



INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY APPLICATION - NEW BUSINESS

The insurance coverage for which you are applying is written on a claims-made policy form. Subject to policy provisions, this insurance will apply only to liability for claims that are first made against the insured while the policy is in force. This policy provides that the limits of liability available to pay judgments or settlements shall not be reduced by amounts incurred for legal defense. Note, however, that amounts incurred for legal defense shall be applied against the deductible amount.

1. Agency's Legal Entity Name: (proposed primary named insured including the D/B/A if applicable):

Agency is a: Sole Proprietorship: _____ Partnership: _____ Corporation: _____ LLC: _____ Other: _____

2. Name of designated agency E&O contact: _____

Phone: _____ Fax: _____ Email: _____ Website: _____

3. Date Agency Established: _____ (MM/DD/YY) Year Current Owner Assumed Management: _____ (MM/DD/YY)
Resumes for all owners must be provided if agency was established or owner assumed management within the past 3 years

4. Physical Address (Primary Location): _____

City: _____ State: _____ County: _____ Zip: _____

5. Mailing Address (if different from above): _____

City: _____ State: _____ County: _____ Zip: _____

6. Additional Locations? YES / NO (If **YES**, attach address of each location)

If **YES**, are all locations owned and under direct control of the applicant? YES / NO (If **NO**, attach explanation)

7. Is agency owned or controlled by or associated with any other business or entity? YES / NO (If **YES**, attach explanation including the entity's name, percentage of ownership interest, and relationship to the applicant)

8. Within the last five years, have there been: (If **YES**, to question below attach a detailed explanation)

- | | | | |
|--------------------------------|----------|--|----------|
| a. Changes in name | YES / NO | c. Mergers with/or purchases of other agencies | YES / NO |
| b. Changes in agency ownership | YES / NO | d. Agency cluster arrangements | YES / NO |

9. Select desired Limits of Liability, Deductible, Desired Effective Date and Retro Date (Selections may be subject to underwriting approval)

LIMITS OF LIABILITY (Per Claim/Aggregate)				DEDUCTIBLE (Per Claim)			
	\$250,000 / \$500,000		\$1,000,000 / \$1,000,000		\$1,000		\$7,500
	\$300,000 / \$600,000		\$1,000,000 / \$2,000,000		\$2,500		\$10,000
	\$500,000 / \$500,000		\$1,000,000 / \$3,000,000		\$5,000		Other _____
	\$500,000 / \$1,000,000						
Desired Effective Date: _____ (MM/DD/YY)				Current Retro/Prior Acts Date: _____ (MM/DD/YY)			

10. Premium Volume/ Commissions / Broker Fees: (Established Agency – use prior 12 months. New Agency - use estimated next 12 months)

Total last 12 months P&C Gross Premiums Written Annually	\$
Total last 12 months gross annual P&C Commissions & Broker Fees (Personal Lines & Commercial Lines)	\$
Total last 12 months gross annual Life Commissions & Broker Fees	\$
Total last 12 months gross annual A&H Commissions & Broker Fees	\$
Total last 12 months of gross annual Financial Product Commissions & Broker Fees (Mutual Funds/Variable Products/Securities)	\$
GRAND TOTAL GROSS COMMISSIONS & BROKER FEES	\$
Attach an explanation if insurance commission & broker fee income is less than \$50,000	\$



11. Number of personnel: (Each individual should be counted only once)

	# of Full-Time	# of Part-Time
Licensed Owners, Officers, Shareholders, Members and Partners		
Licensed Producers / Sales Staff		
Licensed Independent Contractors		
Other Licensed Staff		
Non-Licensed Staff		
Total		

12. List the names of Licensed Owners, Officers, and Shareholders, Members and Partners and years of insurance experience.

Individuals Name	Relationship to Agency	Insurance Designations if any	Percentage of Ownership if any	Years of Insurance Experience

13. Percentage of business placed

As Retail (Business Sold Directly to Insureds) _____ %
 As Wholesale (Business Sold to Other Agents) _____ % (Supplemental Application must be completed)
 As MGA (Business for which you have underwriting authority) _____ % (Supplemental Application must be completed)
TOTAL MUST EQUAL 100 % _____ %

14. Type and PERCENTAGE of Insurance Placed (Prior 12 months)

COMMERCIAL LINES		LIFE INSURANCE	
Workers Compensation		Life – Individual	
Commercial Auto		Life – Group	
Commercial Multi Peril		Annuities – Fixed	
Professional Liability		Credit Life	
Directors & Officers Liability		Other (Describe): _____	
Medical Malpractice		TOTAL LIFE INSURANCE %	
Umbrella/Excess			
Aviation		ACCIDENT & HEALTH	
Ocean/Wet Marine		Group – Fully Insured	
Long Haul Trucking		Group – Self Funded	
Bonds		Individual	
Crop Insurance		HMO/PPO/DSP	
Other (Describe): _____		Other (Describe): _____	
TOTAL COMMERCIAL LINES %		TOTAL ACCIDENT & HEALTH %	
PERSONAL LINES		FINANCIAL PRODUCTS	
Auto-Standard		Securities	
Auto-Non Standard		Annuities – Variable	
Auto-Assigned Risk/FAIR Plan		Life – Variable	
Homeowners-Standard Fire		Mutual Funds	
Non Standard Fire		Other (Describe): _____	
Other (Describe): _____		TOTAL FINANCIAL PRODUCTS %	
TOTAL PERSONAL LINES %		GRAND TOTAL OF BUSINESS PLACED	
GRAND TOTAL PERCENTAGE OF BUSINESS PLACED MUST EQUAL 100%			

15. List of top 5 Insurance Carriers and the Percent of Business Placed with each: If the total equals less than 85% of your agency's total premiums written, please answer by attachment to this application.

Name of Insurance Carrier	% of Business	Agency Contract		Admitted Carrier		AM Best Rating	# YEARS
		YES	NO	YES	NO		

16. Does the agency place business with carriers that are rated less than B+ by A.M. Best: YES / NO If **YES**, what percentage ____%



17. In the past 5 years has the agency:

- a. Placed coverage for risks involved in petroleum exploration and extraction, mineral exploration and mining, hazardous waste operations with significant pollution exposures? YES / NO
- b. Specialized in any programs or classes of business? YES / NO
- c. In the past five years, has the applicant firm placed coverage or had involvement with self-insured / Captives or Risk Retention Groups (RRG), Risk Purchasing Groups (RPG), Multiple Employer Trusts (MET) or Multiple Employer Welfare Arrangements (MEWA)? YES / NO

If **YES**, the applicant must include the name of the program(s); the name of the insurer(s); the extent of the coverage provided by the insurer(s); the name and address of the administrator; any administrative duties performed by the applicant; and appropriate financial information, if applicable. You must also provide a copy of the promotional literature

18. Does the agency perform any of the following activities? If **YES**, attach resume, promotional material and sample contract. Coverage may not be available and/or excluded.

Activity	YES	NO	Annual Revenue
Reinsurance Intermediary			\$
Third Party Administrator			\$
Investment Security Advisor			\$
Pre-Paid Legal			\$
Human Resources			\$
Actuarial Services			\$
Tax Advisor/Preparer			\$
Risk Management /Loss Control			\$
Premium Finance for Operations			\$
Mortgage Service Facility			\$
Real Estate			\$
Motor Vehicle Title Services			\$
Professional Employer Organization (PEO) Marketing			\$
Other (Describe): _____			\$

19. Office Procedures

	YES	NO
a. Does the agency utilize a computerized production and accounting system? If YES, Is there a back-up procedure for computerized production and accounting systems? Yes/ No		
b. Do you maintain a separate premium trust account?		
c. Is the agency on-line with any carrier? Name of carrier: _____ Annual Volume with Carrier: _____		
d. Is incoming mail date stamped?		
e. Are copies of binders mailed to the insured and/or the company within specified guidelines?		
f. Is there a procedure for documenting files and telephone conversations?		
g. Is a policy expiration list maintained?		
h. Are all applications, policies and endorsements checked for accuracy?		
i. Are files marked to ensure certificate holders are notified of cancellation and material changes?		
j. Does the agency have a diary/suspense system to track business?		
k. Does the agency have procedures in place to ensure proper disclosure of exclusions including but not limited to Mold/Fungus and War/Terrorism?		
l. Does the agency have procedures in place to ensure written documentation of policy limitations including but not limited to; wind deductibles, hurricane deductibles, and earthquake deductibles?		
m. Does the agency have procedures to ensure written confirmation of coverages requested, declined and accepted by the insured (i.e.: Checklists)?		
n. Has any of the agency staff attended an approved E&O seminar within the last 12 months or plan to attend within the next 30 days? If YES , Date of Seminar: _____ Percentage of staff Attended: _____		
o. Does any of the agency staff hold industry-recognized and approved insurance designations, including CPCU, CIC, CPSR, CISR, and ACSR? If YES , Percentage of staff that have designations: _____ Designations: _____		
p. Has the agency had an Errors and Omissions Audit? If YES , Were all recommendations implemented? YES/ NO Date of Audit: _____		



	YES	NO	
20. Has any past or present owner, officer, partner, employee, member or solicitor been the subject of complaints filed and/or disciplinary action by any insurance regulatory authority? If YES , attach a detailed explanation.			
21. Has any policy or application for similar insurance on the applicant agency's behalf or any of its owners, officers, partners, members, employees or solicitors, or on behalf of any predecessor in business ever been declined, cancelled, or renewal refused. If YES , attach a detailed explanation.			
22. Have any claims been made against the applicant or any of its past or present owners, shareholders, partners, members, owners, employees or solicitors or to the knowledge of the applicant agency on behalf of its predecessors in business, within the last 5 years? If YES , attach PACO Supplemental Claim Form and loss runs.			
23. Does any prospective insured person or entity have knowledge of any known acts, proceedings, events or developments, which may reasonably be expected to give rise to a claim against the applicant agency, past owners, officers, partners, employees or solicitors, or its predecessor(s) in business? If YES , attach PACO Supplemental Claim Form and loss runs.			
IT IS AGREED WITH RESPECT TO QUESTIONS 22 AND 23 THAT ANY CLAIM ARISING THEREFROM (WHETHER OR NOT DISCLOSED HEREIN), IS EXCLUDED FROM THE PROPOSED COVERAGE	YES	NO	N/A
24. If YES to 22 or 23, have they been reported to your Professional Liability Insurance Carrier?			

25. Please provide the following information on the agency's five years of professional liability coverage for the past 5 years. Attach a copy of the expiring Declarations Page. If no coverage is currently in place check here NONE: _____

Company	Policy Period	Retroactive / Prior Acts Date	Limit of Liability	Deductible	Annual Premium

PRODUCER COMPENSATION DISCLOSURE: The applicant acknowledges by its signature below and hereby warrants that it will appropriately disclose any potential conflicts of interest based upon contingent or other commission arrangements to its clients and will secure the clients' agreement to such arrangement in writing prior to binding coverage. The applicant further agrees to be bound by the provisions related to producer compensation disclosure that have or may be enacted by the state(s) in which the applicant conducts operations. The applicant acknowledges that failure to abide by the aforementioned producer compensation disclosure requirements may affect coverage under this policy, if ultimately issued.

NOTICE OF PURCHASING GROUP MEMBERSHIP: By applying for this insurance, the applicant also is applying for membership in FABLUS (For Agents & Brokers Liability Underwriting Services), a purchasing group formed and operating pursuant to the Federal Liability Risk Retention Act of 1986 (15 USC 3901 et seq.) This purchasing group was formed for the sole purpose of providing professional liability insurance to insurance agents and brokers. The sole purpose of becoming a member is to purchase professional liability insurance. The insurer for the purchasing group may not be subject to all of the insurance laws and regulations of the state.

NOTICE TO APPLICANT – PLEASE READ CAREFULLY BEFORE SIGNING

THE APPLICANT AND AGENCY AND ALL PROPOSED INSUREDS ACCEPT NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" BASIS. 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 coverage. THE APPLICANT AND ALL PROPOSED INSUREDS ACCEPT 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, OFFICER OR MEMBER OF THE APPLICANT.

Signature

Printed Name of Signer

Date

Title

SIGNING THIS FORM OR TENDERING PREMIUM WITH THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE.

Application must be signed and dated to be considered for quotation. A properly completed, original signed and dated application will allow for prompt issuance of coverage, should quotation be offered and accepted.

Producer's Signature

Printed Name of Producer

Producer License No.

Date



Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or other person who files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any act material thereto, commits a fraudulent insurance act, which is a crime.

California Applicants: For your protection California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Colorado Applicants: 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.

District of Columbia Applicants: 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.

Florida Applicants: 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.

Kentucky Applicants: 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 thereto commits a fraudulent insurance act, which is a crime.

Louisiana Applicants: 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 confinement in prison.

New Jersey Applicants: Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

New Mexico Applicants: 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 Applicants: 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 Applicants: Any person who, with 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.

Oregon Applicants: Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement, may be guilty of insurance fraud.

Pennsylvania Applicants: 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 Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of coverage.

Vermont Applicants: Any person who, with 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 may be guilty of insurance fraud.

Virginia Applicants: Any person who, with the intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.