Total Revenues from Most Recent Fiscal Year End:		
Total Revenues from Prior Fiscal Year End:		
Projected Total Revenues from Next Fiscal Year End:		

*Gross Revenues and Collection Fees less remittances

**Gross Collection and Fees, less applicable purchase price of the owned debt related specifically to these revenues

***Gross Revenues derived from services provided as Consumer Reporting Agency

- a. If outsourcing owned debt, what percent is outsourced to a law firm? _____%
- b. Provide the percentage of revenues for: Consumer Collections _____%
Commercial Collections _____%
- c. Provide the percentage of revenues which are collected from the following states:
_____ % CA _____ % FL _____ % IL _____ % NY _____ % TX
- d. Provide the percentage of revenues which are collected outside your home state: _____%
- e. If revenue from Collection of Owned Debt is included above, then please indicate the information required by prior to collection activity beginning (list all that apply):
- ☐ Payment History
☐ Documentation supporting the debt
☐ Current Account Status

☐ Original Creditor
☐ Current Skip Tracing data on debtor
☐ Other _____

f. Please list your top 5 Clients

Customer	Last Annualized Year Revenues	Current Revenues
1.		
2.		
3.		
4.		
5.		
Total		

g. Does your company use a Contract with Clients?

- ☐ Always ☐ Yes with exceptions ☐ Only when asked ☐ Never

h. Indicate which provisions are contained in the majority of the written contracts you uses with clients:
(Choose all that apply):

- ☐ Clearly defines duties and obligations of Applicant
☐ Indemnity Agreements
☐ Mutual
☐ Applicant's Favor

☐ Expressed Warranties or Guarantees
☐ Hold Harmless Agreements
☐ Client's Favor
☐ Not Applicable: _____

i. If revenue from Consumer Reporting Agency Service is included above, then please indicate the average number of reports distributed daily:

6. Compliance:

- a. Does your company provide data to consumer reporting agencies (CRA)? ☐ Yes ☐ No
 If yes, do you report on ☐ All of your business ☐ Only when required by client?
 If client required, then what percentage of your business does this represent? _____%
- b. Does your company have written procedures to specifically address Automated Consumer Dispute Verifications (ACDVs) that are separate from disputes coming directly from the consumer? ☐ Yes ☐ No

c. Do you have any other certifications related to compliance with regulations or licensing laws?
☐ Yes ☐ No If yes, please list:

d. Has your company trained and assigned the responsibility of ACDVs to a specific staff person?
☐ Yes ☐ No If no, please summarize your procedures for handling ACDVs:

e. Are your collection letters reviewed by an attorney? ☐ Yes ☐ No

i. Name of the reviewing attorney: _____

ii. Date when notices were last reviewed: _____

7. Does your company use any automation dialers when placing calls to consumers? ☐ Yes ☐ No
If yes, what programs are used and in what capacity?

8. Does your company fully utilize software that detects (scrubs) phone numbers that have been assigned for use by cell phones? ☐ Yes ☐ No

a. What is the name of the software vendor you use?

b. Indicate the date this service was first implemented? _____

9. Does your company also use a service that detects numbers that were originally assigned to a landline that have since been transferred to a cellphone? ☐ Yes ☐ No

10. Provide your company's written procedures detailing how calls to cell phones are handled once they have been detected:

11. Does your company leave voicemail messages when attempting to collect a debt? ☐ Yes ☐ No

If yes, does the Applicant disclose the collection firm's name and that the call is from a debt collector in an attempt to collect a debt? If not, please indicate the verbiage used by the Applicant when leaving a voicemail message:

12. Do you add fees to the amount of debt owed in any of their collection attempts?

☐ Yes ☐ No If yes, please attach a summary that describes the fees, including when they are applied and how the Applicant ensures they are permissible in all applicable jurisdictions.

13. Indicate which of the following describes your company's role(s) in the litigation of debt and provide the corresponding percentage of the debt collected through that role:

The Applicant does not participate in the litigation of debt against consumers. _____ %
The Applicant sues in their own name using in-house counsel. _____ %
The Applicant sues in their own name using outside counsel. _____ %
The Applicant sues in their client's name using in-house counsel. _____ %
The Applicant sues in their client's name using outside counsel. _____ %
Other: _____ %

a. Indicate which items are included in the file review and documentation when determining if litigation can proceed:

- ☐ Statute of limitations
☐ Disputes
☐ Accuracy of responses to disputes
☐ Potential FDCPA or FCRA violations

b. Is the file reviewed prior to any mention of potential litigation to consumer and fully documented?

☐ Yes ☐ No

c. What percentage of the debt litigated is owned by your firm?

_____ %

14. What steps has your firm taken to assure compliance with the Fair Debt Collection Practices Act and/or Fair Credit Reporting Act? Please summarize (a policy and procedure manual may be attached).

15. Cyber ☐ N/A

a. Please estimate, the amount of Personally Identifiable Information (PII), Protected Health Information (PHI), and Financial Information / Third Party Corporate Information your company holds, stores, transmits, or processes.

☐ 0 – 9,999

☐ 10,000 – 99,000

☐ 100,000 – 499,000

☐ 500,000 – 999,999

☐ 1,000,000+

b. Do you accept payment from clients/customers by credit card? ☐ Yes ☐ No

If Yes, is your firm compliant with the Payment Card Industry Data Security Standards (PCI-DSS)?

☐ Yes ☐ No

c. Do you maintain and regularly update anti-virus and malware prevention solutions on your computer system and update the protection at regular intervals?

☐ Yes ☐ No

d. Do you have a written Business Continuity and Disaster Recovery Plan in place?

☐ Yes ☐ No

e. Is there a process in place to implement critical/security patches from commercial software vendors?

☐ Yes ☐ No

- f. Are the identities of customers and vendors, as well as any new or changed contact or bank account details, agreed in writing and confirmed by phone prior to the issuance of any funds transfers?
☐ Yes ☐ No
- g. Do you require dual authorization for funds transfers greater than \$5,000 ?
☐ Yes ☐ No

16. Loss History

- a. Has similar insurance ever been declined or cancelled? ☐ Yes ☐ No
If yes, please provide additional details on a separate attachment.
- b. After inquiry, have any claims or known incidents been made against any proposed Insured(s) or any former entities previously owned by the Insured during the last five (5) years? ☐ Yes ☐ No
If yes, please provide additional details on a separate attachment.
- c. Is the Applicant (after diligent inquiry of each principal, partner, managing member, director or officer) aware of any fact, circumstance, incident, situation, or accident (including without limitation: any shareholder action or derivative suit; or any civil, criminal, or regulatory action, or any complaint, investigation or proceeding related thereto) that may result in a claim being made against: (a) the Applicant; (b) its predecessors in business; (c) any subsidiary or affiliate of the Applicant; (d) any other entity proposed for coverage; or (e) any past or present principal, partner, managing member, director, officer, employee, leased employee or independent contractor of the Applicant, its predecessors in business, any subsidiary or affiliate of the Applicant or any other entity proposed for coverage? ☐ Yes ☐ No

It is understood and agreed that with respect to question 15 that if such knowledge or information exists any claim or action arising there from is excluded from this proposed coverage.

Please submit the following documentation along with this Application:

- ☐ Currently Valued Loss Runs with Claims Supplement for all entries
- ☐ For Start Up Applicants, please include a business plan
- ☐ Copy of the most recent year end audited financial statements
- ☐ Copy of the most recent month-end Profit & Loss Statement and Balance Sheet
- ☐ Sample of all Applicant debt collection training manuals

WARRANTY

Applicant hereby represents after inquiry, that information contained herein and in any supplemental applications or forms required hereby is true, accurate and complete, and that no material facts have been suppressed or misstated. Applicant acknowledges a continuing obligation to report to the Underwriters as soon as practicable any material changes in all such information, after signing the application and prior to issuance of the policy, and acknowledges that the Underwriters shall have the right to withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance based upon such changes.

Further, Applicant understands and acknowledges that:

1. If a policy is issued, the Underwriters will have relied upon, as representations, this application, any supplemental applications, and any other statements furnished to the Underwriters in conjunction with this application, all of which are hereby incorporated by reference into this application and made a part thereof;
2. This application will be the basis of the contract and will be incorporated by references into and made part of such policy; and
3. Applicant's failure to report to its current insurance company any claim made against it during the current policy term, or act, omission or circumstances which Applicant is aware of which may give rise to a claim before the expiration of the current policy may create a lack of coverage.
4. The policy applied for provides coverage on a claims made and reported basis and will apply only to claims that are first made against the insured and reported in writing to the Underwriters during the policy period. Claims expenses are within and reduce the limit of liability.

Applicant hereby authorizes the release of claim information to the Underwriters from any current or prior insurer of the Applicant.

APPLICANT SIGNER'S NAME: _____

APPLICANT SIGNER'S SIGNATURE: _____

APPLICANT SIGNER'S TITLE: _____

DATE: _____

This application form duly completed, together with any supplementary information, must be signed in ink or by electronic signature by an authorized representative.

Signing of this form does not bind the applicant or the Underwriters to complete this insurance.