



Real Estate Professionals Errors and Omissions Insurance Application

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NOTICE: This is an application for a "Claims-made" policy. Coverage for prior acts and claims made after termination of this policy may be restricted. Please read the policy carefully.

1. Name of Applicant (broker or company name) _____
DBA(s) _____
Contact _____ California Association of REALTORS® member: **Yes** **No**
Principal Street Address _____
City _____ ST _____ Zip _____
Mailing Address _____ City _____ ST _____ Zip _____
Telephone # (_____) _____ Fax # (_____) _____
E-Mail Address: _____

2. a. Date firm was established: _____ b. Year current owner assumed management: _____
c. Number of years owner licensed as an agent _____ as a broker _____ as an appraiser _____
3. Entity Type: ☐ Corporation/LLC ☐ Independent Contractor ☐ Sole Proprietor ☐ Partnership/LLP

*** Professionals are defined as:** Owners, Partners, Officers, Real Estate Brokers/Agents/Salespersons, Appraisers, Property Managers, Consultants or Auctioneers including independent contractors.

4. a. Indicate the total number of active full time professionals: * _____
*Full time professionals are defined as earning more than \$20,000.00 in annual income.
b. Indicate the number of active part time professionals: * _____
*Part time professionals are defined as earning \$20,000.00 or less in annual income.
c. Indicate the total number of support staff: _____ and inactive professionals: _____
5. Does the applicant have a formalized training program for all professionals and staff? ☐ **Yes** ☐ **No**
6. Indicate the number of professional employees who participated in an accredited, continuing professional education program during the past 12 months. _____
7. Do at least 15% of all professionals hold a professional designation? (i.e. GRI, CRS, CRE, ABR, MAI, SRA) ☐ **Yes** ☐ **No**
8. Is the applicant owned, associated, or controlled by any business, investment group or syndication? ☐ **Yes** ☐ **No**
If Yes, Please provide the name of the entity(s) and the nature of the relationship:

9. a. Has any member of your firm engaged in property construction or development (including renovations)? ☐ **Yes** ☐ **No**
If Yes, check all that apply and complete 9b:
1. Directly (member of your firm doing work themselves) ☐
2. Through a licensed contractor ☐
3. Through a separate business entity owned by any member of your firm or their spouses ☐
(If you checked option 3, please complete supplemental application)
- b. Provide gross commission income derived from the sale of these properties in the past 12 months, and include this total in "Agent/Broker Owned Property Sales" under question 10 on the next page:
Residential \$ _____ Commercial \$ _____
Check here if none in the past 12 months ☐

10. Provide your gross revenues for the last 12 months and projected next 12 months. If newly established, please provide an estimate of revenues for the current annual period (Gross revenues are defined as all fees and commissions before expenses, including fees, commissions and bonuses payable to employees and independent contractors):

	Gross Revenues Last 12 months	# of Transaction sides Last 12 months	Projected Revenues Next 12 months	# of Transactions Next 12 months
RESIDENTIAL				
Sales	\$ _____	_____	\$ _____	_____
Leasing	\$ _____	_____	\$ _____	_____
Agent/Broker Owned Property Sales	\$ _____	_____	\$ _____	_____
Farm Land	\$ _____	_____	\$ _____	_____
Raw Land	\$ _____	_____	\$ _____	_____
Appraisals*	\$ _____	_____	\$ _____	_____
COMMERCIAL				
Sales	\$ _____	_____	\$ _____	_____
Leasing	\$ _____	_____	\$ _____	_____
Agent/Broker Owned Property Sales	\$ _____	_____	\$ _____	_____
Farm Land	\$ _____	_____	\$ _____	_____
Raw Land	\$ _____	_____	\$ _____	_____
Appraisals*	\$ _____	_____	\$ _____	_____
OTHER SERVICES				
Property Management*	\$ _____	_____	\$ _____	_____
Sale of Business Opportunities*	\$ _____	_____	\$ _____	_____
Mortgage Brokering*	\$ _____	_____	\$ _____	_____
Auctioneering (Real Property)*	\$ _____	_____	\$ _____	_____
Short-term Escrow (distributed within 1 year)	\$ _____	_____	\$ _____	_____
Real Estate Consulting (details below)	\$ _____	_____	\$ _____	_____
Other (provide details below)	\$ _____	_____	\$ _____	_____

*** If Applicant has revenue derived from any services denoted by an asterisk, please complete the supplemental application.**

Details of "Real Estate Consulting" and "Other" from above: _____

11. Does the applicant have documented procedures which include instructions on how to handle complaints and compliance with Federal, State and Local statutes? **Yes** **No**
12. Does the applicant use approved board of REALTORS® or state association of REALTORS® standard contract forms for the listing and sale of all Real Estate? **Yes** **No** If No, please explain _____
13. In the past year:
- a. what was the average value of properties sold: \$ _____, or appraised (if applicable) \$ _____
- b. what was the average commission percentage earned on closed real estate sales: _____%
14. Has the applicant ever had a transaction valued at \$10,000,000 or more? **Yes** **No**
If yes, please provide the date(s) of sale, type of property, and sale price(s): _____
15. What percentage of residential transactions included a: a. Signed property disclosure form? _____%
b. Home warranty program? _____% c. Home inspection or written waiver? _____%

16. What percentage of transactions involve acting as a: dual agent ____% intermediary ____% or transactional broker ____%
b. When acting as a dual agent, is dual agency disclosed to all parties in writing? **Yes** **No**
17. Has any member of your firm been involved in asset or property preservation services including any incidental repair work on bank owned properties within the last 3 year period? **Yes** **No**
If Yes, were all such repairs contracted by you done by a licensed contractor? **Yes** **No**
18. Has any member of your firm been involved in property rehabilitation services on bank owned properties within the last 3 year period? **Yes** **No**
If Yes, were all such repairs contracted by you done by a licensed contractor? **Yes** **No**
19. For any bank owned properties where you represent the buyer, do you advise the buyer in writing to have the property inspected by a licensed and insured home inspector prior to purchase? **Yes** **No** **N/A**
20. Has any member of your firm directly acquired the properties or deeds of financially distressed homeowners, including sale – leaseback agreements within the last 3 year period? **Yes** **No**
21. Has the applicant engaged in any eviction services on pre-foreclosed or bank owned properties within the last 3 years? **Yes** **No**
If Yes, was the preparation, filing and service of the eviction complaint and obtaining the eviction judgment handled by an attorney? **Yes** **No**
22. Has the applicant engaged in any services which involved delivering or negotiating cash-for-keys offers or property rehabilitation? **Yes** **No**
If Yes, what is the percentage of the gross commission income derived from these services? ____%
23. Is any client responsible for more than 25% of the applicant's annual income? **Yes** **No**
If Yes, provide the name, relationship and total revenue from the client: _____
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24. Does the firm perform or intend to perform professional services for REITS or property syndications? **Yes** **No**
If Yes, what is the percentage of the gross commission income derived from these services? ____%
25. During the past 5 years:
- a. Has the applicant been involved in any merger, acquisition, or consolidation? **Yes** **No**
If Yes, provide details on a separate sheet and include any name changes for the firm.
- b. Has any principal, partner, director, officer, or professional of the applicant performed professional services for any other business which the applicant has any ownership or managerial interest? **Yes** **No**
If Yes, provide details: _____
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26. Does the applicant transact business in multiple states or outside of the United States? **Yes** **No**
If Yes, provide details including the percent (%) of total gross revenues from each state or country: _____
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27. After inquiry, is the applicant, or anyone to whom this insurance will apply, aware of any:
- a. Professional Liability claim made against them in the past 5 years? **Yes** **No**
- b. Act or omissions in the performance of professional service for others which might reasonably be expected to be the basis of a claim or suit against them? **Yes** **No**
- c. Changes in any claims previously reported on past applications? **Yes** **No**
- d. License revoked by any licensing board, real estate association, or other regulatory body in past 5 years? **Yes** **No**
- e. License suspension by any licensing board, real estate association, or regulatory body in past 3 years? **Yes** **No**
- f. Fines of more than \$10,000 (in the aggregate) by any licensing board, real estate association, or other regulatory body in the past 3 years? **Yes** **No**

IMPORTANT NOTE: The applicant's non disclosure of claim information does not indicate nor imply, in any way, that any act or omission is covered by this policy. In addition, circumstances or incidents that might reasonably be expected to be the basis of a claim **MUST** be reported to the applicant's current insurer before the claim reporting period expires.

NEW BUSINESS APPLICANTS ONLY MUST COMPLETE QUESTIONS 28-30

28. During the past 5 years has any insurance carrier declined, canceled or refused renewal of similar insurance on behalf of this or anyone to whom this insurance will apply (other than due to loss of market)? ****This question does apply to Missouri residents****
☐ **Yes** ☐ **No** If Yes, provide details on a separate sheet and include the date, carrier and reason.

29. List Previous Professional Liability Coverage policies this individual, firm or predecessors of firm have held within the last 5 years. If no insurance was in effect for a given year, state "none" where applicable below:

Company	Policy Period	Limit of Liability	Deductible	Premium	Retro Date
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____

30. Has the applicant ever purchased an extended reporting period endorsement? ☐ **Yes** ☐ **No**
 If Yes, please provide details to include the date, carrier and reason:

31. Coverage Selection:

a. Limits of Liability: Per Claim _____ Policy Aggregate _____
☐ Claims Expense Inside the Limit or ☐ Claims Expense Outside the Limit

b. Deductible: _____

c. Desired Policy Effective Date: _____ / _____ / _____

d. Current Policy Retroactive Date: _____ / _____ / _____ (Attach current Declarations page)

Real Estate Professionals Errors and Omissions Insurance Application

Other Services Supplement

Full Name of Applicant or Insured: _____
Please complete only the sections that apply to services performed by the Applicant or Insured

Section 1: Property Manager Information

Services not provided

1. Does the Applicant enter into a contract with each property owner? ☐ **Yes** ☐ **No**
2. Is a budget prepared for each property managed? ☐ **Yes** ☐ **No**
3. Are standard management and lease agreements used for all properties? ☐ **Yes** ☐ **No**
4. Does the Applicant hire licensed contractors to provide services for any managed properties? ☐ **Yes** ☐ **No**
If Yes, does the applicant require certificates of insurance from each contractor? ☐ **Yes** ☐ **No**
5. What is the Applicant's average authority for capital improvements, repairs, etc.? \$ _____
6. Does the Applicant require liability insurance to be in place for all properties managed? ☐ **Yes** ☐ **No**
7. Indicate the number of property managers who hold professional designations or certification related to Property Management: _____
8. Do all property managers have 3+ years of experience in property management services? ☐ **Yes** ☐ **No**
If No: Please provide details on oversight and training: _____
9. Do you perform inspections, at least annually, on each property managed? ☐ **Yes** ☐ **No**
10. Are you listed as Additional Insured on the landlord's policy? ☐ **Yes** ☐ **No**
11. Does the applicant have procedures to handle compliance with Federal, State and Local statutes involving evictions? ☐ **Yes** ☐ **No**
12. Are attorneys used for all evictions? ☐ **Yes** ☐ **No**
13. Please provide a breakdown of all of properties managed, including those owned by any insured:
****Percentages listed in Income Column must add up to 100%****

Property Type	# of Units/Footage	% of Property Mgmt Income
Single Family Homes	# Units:	_____ %
1-4 Unit Condos/Apartments	# Units:	_____ %
5+ Unit Condos/Apartments	# Units:	_____ %
Home Owners Associations	# Units:	_____ %
Shopping Centers	Sq. Ft:	_____ %
Office Buildings/ Commercial	Sq. Ft:	_____ %
Other	# Units:	_____ %
Describe "other" properties:		<u>TOTAL: 100%</u>

These percentages must add up to 100%

14. Does the Applicant have ownership interest in any properties managed? ☐ Yes ☐ No

If Yes, please list all owned properties, property type*, number of units, % of ownership interest, and annual rent(s) generated:

Address (Street)	Property Type	# of Units	% Ownership	Annual Rent
			____%	\$ _____
			____%	\$ _____
			____%	\$ _____
			____%	\$ _____
			____%	\$ _____
			____%	\$ _____
			____%	\$ _____
			____%	\$ _____

*Property Type categories include: single family homes, 1-4 unit apartment buildings, 5+ unit apartment buildings, HOAs, office buildings, commercial properties, shopping centers, or "other".

Section 2: Real Estate Mortgage Broker Information

Services not provided

- How many years of mortgage brokering experience does the Applicant have? _____
- In transactions where the Applicant serves as both the real estate agent/broker and the mortgage broker, does the Applicant inform the client that they are under no obligation to use the Applicant's mortgage broker services? ☐ Yes ☐ No
- List state(s) in which mortgage brokering services are provided: _____
 - Are licenses held in all states where required by law? ☐ Yes ☐ No
- Please provide the following, for the past 12 month period:
 - Average Loan Amount: \$ _____
 - Value of Largest Mortgage: \$ _____
 - Names of top 3 lenders used:

_____	% used: _____%
_____	% used: _____%
_____	% used: _____%
- Indicate the percentage of loans which are:

Residential: _____%	Commercial: _____%	Other: _____%
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- What percentage of your loans:

Are subprime (B or C loans): _____%	Are Combo Loans: _____%
Are held longer than 30 days: _____%	Fund new construction: _____%
Have a Yield Spread Premium: _____%	Are reverse mortgages: _____%
Are placed through governmental agencies and Savings & Loans: _____%	

7. Have you in the past, or do you now:
- a. Perform underwriting duties? ☐ Yes ☐ No
 - b. Provide loan servicing duties? ☐ Yes ☐ No
 - c. Have any discretionary loan making authority? ☐ Yes ☐ No
 - d. Solicit investors or use your own capital in loans you broker? ☐ Yes ☐ No
 - e. Fund any loans via a warehouse line of credit or other means in your own name? ☐ Yes ☐ No
 - f. Perform appraisals on properties you provided mortgage brokering services for? ☐ Yes ☐ No
 - g. Have a correspondent relationship terminated by an investor? ☐ Yes ☐ No
 - h. Close or fund any loans without having advance written commitment from an investor or bank to purchase the loan? ☐ Yes ☐ No

If you answered YES to any of the above, please explain on a separate paper on company letterhead.

8. Have any allegations been made against you for violations of the Truth-In-Lending Act, the Equal Credit Opportunity Act, or the Real Estate Settlement Procedures Act? ☐ Yes ☐ No

If you answered YES, please explain below

Section 3: Wire Transfer Information

Services not provided

1. Does the applicant maintain a separate in-force Cyber Liability Policy, Crime Policy or Fidelity Bond? ☐ Yes ☐ No
If Yes, please provide copy of current in-force declarations page

2. a. Do you provide or accept funds transfer instructions via telephone, e-mail, text message or similar method of communication?

☐ No

(If No, skip to question 3)

☐ Yes

If Yes, indicate which of the following procedures are implemented PRIOR to initiating any financial transaction:

- ☐ Calling the customer, vendor, supplier or business partner at a predetermined phone number to obtain live confirmation.
- ☐ Sending a text message to a predetermined number and awaiting a return text message confirmation. *(Note: a predetermined phone number is not a phone number that is provided with the transfer instructions.)*
- ☐ Requiring receipt of a code or password known only to the customer, vendor, supplier or business partner. *If checked, has the actual code ever been included in an e-mail communication?* ☐ Yes ☐ No

- b. Are all changes to client accounts confirmed by using existing contact information PRIOR to making any changes to account information? ☐ Yes ☐ No

- c. Is approval by more than one person required to initiate a wire transfer? ☐ Yes ☐ No

3. Are all staff and professionals provided with Anti-Fraud Training specific to socially engineered fraud? ☐ Yes ☐ No
4. Have you received any fraudulent e-mail or other communication in the past 12 months purporting to be from a customer, vendor, supplier, business partner or employee indented to direct a transfer of funds in your possession? ☐ Yes ☐ No

If Yes, describe:

Section 4: Real Estate Appraiser Information**Services not provided**

1. Indicate the number of appraisers who have attained professional designations related to the appraisal market: _____
2. Indicate the number of appraisers who have participated in an appraisal related continuing education program in the past twelve months: _____
3. Are written agreements between the Applicant and the bank or financial institution in place that outline the duties of the appraiser and the fees charged for such services? ☐ Yes ☐ No
4. Does the Applicant always use standard appraisal forms that comply with USPAP? ☐ Yes ☐ No
5. Does the Applicant perform any Right-of-Way appraisals? ☐ Yes ☐ No
If Yes, please provide the revenue and number of transactions for the past 12 months:

	Last 12 Months of Revenue	Number of Transactions
Right-of-Way Appraisals	\$	

Section 5: Real Estate Auctioneer Information**Services not provided**

1. Does the Applicant provide any written guarantee relating to the condition of the properties being auctioned? ☐ Yes ☐ No
2. Does the Applicant always put the properties to be auctioned on display for inspection prior to the auction? ☐ Yes ☐ No
3. Auctioning revenue:

	Last 12 Months of Revenue	Number of Transactions
Auctioning of Real Property	\$	

Section 6: Construction/Development Ownership Interest Information

1. Has the Applicant, or any of its agents, sold or listed for sale any properties that were developed or constructed by a separate business entity owned by the firm, any of its agents or the spouse or domestic partner of an agent or owner? ☐ Yes ☐ No
If yes, please provide the following:
 - a. Name of the business entity: _____
 - b. Percentage of the business entity owned by the firm or agent: _____%
 - c. Percentage of the business entity owned by the spouse of domestic partner: _____%
 - d. Number of years the entity has been in business: _____
 - e. Number of years the entity has operated in the same area: _____
 - f. Number of years of development/construction experience key personnel have: _____
 - g. Types of properties developed or constructed by the business entity: ☐ Residential ☐ Commercial

2. For the past 12 months, please provide the amount of gross commission income (GCI) derived from the sale of properties associated with the separate business entity described in question 2 above:

Residential Property GCI: \$ _____ Commercial Property GCI: \$ _____

3. During the past 5 years has the Applicant or any of its agents:
- Had any claims made against them involving the entity mentioned in question 1a. above? ☐ Yes ☐ No
 - Have knowledge of any act or omissions which might reasonably be expected to be the basis of a claim against them involving the entity mentioned in question 1a. above? ☐ Yes ☐ No

If yes to part a. of question 3 above, please complete a Claim Supplement for all claims. If yes to part b. of question 3 above, provide details below:

Section 7: Business Brokerage Information

Services not provided

This section must be completed if coverage for the sale of Business Opportunities is requested. All questions must be answered completely.

1. Please provide the Name and the years of business brokerage experience for each agent or broker who is involved in the sale of business opportunities:

Agent or Broker's Name	Years of Business Brokering Experience

2. Is the Applicant, or the agent or broker responsible for the sale of the business, involved in the valuation of the business being sold? ☐ Yes ☐ No
3. Does the Applicant disclose to the purchaser in writing that there is no certainty or assertion of any future business value or income? ☐ Yes ☐ No

Please provide a copy of the standard disclosure form and any other forms, waivers or disclosures used by the Applicant during the negotiation and sale of Business Opportunities.

4. Does Applicant provide a written recommendation that each party retain an attorney and an accountant for the purpose of performing a due diligence review; including evaluation of the income, expenses and feasibility of the sale/purchase of the business operations? ☐ Yes ☐ No
6. Does Applicant have a written policy prohibiting agency personnel from making recommendations regarding attorneys and accountants selected? ☐ Yes ☐ No
7. Briefly describe the number and types of Business Opportunities arranged, negotiated or sold by the Applicant within the past three years (use a separate sheet if necessary):

NEW JERSEY FRAUD WARNING: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NEW MEXICO FRAUD WARNING: 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 civil fines and criminal penalties.

NEW YORK 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 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.

OHIO FRAUD WARNING: Any person who, with the intent to defraud or knowing that he 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.

OKLAHOMA APPLICANTS: 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 WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material to the content of the contract commits a fraudulent insurance act, which may be violating state law and may be subject to prosecution for insurance fraud.

PENNSYLVANIA 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.

TENNESSEE FRAUD WARNING: 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.

VIRGINIA AND WASHINGTON FRAUD WARNING: 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.

VERMONT FRAUD WARNING: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. THE APPLICANT AND FIRM ACCEPTS NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" BASIS. THE APPLICANT AND FIRM ACCEPTS NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE. THE APPLICATION MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, PRINCIPAL, OFFICER, OR MEMBER OF THE APPLICANT.

The undersigned is authorized by, and acting on behalf of, the Applicant and represents that all statements and particulars herein are true, complete and accurate and that there has been no suppression or misstatements of fact and agrees that this application shall be the basis of, and becomes part of, the Applicant's professional liability coverage.

Please print your name _____ Title _____

Signature _____ Date _____

For Florida Only:

Insurance Agent/Producer Name _____ Insurance License # _____

For Iowa Only: Insurance Agent Name Required

Agent Name: _____

For New Hampshire Only: Insurance Agent Name and Signature Required

Insurance Agent Name: _____ Signature: _____