

# APPLICATION FOR INSURANCE SERVICES PROFESSIONAL LIABILITY INSURANCE

This is an Application for a claims made and reported policy. Please read the entire Application carefully before signing. Whenever used in this Application, the term "Applicant" means the Named Insured(s) and the term "Firm" means the Named Insured(s) and any entity identified in Question 4 of this Application. Please answer all questions and attach all requested materials including the following:

- ☐ Descriptive or promotional brochures, firm resumes, marketing materials or literature
- ☐ Resumes of all principals, partners, managing members, directors, officers, majority owners and key employees (including name, title, license held, professional designations, years of experience and years with the Applicant)
- ☐ Standard contract or engagement letter used with clients, independent contractors and subcontractors
- ☐ Latest fiscal year end and current interim financial statements for all entities proposed for coverage

## COVERAGE REQUESTED:

Effective Date Requested: \_\_\_\_\_

Limits Desired: ☐ \$1,000,000 ☐ \$2,000,000 ☐ \$3,000,000 ☐ \$5,000,000 ☐ Other \$ \_\_\_\_\_

Self Insured Retention (each claim): ☐ \$5,000 ☐ \$10,000 ☐ \$25,000 ☐ \$50,000 ☐ Other \$ \_\_\_\_\_

## PROPOSED APPLICANT:

1. Name of Applicant: \_\_\_\_\_  
 Date Established (Mo./Yr.): \_\_\_\_\_  
 Business Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Business Phone: \_\_\_\_\_  
 Business Website Address: \_\_\_\_\_  
 Individual designated to accept all notices on Applicant's behalf: \_\_\_\_\_  
 Location(s) where Applicant is licensed or registered: \_\_\_\_\_  
 Professional organizations to which Applicant belongs: \_\_\_\_\_
2. Applicant is: ☐ Corporation ☐ LLC ☐ Partnership ☐ Other: \_\_\_\_\_  
 (a) Is the Applicant owned or controlled by, or affiliated with, any other entity? ☐ Yes ☐ No  
 (b) Has the name of the Applicant ever been changed? ☐ Yes ☐ No  
 (c) Is the Applicant a franchisee or franchisor? ☐ Yes ☐ No  
 (d) Are there any branch offices or additional locations? ☐ Yes ☐ No

**If the response to any part of Question 2 is "YES," please attach complete details.**

3. (a) Is the Applicant a successor-in-interest to any predecessor firm or has the Applicant ever been involved in any merger, acquisition, consolidation, divestiture, bankruptcy or dissolution? ☐ Yes ☐ No  
 (b) In the next 12 months, does the Applicant have any plans for any merger, acquisition, consolidation, divestiture, bankruptcy, dissolution, or creation of a new business, subsidiary or division? ☐ Yes ☐ No

**If the response to any part of Question 3 is "YES," please attach complete details.**

4. (a) Please provide the following information for all subsidiaries **for which coverage is desired.**

Name of Subsidiary	Location	Nature of Business	Applicant's % of Ownership
			%
			%
			%

- (b) Please provide the following information for all additional entities **for which coverage is desired.**

Name of Entity	Location	Nature of Business	Relationship to Applicant

**To enter more information for Question 4(a) and/or 4(b), please attach a separate page to the Application.**

5. Does the Applicant or any of its principals or partners own, control or manage any other entity not shown in Question 4? ☐ Yes ☐ No **If "YES," please attach complete details.**

**PROFESSIONAL ACTIVITIES:**

6. Please indicate the services performed by the Firm and the percentage of total commission and fee revenue derived from each service (must total 100%): **For activities in bold, please also complete the supplemental application.**

Services	Services Provided	Next 12 Months	Most Recent Fiscal Year
Agent	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
Broker/Wholesaler	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
<b>MGA/MGU/Program Administrator</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
Surplus Lines Broker	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
Risk Manager/Loss Control	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
<b>Third Party Administrator/Claims Administrator</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
Reinsurance Intermediary	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
Other Services (Describe In Attachment)	<input type="checkbox"/> Yes <input type="checkbox"/> No	%	%
<b>TOTAL</b>		<b>100%</b>	<b>100%</b>

7. (a) During the past 5 years or within the next 12 months, has the Firm been engaged in, or plan to engage in, any services or business activity other than those indicated in Question 6? ☐ Yes ☐ No  
 (b) Does the Firm provide any Professional Services over the Internet? ☐ Yes ☐ No  
 (c) Does the Firm provide any Professional Services outside the United States? ☐ Yes ☐ No

**If the response to any part of Question 7 is "YES," please attach complete details and estimated revenues.**

8. (a) Please indicate the revenue for the next 12 months and for each of the past three fiscal years.

Revenue	Next 12 Months	___ / 20__	___ / 20__	___ / 20__
P&C Commissions and Fees	\$	\$	\$	\$
Life/A&H Commissions and Fees	\$	\$	\$	\$
Total Revenue From All Other Sources Other Sources of Revenue: _____	\$	\$	\$	\$
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

- (b) Percentage of policies written on a direct bill basis: \_\_\_\_\_%
- (c) Percentage of policies placed with Non-Admitted carriers: \_\_\_\_\_% Total Premium: \$\_\_\_\_\_
- (d) Percentage of policies placed through MGAs, other brokers or intermediaries: \_\_\_\_\_%
- (e) Percentage of premium volume with foreign insurance carriers: \_\_\_\_\_%
- (f) Percentage of premium volume placed through a state administered fund: \_\_\_\_\_%
- (g) Percentage of premium volume accepted from sub-producers: \_\_\_\_\_%

9. Please indicate the premium volume from the following lines of business.

Line of Business	Next 12 Months	Most Recent Fiscal Year
Standard Personal Lines	\$	\$
Sub-Standard Personal Lines	\$	\$
Individual Life/Accident Health	\$	\$
Group Life/Accident Health	\$	\$
Annuities	\$	\$
Commercial Ocean Marine	\$	\$
Trucking	\$	\$
Bonds	\$	\$
Professional Liability and D&O	\$	\$
Workers Compensation	\$	\$
Umbrella/Excess	\$	\$
Products Liability	\$	\$
Aviation	\$	\$
Crop	\$	\$
Flood	\$	\$
Wind	\$	\$
All Other Commercial P&C	\$	\$
Total Premium Volume	\$	\$

10. Please complete the following for **ALL** insurance carriers business was placed with in the last 12 months:

Insurance Carrier	Annual Premium Volume	Years Represented	AM Best Rating	Line of Business
	\$			
	\$			
	\$			

**To enter more information, please attach a separate page to the application.**

11. Have any agency contracts been cancelled by any insurance carrier in the last 5 years for reasons other than lack of production? ☐ Yes ☐ No **If “YES,” please attach complete details.**
12. During the past 5 years or within the next 12 months, has the Firm:
- (a) Been engaged in, or plan to engage in, any services or business activity other than those indicated in Question 6? ☐ Yes ☐ No
- (b) Placed or plan to place coverage for risks involved in petroleum and extraction, mineral exploration and mining, hazardous waste operations or operations with significant pollution exposures? ☐ Yes ☐ No
- (c) Placed or plan to place coverage, or been involvement with or plan to be involved with, Self-Insured/Captives, Risk Retention Groups (RRG), Risk Purchasing Groups (RPG), Multiple Employer Trusts (MET) or Multiple Employer Welfare Arrangements (MEWA). ☐ Yes ☐ No
- (d) Specialized or plan to specialize in any programs or classes of business? ☐ Yes ☐ No

**If the response to any part of Question 12 is “YES,” please attach complete details and financial data.**

13. During the past 5 years or within the next 12 months, has any principal, partner, managing member, director, officer, professional employee, leased employee or independent contractor of the Firm been engaged to provide, or plan to provide, professional services for or in connection with any entity in which he, she, the Applicant, or any other proposed insured had/has an ownership or financial interest?  
☐ Yes ☐ No **If "YES," please attach complete details.**

**REGISTERED REPRESENTATIVE COVERAGE:** ☐ Yes (Answer Question 14) ☐ No

14. (a) Please indicate the Commissions derived during the past 12 months from the following:
- |                    |          |                  |          |
|--------------------|----------|------------------|----------|
| Variable Life      | \$ _____ | Stocks and Bonds | \$ _____ |
| Variable Annuities | \$ _____ | Pension Plans    | \$ _____ |
| Mutual Funds       | \$ _____ | 401-K Plans      | \$ _____ |
- (b) Name of Broker/Dealer: \_\_\_\_\_
- (c) Number of employees with: Series 6 license: \_\_\_\_\_ Series 7 license: \_\_\_\_\_
- (d) Have there been any U-4 or U-5 violations in the past 5 years? ☐ Yes ☐ No **If "YES," please attach complete details.**

**TRAINING AND RISK MANAGEMENT:**

15. (a) Please indicate the following information for all licensed employees/independent contractors and Customer Service Representatives (CSRs) of the Firm:

	Total Number	Average Years of Experience	Average Years With Applicant	Turnover Rate Last 3 Years 20__ 20__ 20__		
Licensed Agents/Brokers				___%	___%	___%
CSRs				___%	___%	___%

- (b) How many of the licensed Agents/Brokers are independent contractors? \_\_\_\_\_.
- (c) Is coverage desired for independent contractors? ☐ Yes ☐ No ☐ Not Applicable **If "NO,"** are independent contractors required to maintain their own E&O insurance? ☐ Yes ☐ No **If "YES,"** minimum limits required: \$ \_\_\_\_\_
16. Does the Firm have:
- (a) Written procedures to escalate complaints to senior management? ☐ Yes ☐ No
- (b) Written risk management procedures in place including written procedures to ensure compliance with all federal, state and local statutes and regulations? ☐ Yes ☐ No
- (c) A formal training program for personnel? ☐ Yes ☐ No
- (d) Network security management procedures to prevent breaches of security including identity theft and the spread of computer viruses? ☐ Yes ☐ No
- (e) Written procedures in place to protect, or provide training for the protection of, the personal and confidential information of clients and prospective clients? ☐ Yes ☐ No
- (f) Legal/Clearance procedures for media and marketing material and content? ☐ Yes ☐ No
- (g) Internal Control procedures to prevent theft of client funds or other client assets? ☐ Yes ☐ No
17. Does the Firm:
- (a) Use a centralized diary or suspense system? ☐ Yes ☐ No
- (b) Date stamp all incoming mail? ☐ Yes ☐ No
- (c) Use a pre-printed form for documenting business telephone conversations? ☐ Yes ☐ No
- (d) Have standardized file construction procedures? ☐ Yes ☐ No
- (e) Use coverage checklists for both commercial and personal lines clients? ☐ Yes ☐ No
- (f) Have procedures in place to address terrorism and mold exposures with each client? ☐ Yes ☐ No
- (g) Obtain client signatures confirming their understanding when terrorism and/or mold coverage is not provided? ☐ Yes ☐ No
- (h) Document client refusals to accept coverage or limit recommendations? ☐ Yes ☐ No
- (i) Provide clients with written confirmation of reductions in current/proposed coverage? ☐ Yes ☐ No

- (j) Confirm all binders promptly in writing? ☐ Yes ☐ No
- (k) Maintain a policy expiration list (including Direct Bill) ☐ Yes ☐ No
- (l) Check all applications, policies and endorsements for accuracy prior to mailing? ☐ Yes ☐ No
- (m) Mark files to ensure certificate holders are notified of cancellation/material change? ☐ Yes ☐ No
- (n) Retain records for a minimum of 5 years? ☐ Yes ☐ No
- (o) Ensure credit checks/investigations comply with the Fair Credit Reporting Act? ☐ Yes ☐ No

18. (a) If the Firm accepts business from sub-producers, are sub-producers required to carry E&O Insurance?  
☐ Yes ☐ No ☐ Not Applicable If "YES," minimum limits required: \$\_\_\_\_\_
- (b) If the Firm places business through MGAs, wholesalers or other intermediaries, are they required to carry E&O insurance? ☐ Yes ☐ No ☐ Not Applicable If "YES," minimum limits required: \$\_\_\_\_\_

#### PRIOR INSURANCE:

19. List all professional liability insurance carried for each of the past three years. If none, the reason for the present insurance inquiry is: \_\_\_\_\_

Insurance Company	Limits	Retention	Premium	Policy Period
	\$	\$	\$	
	\$	\$	\$	
	\$	\$	\$	

Retroactive Date on current policy: \_\_\_\_\_

Prior and Pending Litigation Date on current policy or, if none, Date of first E&O policy: \_\_\_\_\_

20. Has the Applicant had any Professional Liability Insurance declined, cancelled or non-renewed within the past three years? ☐ Yes ☐ No If "YES," please attach complete details.

#### CLAIMS EXPERIENCE:

21. Have any claims, suits or proceedings (including without limitation: any shareholder action or derivative suit; or any civil, criminal, or regulatory action, or any complaint, investigation or proceeding related thereto) been made during the past five years 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
22. 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
23. Has the Applicant or any individual or entity proposed for coverage ever been the subject of a reprimand, or a disciplinary or criminal action by any federal, state or local authority, professional association or state licensing board? ☐ Yes ☐ No
24. Has the Applicant or any individual or entity proposed for coverage been involved during the past five years in any disputes with respect to fees or other compensation which may be due for professional services rendered by the Applicant, any subsidiary or affiliate of the Applicant, or any other entity proposed for coverage? ☐ Yes ☐ No

25. Is the Applicant or any individual or entity proposed for coverage aware of any actual or alleged deficiencies, errors or omissions in work performed by the Applicant, any subsidiary or affiliate of the Applicant, any other entity proposed for coverage, or by others for whom the Applicant is legally responsible? ☐ Yes ☐ No

**If the response to Question Questions 21, 22, 23, 24, and/or 25 is “YES,” please attach complete details.**

**NOTE: It is agreed that any claim or lawsuit against the Applicant, or any principal, partner, managing member, director, officer or employee of the Applicant, or any other proposed insured, arising from any fact, circumstance, act, error or omission disclosed or required to be disclosed in response to Questions 21, 22, 23, 24, and/or 25, is hereby expressly excluded from coverage under the proposed insurance policy.**

26. Has the Applicant reported the matters listed in Questions 21-25 to its current or former insurance carrier?  
☐ Yes ☐ No ☐ Not Applicable

**NOTICE – PLEASE READ CAREFULLY**

The undersigned, as authorized agent of all individuals and entities proposed for this insurance, declares that, to the best of his/her knowledge and belief, after diligent inquiry of each principal, partner, managing member, director, officer and employee of the Firm, the statements in this Application are true and complete and will be relied upon by the Insurer in issuing any policy. The undersigned agrees that if the information provided in this Application changes between the time this Application is executed and the time the proposed insurance policy is bound or coverage is commenced, the Applicant will immediately notify the Insurer in writing of such changes, and that the Insurer may withdraw or modify any outstanding quotations or agreements to bind the insurance. The undersigned hereby authorizes the Insurer to make any inquiry in connection with the information, statements and disclosures provided in this Application and further authorizes the release of claim information from any prior insurer to the Insurer.

The undersigned declares that all individuals and entities proposed for this insurance understand and accept that the policy applied for provides coverage for only those claims that are first made against the Insured and reported in writing to the Insurer during the policy period or any extended reporting period (if applicable) and that the limits of liability contained in the policy will include both Damages and Claim Expenses.

The signing of this Application does not bind the Insurer to offer nor the undersigned to purchase the insurance, but it is agreed this Application shall be the basis of the insurance and shall be considered physically attached to and become part of the Policy should a Policy be bound and issued. All attachments and information submitted to or obtained by the Insurer in connection with this Application are hereby incorporated by reference into this Application and made a part hereof.

**The Application must be signed and dated by a Principal, Partner, Managing Member or Senior Officer of the Applicant. Electronically reproduced signatures will be treated as original.**

\_\_\_\_\_  
Date (Mo./Day/Yr.)

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Title