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REAL ESTATE AGENTS APPLICATION FOR CLAIMS MADE AND REPORTED ERRORS AND OMISSIONS INSURANCE

1- NAME OF APPLICANT: (Include all firm names, trading names or DBA's under which the applicant operates)

DBA _____

Address (of principal office) _____

City _____ County _____ State _____ Zip _____

Telephone _____ Fax _____ E-Mail _____

PRINCIPAL BROKER _____

Does the applicant have multiple locations? Yes No If yes, please explain:

Has the name of the applicant ever changed or has there ever been any acquisition, consolidation, dissolution, merger or change in business organization? Yes No
If yes, please explain:

2- Month/Year applicant established under current ownership? _____/_____

Applicant is a: Sole Proprietor Partnership Corporation Independent Contractor Other

3- Complete the following for each owner, partner, director and officer.

Name and Title: DATE First Licensed as: License Status: Professional Designations:

_____ Broker _____ Agent _____ Active Inactive _____

_____ Broker _____ Agent _____ Active Inactive _____

_____ Broker _____ Agent _____ Active Inactive _____

4- Is the applicant controlled by or owned by or associated with, or does the applicant control or own or affiliate with any other firm?

Yes No If yes, please explain _____



5- Is the applicant or anyone who may qualify as an insured involved in any business activities other than real estate sales?
 Yes No If yes, please explain _____

6- STAFF (indicate numbers)	Fulltime	Part-time	Inactive	Total
Licensed Brokers – employed and independent	_____	_____	_____	_____
Licensed Agents – employed and independent	_____	_____	_____	_____
Property Management employees	_____	_____	_____	_____
Appraisal employees'	_____	_____	_____	_____
Clerical employees'	_____	_____	_____	_____

7- Have at least two-thirds of the applicant's agents had their license longer than two years? Yes No

8- GROSS INCOME (includes all fees and commissions before expenses and split with agents)

Service	Gross Income Last 12 Months	Number of Transactions	Gross Income Next 12 Months	Number of Transactions
Residential Real Estate Sales				
Commercial Real Estate Sales				
Residential Property Management Fees				
Commercial Property Management Fees				
Leasing Fees (not managed)				
Appraisal Fees				
Mortgage Brokerage Fees				
Business Opportunity Brokerage Fees				
Escrow Fees				
TOTAL:				

Please indicate the average sales price of the applicants prior year closed residential transactions.
 \$ _____

During the past year, what percentage of the applicants residential property sales included a home protection or warranty? _____%

9- Does the applicant form, manage or organize group investments/syndications (i.e. limited partnerships, general partnerships, real estate investment trusts or corporations, for the purpose of investing in real property? Yes No

If yes, please explain on a separate sheet and include all annual income from these activities.

NOTE: The policy specifically excludes these activities.

10- Does the applicant act as a construction manager or as a real estate developer? Yes No
 NOTE: The policy specifically excludes these activities.

11- Did any client represent more than 25% of the applicants annual gross income last year? Yes No
 If yes, please explain, including clients name and business, on a separate sheet.

12- Is the applicant involved in property management? Yes No If yes, complete the following:

- a. Is a budget prepared for each property managed? Yes No
- b. Is a credit report obtained on each prospective tenant? Yes No
- c. Do you use standard management and lease agreements? Yes No
- d. Number of units managed? _____ 1-4 Family Residential _____ Apartments
 _____ Condominiums _____ Shopping Centers _____ Warehouses _____ Office Buildings
- e. Does the applicant (or anyone who may qualify as an insured) have a combined financial interest that exceeds 10% in any property managed? Yes No

- 13- a. Does the applicant have an in-house procedure manual? Yes No
- b. Does the applicant have in-house training sessions and or encourage agents to take outside training courses? Yes No
- c. Does the applicant have a specific training program for new sales associates? Yes No
- d. Has the principal broker attended a risk reduction seminar in the past year? Yes No
- e. Are standard board approved real estate contracts used? Yes No
- f. Are standard board approved real estate disclosure forms used? Yes No
- g. Does the applicant require their agents to perform inspections of properties? Yes No

14- **INSURANCE HISTORY-PROVIDE CURRENT DECLARATIONS PAGE IF RETROACTIVE COVERAGE IS REQUESTED.**

Current Errors and Omissions Insurance Company _____

Limits of Liability _____ Deductible _____

Expiration Date _____ Retroactive Date _____ Premium _____

ANSWER QUESTIONS #15 THROUGH #18, ONLY AFTER INQUIRY OF EACH MEMBER OF THE FIRM.

15- Has the applicant or anyone who may qualify as an insured ever been subject to disciplinary action by a real estate association board or other regulatory body, which resulted in a license suspension or revocation? Yes No

16- Has any application or policy for errors and omissions insurance on behalf of the applicant; any partner, owner or officer of the applicant, or on behalf of the applicants predecessors in business ever been declined, cancelled or refused renewal for cause? Yes No If yes, please provide details.

17- During the past three years has the applicant or anyone who may qualify as an insured been sued or received a demand seeking damages resulting from the performance or failure to perform professional services? Yes No

If yes, the SUPPLEMENTAL CLAIM FORM must be completed for each claim.

If yes, we require a certified insurance company loss run for the past three years.

NOTE: The policy will not provide coverage on any claim which any person proposed for this insurance is aware of prior to the effective date of the policy.



18- Does the applicant or anyone who may qualify as an insured have any knowledge or information of any fact, circumstance or incident that may reasonably be expected to result in a claim relative to the performance or failure to perform professional services? Yes No
 If yes, the SUPPLEMENTAL CLAIM FORM must be completed for each circumstance.

NOTE: The policy will not provide coverage for any circumstances which any person proposed for this insurance is aware.

DESIRED LIMITS OF LIABILITY AND DEDUCTIBLE

LIMITS \$100,000/\$100,000 \$300,000/\$1,000,000 \$500,000/\$500,000
 \$500,000/\$1,000,000 \$1,000,000/\$1,000,000

DEDUCTIBLE \$2,500 \$5,000 \$10,000 \$15,000 \$20,000 \$25,000

If available, do you want to increase the discrimination limit of liability? Yes No

If available, do you want the general environmental hazards endorsement? Yes No

DESIRED EFFECTIVE DATE: _____/_____/_____
 Month Day Year

The undersigned declares that to the best of his/her knowledge and belief the foregoing statements and representations are complete and accurate. Signing this application does not bind the undersigned to purchase the insurance; but it is agreed that this application shall be the basis of the contract should a policy be issued. The application will become part of the policy. The submission of this application does not obligate the insurer or the program manager to issue a policy.

It is further agreed that if, in the time between submission of the application and the requested date for coverage to be effective, the applicant becomes aware of information which would change the answers furnished in this application, including but not limited to Questions 15, 16, 17 & 18, such information shall be revealed immediately in writing to the insurer or program manager.

I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my errors and omissions policy.

 Signature of Owner, Partner, Director of Applicant

 Print Name

 Title

 Date

MAIL OR FAX COMPLETE APPLICATION TO:



FRAUD WARNING NOTICES

FRAUD WARNING – 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.

AL – Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

CO – 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.

DC – **WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

FL – 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.

MD – 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.

NJ – Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NM – 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 CRIMINAL PENALTIES.

NY – 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.

OK – **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.

PA – Any person who knowingly and with intent to defraud any insurance company or other person files an application 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.

VA – 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.

WA – 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.