

Real Estate Professional Liability Application



AmTrust E&S Insurance Services
An AmTrust Financial Company

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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 "Firm" means the Named Insured(s) and any other entity proposed for coverage. Please answer all questions and attach all requested materials including the following:

- Résumé of Principals Five Year Carrier Loss Runs

Section I – Firm Information

Firm Name: _____

Address: _____ City: _____ State: _____ Zip Code: _____

P.O. Box: _____ City: _____ State: _____ Zip Code: _____

Telephone: _____ Website: _____ Date Established: _____

1. State(s) where Firm Operates: _____ 2. Firm's franchisor (if applicable): _____

3. Complete the table below for the Firm's total employee count:

	Full-Time Employees	Part-Time Employee	Avg. Years Exp.	Avg. Years with Firm
Employed Agents / Brokers				
Independent Contractor Agents / Brokers				
Appraisers				
Administrative and Clerical				
Other (describe): _____				

4. Complete the following for the Firm's principals, partners, directors or officers:

Name	License Status	Year Licensed	License Ever Revoked/Suspended
1.	<input type="checkbox"/> Active <input type="checkbox"/> Inactive	Agent: _____ Broker: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Year: _____
2.	<input type="checkbox"/> Active <input type="checkbox"/> Inactive	Agent: _____ Broker: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Year: _____
3.	<input type="checkbox"/> Active <input type="checkbox"/> Inactive	Agent: _____ Broker: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Year: _____
4.	<input type="checkbox"/> Active <input type="checkbox"/> Inactive	Agent: _____ Broker: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Year: _____
5.	<input type="checkbox"/> Active <input type="checkbox"/> Inactive	Agent: _____ Broker: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Year: _____
6.	<input type="checkbox"/> Active <input type="checkbox"/> Inactive	Agent: _____ Broker: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Year: _____
7.	<input type="checkbox"/> Active <input type="checkbox"/> Inactive	Agent: _____ Broker: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Year: _____

5. Is the Firm controlled, owned by, associated or affiliated with, or does it own any other business enterprise? Yes No

6. Is the Firm in the process of any mergers or acquisitions, or expect any mergers or acquisitions in the next year? Yes No

If YES to Question 5 or 6, please provide details on a separate sheet and attach as part of this application.

Section II – Firm’s Professional Services

1. Complete the table below for all of the Firm’s Professional Services:

INSTRUCTIONS : Show all income, fees and commissions before split with brokers or salespeople or deduction of expenses.

Professional Services	Number of Transactions	Past 12 Months	Projected Next 12 Months
		\$ INCOME	\$ INCOME
Residential Real Estate Sales		\$	\$
Farm and / or Ranch Sales		\$	\$
Land Lot Sales		\$	\$
Commercial or Income Property Sales		\$	\$
Industrial Property Sales		\$	\$
Real Estate Leasing Fees		\$	\$
Real Estate Consulting / Counseling		\$	\$
Property Management Fees		\$	\$
Real Estate Appraisal - Residential		\$	\$
Real Estate Appraisal - Commercial		\$	\$
Auctioneering (Real Property Only)		\$	\$
Business Opportunities Brokerage		\$	\$
Escrow Services		\$	\$
Mortgage Brokerage / Banking		\$	\$
Real Estate Consulting / Counseling		\$	\$
Title Services		\$	\$
Broker Price Opinions		\$	\$
Asset Management		\$	\$
Construction / Development		\$	\$
Other (describe): _____		\$	\$
Total Gross Income		\$	\$

2. Average value of the properties sold within the past 12 months? Residential: \$ _____ Commercial: \$ _____

3. What are the three largest transactions in the past year: (1) \$ _____ (2) \$ _____ (3) \$ _____

4. Is the Firm the exclusive sales agent for any development / community? Yes No

5. Is the Firm or any subsidiary, parent or other related organization engaged in a real estate development or construction? Yes No

If YES, please complete Section VII – Affiliated Builders and Developers.

6. Does the Firm engage in “dual agency” transactions? Yes No

If YES: a. What is the annual estimated percentage of “dual agency” transactions? _____ %

b. What percentage of “dual agency” transactions are disclosed in writing to all parties involved? _____ %

7. What percentage of residential transactions utilize home inspections? _____ %

8. Are property disclosure forms used for all transactions? Yes No

9. Does the Firm have written procedures to ensure compliance with federal, state and local statutes/regulations, including Fair Housing and other anti-discrimination laws? Yes No

If YES, please describe:

10. Does the Firm provide services for Foreclosed Properties and/or Short Sales? Yes No

If YES: a. Estimated annual percentage of transactions attributable to: i) Foreclosed Properties _____ %

ii) Short Sales _____ %

b. Describe the Firm’s disclosure and inspection procedures for foreclosed properties and for short sales:

11. Does the Firm ever warrant or guarantee any Professional Services? Yes No

Section III – Property Management Services N/A (Skip to Section IV)

1. Complete the chart below for all properties managed during the past 12 months:

	Number of Units	Average Property Value	Gross Income
Residential Single Family Home		\$	\$
Apartments		\$	\$
Condominiums / Cooperatives		\$	\$
Shopping Centers		\$	\$
Office Buildings		\$	\$
Commercial or Industrial		\$	\$
Other (describe):		\$	\$

2. Have any rental / lease rates depreciated 20% or more in the past 18 months? Yes No
3. Has the vacancy rate of any property been dropped below 75% at any time in the past 18 months? Yes No
4. Is the Firm involved with raising capital or soliciting investors to fund any managed property? Yes No
5. Does the Firm make representations or projections regarding the rate or return and/or future value of properties? Yes No
6. Does the Firm have any ownership interest in any managed property? Yes No

If YES, please list each property, including the type (e.g. apartment) and percentage of ownership, on a separate sheet and attach as part of this application.

7. Who is responsible for tenant eviction? Property Owner Property Manager Independent
 3rd party Other: _____
8. Is there a written process or checklist approved by legal counsel to assure a uniform eviction process? Yes No
9. Is a lawyer involved in all eviction processes? Yes No
10. Does the Firm prepare budgets for managed properties? Yes No
If YES, does the property owner approve all proposed budgets? Yes No
11. Is the Firm responsible for the collection of rents? Yes No
12. Does the Firm run credit reports for each prospective client? Yes No
13. Does the Firm conduct reference checks for each prospective client? Yes No
14. Is the Firm responsible for the placement of insurance on the properties managed? Yes No
15. Does the Firm perform physical repairs to the properties managed?
If YES: a. What is the budgeted amount of repairs per property? \$ _____
 b. What percentage of this work is sub-contracted? _____ %
 c. Does the Applicant require sub-contractors to carry insurance? Yes No
16. Is the Firm responsible for negotiating and/or setting individual lease terms and provisions? Yes No
17. Does the Firm carry Commercial General Liability coverage of \$500K or greater per occurrence? Yes No
18. Does the Firm require proof of Commercial General Liability coverage for all non-owned properties managed? Yes No

Section IV – Appraisal Services N/A (Skip to Section V)

1. Complete the chart below for all appraisal services during the past 12 months:

Type of Appraisal	Number of Appraisals	Gross Income
Residential Properties		\$
Commercial / Industrial Properties		\$
Lots / Vacant Land		\$
Farms / Ranches		\$
Personal Property (i.e. not real property)		\$
Other (describe):		\$
TOTAL:		\$

Section IV – Appraisal Services (continued)

2. Are all employed appraisers of the Firm licensed? Yes No
3. Does the Firm use independent contractors for any appraisal services? Yes No
- If YES:**
- a. How many independent contractors are used? _____
- b. Does the Firm require proof of professional liability coverage for all independent contractors? Yes No
- c. Does the applicant intend on extending coverage to independent contractors? Yes No

4. Complete the chart below for a breakdown of the Firm's appraisal clients (must total 100%):

Banks / Savings & Loan	%	FHA / VA	%
Investor	%	Developer / Development Projects	%
Appraisal Management Co.	%	Other:	%
Mortgage Co.	%	Other:	%

5. How many appraisals were performed in the past 12 months? _____
6. What is the average value of the properties appraised in the past 12 months? \$ _____
7. List the three (3) largest dollar valued appraisals performed in the past 12 months:

Description of Property	Property Value
1.	\$ _____
2.	\$ _____
3.	\$ _____

8. Does the Firm have any ownership interest in any properties that have been appraised? Yes No

Section V – Auctioneering Services N/A (Skip to Section VI)

1. Does the Firm use independent contractors for any auctioneering services? Yes No
- If YES:**
- a. How many independent contractors are used? _____
- b. Does the Firm require proof of professional liability coverage for all independent contractors? Yes No
- c. Does the applicant intend on extending coverage to independent contractors? Yes No
2. What percentage of auctions use the disclaimer “as is” or similar disclaimer language? _____ %
3. What percentage of auctions is preceded by a period of inspection for potential buyers? _____ %
4. How many auctions did the Firm conduct in the past 12 months? _____
5. Who is responsible for setting the minimum bid for each auction? _____
6. What percentage of auctions use the disclaimer “as is” or similar disclaimer language? \$ _____
7. What is the maximum dollar value of any auction conducted by the Firm in the past 12 months? \$ _____
8. Does the Firm auction any personal property? Yes No
- If YES:** What percentage of appraisal revenue is from personal property auctions? _____ %

Section VI – Affiliated Builders and Developers N/A (Skip to Section VII)

1. What percentage of the Firm's revenues derive from the sale of properties constructed and/or developed by any affiliated builder or developer with the Firm? _____ %

2. List all affiliated builders and developers:

Name	Year Est.	Nature of Affiliation	Gross Revenue Past Year
1.			\$ _____
2.			\$ _____
3.			\$ _____
4.			\$ _____
5.			\$ _____

3. Are all affiliated builders and developers with pending projects with the Firm in compliance with all bank and financial covenants? Yes No

Section VI – Affiliated Builders and Developers (continued)

4. Is the relationship between the Firm and any affiliated builder or developer disclosed, in writing, to all potential buyers? Yes No
5. Does any employee of the Firm have any personal ownership in any development constructed by an affiliated builder or developer? Yes No

If YES, please describe:

6. Does the Firm require that all projects undertaken by any affiliated builder or developer carry commercial general liability coverage of \$500K or greater per occurrence? Yes No
7. Complete for all projects completed or pending in the past two years by any affiliated builder or developer:

No. of Projects	Avg. No. Units Per Project	Highest No. Units Any Single Project	Avg. Unit Value	Max. Unit Value
			\$	\$

Section VII – Claims & License History

1. Have any claims, suits or proceedings been made during the past five years against the (a) Firm; (b) its predecessor in business; (c) any Subsidiary or Affiliate of the Firm; (d) any entity proposed for coverage on this application; or (e) any past or present Principal, Partner, Member, Director, Officer, Employee, Leased Employee or Independent Contractor of the Firm, its predecessors in business or any Subsidiary or Affiliate of the Firm or entity proposed for coverage on this application? Yes No
2. After diligent inquiry of each Principal, Partner, Managing Member, Director or Officer, is the Firm aware of any fact, circumstance, incident, error, situation or accident that may result in a claim being made against (a) the Firm; (b) its predecessor in business; (c) any Subsidiary or Affiliate of the Firm; (d) any entity proposed for coverage on this application; or (e) any past or present Principal, Partner, Member, Director, Officer, Employee, Leased Employee or Independent Contractor of the Firm, its predecessors in business or any Subsidiary or Affiliate of the Firm or entity proposed for coverage on this Firm? Yes No
3. Has the Firm or any individual or entity seeking coverage ever been the subject of a Reprimand or Disciplinary Proceeding, or Criminal Proceeding, by any Federal, State or Local Authority, Professional Association or State Licensing Board? Yes No
4. Has the Firm or any individual or entity seeking coverage during the past three years been involved in any disputes with respect to fees or other compensation which may be due for Professional Services rendered by the Firm or any individual or entity seeking coverage? Yes No
- If YES, to Questions 1, 2, 3 and/or 4, please complete a Supplemental Claim Application for each matter.**
5. Has the Firm reported each matter in Questions 1 – 4 to its current / former insurance carrier? N/A Yes No

Section VIII – Insurance History

1. Request: Effective Date: _____ Per Claim Limit: \$ _____ Aggregate Limit: \$ _____
 Retro Date: _____ Per Claim Retention: \$ _____ Aggregate Retention: \$ _____

2. Complete the following chart detailing the Firm's *Professional Liability* insurance history:

	Insurer	Per Claim Limit	Aggregate Limit	Retention	Premium
Current		\$	\$	\$	\$
Prior Year 1		\$	\$	\$	\$
Prior Year 2		\$	\$	\$	\$
Prior Year 3		\$	\$	\$	\$

3. Has the Firm had any *Professional Liability* insurance declined, cancelled or non-renewed within the past three years? Yes No

If YES, please describe:

Fraud Warning

Any person who, with intent to defraud or knowing that (s)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.

ALABAMA, ARKANSAS, LOUISIANA, MARYLAND, NEW JERSEY, NEW MEXICO and VIRGINIA: 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. In Alabama, Arkansas, Louisiana and Maryland, that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines & denial of insurance benefits.

COLORADO: 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, KENTUCKY and PENNSYLVANIA: 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 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. In District of Columbia, penalties include imprisonment and/or fines. In addition, the Insurer may deny insurance benefits if the Applicant provides false information materially related to a claim. In Pennsylvania, the person may also be subject to criminal and civil penalties.

FLORIDA and OKLAHOMA: Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

KANSAS: An act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an Insurer, purported Insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for personal or commercial insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto is considered a crime.

MAINE: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.

NEW YORK: 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: Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an Application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OREGON: 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 may be guilty of a crime and may be subject to fines and confinement in prison.

TENNESSEE and WASHINGTON: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines and/or denial of insurance benefits.

Representation Statement

I hereby apply for a policy of insurance as set forth in the application and I declare that all information contained in this application is correct and complete to the best of my knowledge and belief. I understand that any policy which may be issued by the company will be issued on the basis of and reliance upon my statements in this application. I agree that such policy shall be null and void if such information is false, or misleading, or would materially affect acceptance of the risk by the company.

The signing of this application does not bind the undersigned to purchase the insurance and accepting this application does not bind the Insurer to complete the insurance or to issue any particular policy. If a policy is issued, it is understood and agreed that the Insurer relied upon this application in issuing each such policy and any endorsements thereto. The undersigned further agrees that if the statements in this application change before the effective date of any proposed policy, which would render this application inaccurate or incomplete, notice of such change, will be reported in writing to the Insurer immediately.

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.

Firm:

Print Name: _____ Signature: _____

Title: _____ Date: _____

I hereby declare that all the information contained in this application is correct and complete to the best of my knowledge and belief, that the application was complete and personally signed by the applicant and that a completed copy hereto has been given to the applicant.

Name of Producing Agency: _____

Signature of Producing Agent: _____ Date: _____

SIGNING THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY