

STATESIDE UNDERWRITING AGENCY

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.

1. Agency's Legal Entity Name: (proposed primary name 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 any 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)			
	\$500,000 / \$1,000,000		\$2,000,000 / \$3,000,000		\$2,500		\$25,000
	\$1,000,000 / \$1,000,000		\$2,000,000 / \$3,000,000		\$5,000		\$50,000
	\$1,000,000 / \$2,000,000		\$3,000,000 / \$3,000,000		\$7,500		Other _____
	\$1,000,000 / \$3,000,000		\$4,000,000 / \$4,000,000		\$10,000		
	\$2,000,000 / \$2,000,000		\$5,000,000 / \$5,000,000				

Desired Effective Date: _____ (MM/DD/YY) Current Retro/Prior Acts Date: _____ (MM/DD/YY)
 (If "Full Prior Acts" or "None", enter first date of continuous E&O coverage)

10. Premium Volume/ Commissions / Broker Fees: (New agency - estimate next 12 mos.)

	<u>LAST 12 MONTHS</u>	<u>NEXT 12 MONTHS</u>
TOTAL P&C GROSS PREMIUMS WRITTEN ANNUALLY	_____	_____
Total gross annual P&C Commissions & Broker Fees (Pers./Comm. lines)	_____	_____
Total gross annual Life Commissions & Brokers Fees	_____	_____
Total gross annual Accident & Health Commission & Broker Fees	_____	_____
GRAND TOTAL GROSS ANNUAL COMMISSIONS & BROKER FEES	_____	_____

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	% of Ownership if any	Yrs of Insurance Experience
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

13. Percentage of business placed:

As Retail (Business Sold Directly to Insureds)	_____ %
As Wholesale (Business Sold to Other Agents)	_____ % (Supplemental App. must be completed)
As MGU/PA (Business for which you have underwriting, binding, but NO claims authority)	_____ % (Supplemental App. must be completed)
As MGA (Business for which you have underwriting, binding and claims authority)	_____ % (Supplemental App. must be completed)
TOTAL MUST EQUAL 100 %	_____ %

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

<u>PERSONAL LINES</u>		<u>COMMERCIAL LINES</u>	
Auto-Standard	_____	Fire	_____
Auto-Non Standard	_____	Package Policies	_____
Homeowners-Property	_____	Medical Malpractice	_____
Substandard Fire	_____	Professional Liability	_____
Other (Specify): _____	_____	Workers Compensation	_____
TOTAL PERSONAL LINES %	_____	Commercial Auto	_____
		General / Excess Liability	_____
		EPLI	_____
		Long Haul Trucking	_____
<u>LIFE, HEALTH AND ACCIDENT</u>		Crop Insurance	_____
Life	_____	Bonds	_____
Accident & Health	_____	Marine	_____
Other (Specify): _____	_____	Aviation	_____
TOTAL LIFE, HEALTH AND ACCIDENT %	_____	Other (Specify) _____	_____
		TOTAL COMMERCIAL LINES %	_____
GRAND TOTAL OF BUSINESS PLACED (MUST EQUAL 100%)			_____
		% of Total Business that is Direct Billed	_____

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 YES	Contract? NO	Admitted YES	Carrier? NO	AM Best Rating	# Years Represented

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
Financial Products (Mutual Funds, Annuities, Pensions, etc.)			\$
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 (Specify):			\$

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. Does the agency have a written office procedure manual?		
f. Are copies of binders mailed to the insured and/or the company within specified guidelines?		
g. Is there a procedure for documenting files and telephone conversations?		
h. Is a policy expiration list maintained?		
i. Are all applications, policies and endorsements checked for accuracy?		
j. Are files marked to ensure certificate holders are notified of cancellation and material changes?		
k. Does the agency have a diary/suspense system to track business?		
l. Does the agency have procedures in place to ensure proper disclosure of exclusions including but not limited to Mold/Fungus and War/Terrorism?		
m. 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?		
n. Does the agency have procedures to ensure written confirmation of coverages requested, declined and accepted by the insured (i.e.: Checklists)?		
o. 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: _____		
p. Does any of the agency staff hold industry-recognized and approved insurance designations, incl. CPCU, CIC, CISR CPCPSR and ACSR? If YES, Percentage of staff that have designations : _____ Designations: _____		
q. Is the agency a member of an Insurance Professional Association? If YES, which one(s) _____		
r. Has the agency had an Errors and Omissions Audit? If YES, were all recommendations implemented? YES/ NO Date of Audit: _____		

YES **NO**

20. Has your agency ever experienced a lapse in E&O coverage or been cancelled due to non-payment of premium? If the answer is YES, attached a detailed explanation. _____
21. 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. _____
22. 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. _____
23. 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 Supplemental Claim Form and loss runs. _____
24. 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 Supplemental Claim Form and loss runs. _____

25. If YES to 23 or 24, have they been reported to your Professional Liability Insurance Carrier? (Circle One) **YES** **NO** **N/A**

IT IS AGREED WITH RESPECT TO QUESTIONS 23 AND 24 THAT ANY CLAIM ARISING THEREFROM (WHETHER OR NOT DISCLOSED HEREIN), IS EXCLUDED FROM THE PROPOSED COVERAGE

26. 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 TO APPLICANT - PLEASE READ CAREFULLY BEFORE SIGNING

THE APPLICANT AND AGENCY AND ALL PROPOSED INSURED 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 INSURED 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 Title Date

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

