



REAL ESTATE PROFESSIONALS ERRORS AND OMISSIONS INSURANCE APPLICATION

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. The deductible shall be reduced by claims expenses, but only up to fifty percent (50%) of the deductible. Claims expenses are in addition to the limit of liability. Please read the policy carefully.

1. a. Name and address of Applicant: (include all legal names and DBA's)
 Firm Name(s) _____
 Principal Business Address _____ City _____ State _____ Zip _____
 Business Mailing Address _____ City _____ State _____ Zip _____
 Business Telephone _____ Facsimile Number _____ E-mail Address _____
- b. List all states in which the Applicant operates: _____
- c. List the local real estate boards of which the Applicant is a member: _____
2. a. Date established: ____ / ____ / ____ Number of Years Applicant has operated under its present name: _____
 mo day year Number of Years of Real Estate Experience of Principal Broker: _____
- b. Applicant is a(n) Individual Partnership Corporation LLC LLP Franchisee
If a Franchisee, who is the Franchisor _____
- c. Is the entity owned, controlled by, or affiliated with any other entity? Yes No
If yes, please attach details on a separate sheet.
- d. During the past 5 years has the Applicant been involved in any merger, acquisition or consolidation?
 Yes No **If yes, please attach a detailed explanation in a separate sheet.**
- e. During the past 5 years, has any principal, partner, director, officer, or professional of the Applicant performed professional services for any entity in which the Applicant has any ownership or managerial interest? Yes No **If yes, please attach a detailed explanation on a separate sheet.**
- f. Does the Applicant perform or intend to perform professional services for the formation, management, or organization of group investments or syndications (including limited partnerships, general partnerships, real estate investment trusts or corporations)? Yes No
If yes, what is the percentage derived from these services? _____ %

| | | |
|------------------------------------|---|--|
| Insurance Agent Information | Name | Agent License Number |
| | Address | |
| Mail To | Pearl Insurance 1200 East Glen Ave., Peoria Heights, IL 61616 | Phone: 1.800.289.8170 Fax: 309.688.5820 |

3. a. **Real Estate Services:** Please indicate the Applicant's total gross commission income or fees derived from each of the following real estate services.

Please note: Total gross commission income or fees are those which are paid to the Applicant for the listing or sale of real estate before commission or fees to salespersons representing the applicant firm, but after commissions or fees to other firms. If new company, please estimate projected commission income/fees for the next 12 months.

| Real Estate Services | Last 12 Months Gross Income/ # of Transactions | Next 12 Months Gross Income/# of Transactions |
|---|---|--|
| Residential Sales and Leasing: | | |
| One to Four Family Dwellings | \$ _____ / _____ | \$ _____ / _____ |
| Undeveloped Land | \$ _____ / _____ | \$ _____ / _____ |
| Residential Farms | \$ _____ / _____ | \$ _____ / _____ |
| Owned Properties | \$ _____ / _____ | \$ _____ / _____ |
| Commercial Sales and Leasing: | | |
| Commercial-Manufacturing or Industrial | \$ _____ / _____ | \$ _____ / _____ |
| Commercial-Other than Manufacturing or Industrial | \$ _____ / _____ | \$ _____ / _____ |
| Farm Land | \$ _____ / _____ | \$ _____ / _____ |
| Time-Share Units | \$ _____ / _____ | \$ _____ / _____ |
| Undeveloped Land | \$ _____ / _____ | \$ _____ / _____ |
| Vacation Properties | \$ _____ / _____ | \$ _____ / _____ |
| Owned Properties | \$ _____ / _____ | \$ _____ / _____ |
| Property Management: | | |
| 1-4 Family Residential | \$ _____ / _____ | \$ _____ / _____ |
| All Other | \$ _____ / _____ | \$ _____ / _____ |
| Appraising: | | |
| Residential | \$ _____ / _____ | \$ _____ / _____ |
| Commercial | \$ _____ / _____ | \$ _____ / _____ |
| Right-of-Way | \$ _____ / _____ | \$ _____ / _____ |
| Auctioning of Real Estate | \$ _____ / _____ | \$ _____ / _____ |
| Mortgage Brokering | \$ _____ / _____ | \$ _____ / _____ |
| Real Estate Consulting | \$ _____ / _____ | \$ _____ / _____ |
| Other Services: | | |
| Sale of Business | \$ _____ / _____ | \$ _____ / _____ |
| Real Estate Development or Construction | \$ _____ / _____ | \$ _____ / _____ |
| Other(describe on separate sheet) | \$ _____ / _____ | \$ _____ / _____ |
| TOTALS | \$ _____ / _____ | \$ _____ / _____ |

b. Total gross commission income/fees from the previous two years: \$ _____
\$ _____

4. Please list the total number of staff for each of the following: **Gross commission income of \$20,000 or less constitutes part time status. Do not include licensees who have had no sales activity for the past 12 months.** (Please list each person only once, identifying their primary area of responsibility.)

| | Full Time | Part Time |
|--|-----------|-----------|
| Real Estate Agents/Brokers/Independent Contractors | _____ | _____ |
| Realtor Assistants (licensed and unlicensed) | _____ | _____ |
| Principals/Managing Brokers (licensed, but not involved in active solicitation) | _____ | _____ |
| Property Managers | _____ | _____ |
| Appraisers | _____ | _____ |
| Auctioneers | _____ | _____ |
| Mortgage Brokers | _____ | _____ |
| Real Estate Consultants | _____ | _____ |
| Referral Agents (referring only to applicant) | _____ | _____ |
| Clerical | _____ | _____ |
| Other, please describe _____ | _____ | _____ |
| TOTALS | _____ | _____ |

REAL ESTATE AGENTS UNDERWRITING INFORMATION

5. Do at least 15% of all licensees hold a professional designation? Yes No
6. Have at least 50% of all licensees participated in an accredited continuing real estate education program? Yes No
7. Does the Applicant offer a Home Warranty Program to all residential clients? Yes No
8. Does the Applicant use standard contract forms for the listing and sale of all Real Estate approved by a local board of Realtors® or state association of Realtors® ? Yes No
If no, please explain on a separate sheet why nonstandard forms are used and how they were developed.
9. Does any client represent more than 25% of the Applicant's annual income? Yes No
If yes, please provide details on a separate sheet.
10. Do all of the Applicant's brokers and salespersons disclose to their clients in writing the legal nature of their relationship, i.e. whether the salesperson is representing the buyer or the seller? Yes No
11. During the past twelve months what percentage of transactions did the Applicant represent both the buyer and the seller (dual agency)? _____%
12. In the past year, what was the average value of the properties sold by the Applicant? _____
13. Does the Applicant provide escrow services? Yes No
If yes: 1) Are funds held for longer than 12 months? Yes No
 2) Are all such funds held in an escrow or trust account? Yes No

REAL ESTATE APPRAISERS UNDERWRITING INFORMATION

ONLY ANSWER THE FOLLOWING QUESTIONS IF THE APPLICANT PROVIDES REAL ESTATE APPRAISAL SERVICES. (APPLIES ONLY TO FORMAL APPRAISALS, NOT MARKET COMPARISONS). IF NOT APPLICABLE, PLEASE SKIP TO QUESTION #17.

14. a. Indicate the number of appraisers who have attained designations related to the appraisal market: ____
 b. Indicate the number of appraisers who participated in a continuing education program in the past twelve months related to the appraisal market: _____
15. Does the Applicant provide appraisal services to banks or other financial institutions? Yes No
If yes, 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 service? Yes No
16. Does the Applicant use appraisal forms that comply with all USPAP standards for all appraisals? **If no, please attach a copy of the appraisal form that is used.** Yes No

PROPERTY MANAGERS UNDERWRITING INFORMATION

ONLY ANSWER THE FOLLOWING QUESTIONS IF THE APPLICANT PROVIDES PROPERTY MANAGEMENT SERVICES. IF NOT APPLICABLE, PLEASE SKIP TO QUESTION #23.

17. Does the Applicant enter into a contract with each owner? Yes No
If yes, please attach a copy of the agreement. If no, please provide an explanation.
18. Does the Applicant hire contractors to provide services for any managed properties? Yes No
If yes, does the applicant require certificates of insurance from each contractor? Yes No
19. What is the dollar amount of the Applicant's authority for capital improvements, repairs, etc.? _____
20. Does the Applicant require liability insurance to be in place for all properties managed? Yes No
If yes: a. Indicate how liability insurance coverage is verified (check all that apply)
 The property manager is responsible for maintaining coverage.
 The property manager requires certificates of insurance from the owners of properties managed.
 Other, please explain on a separate sheet.
b. Are liability limits of at least \$100,000 each event maintained for all residential and commercial properties? Yes No

21. Please provide a breakdown of property managed:

| PROPERTY TYPE | NUMBER OF UNITS/SQ. FT. | GROSS PROPERTY MANAGEMENT INCOME |
|--|-------------------------|----------------------------------|
| 1-4 Family Residential | Units | \$ |
| Apartments | Units | \$ |
| Condominiums/Cooperatives | Units | \$ |
| Shopping Centers | Sq. Ft. | \$ |
| Office Buildings | Sq. Ft. | \$ |
| Commercial | Sq. Ft. | \$ |
| Other | | \$ |
| Properties with Ownership Interest Less Than 50% | | \$ |
| Properties with Ownership Interest 50% and Greater | | \$ |

22. Indicate the number of property managers who hold professional designations related to the property management market: _____

AUCTIONING UNDERWRITING INFORMATION

ONLY ANSWER THE FOLLOWING QUESTIONS IF THE APPLICANT PROVIDES AUCTIONING SERVICES. IF NOT APPLICABLE, PLEASE SKIP TO QUESTION #25.

23. Does the Applicant always put properties to be auctioned on display for inspection prior to auction?
 Yes No
24. Does the Applicant provide any written guarantee relating to authenticity or condition of properties being auctioned? Yes No

MORTGAGE BROKER UNDERWRITING INFORMATION

ONLY ANSWER THE FOLLOWING QUESTIONS IF THE APPLICANT PROVIDES SERVICES AS A MORTGAGE BROKER. IF NOT APPLICABLE, PLEASE SKIP TO QUESTION #26.

25. Indicate percentage for the following types of loans:
- a. Residential _____ %
- b. Commercial _____ %
- c. Other, please specify _____ %

RISK MANAGEMENT

ALL APPLICANTS MUST COMPLETE THE FOLLOWING QUESTIONS

26. a. Does the Applicant have any quality control measures in place such as written procedures regarding how to handle complaints? Yes No
- b. Does the Applicant have written procedures to ensure compliance with Federal, State and Local statutes? Yes No
- c. Does the Applicant have a formalized training program for all professionals and staff? Yes No
- d. Does the Applicant's standard contract include wording that recommends the use of Alternative Dispute Resolution techniques such as arbitration or mediation to settle client disputes? Yes No

CURRENT INSURANCE

27. Please provide your prior Errors and Omissions Insurance history and a copy of your current policy declarations page. If none, state none.

| | Insurer | Limits Of Liability | Deductible | Premium | Policy Period | Policy Retroactive Date (if any) |
|-----------------|---------|---------------------|------------|---------|---------------|----------------------------------|
| Current Year | | \$ | \$ | \$ | | |
| Previous Year 1 | | \$ | \$ | \$ | | |
| Previous Year 2 | | \$ | \$ | \$ | | |
| Previous Year 3 | | \$ | \$ | \$ | | |
| Previous Year 4 | | \$ | \$ | \$ | | |

28. Desired Limit of Insurance: "each claim/policy aggregate": \$ _____ / \$ _____

29. Desired deductible "each claim": \$ _____

Please attach financial statements for deductibles over \$25,000.

NOTE: The Applicant's disclosure of claim information by response to the following questions does not indicate or imply in any way that any act or omission is covered by this policy.

42. What actions has Applicant taken to prevent a reoccurrence or similar claim? _____

APPLICANT FRAUD WARNINGS

NOTICE TO ALABAMA APPLICANTS: 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.

NOTICE TO ARKANSAS 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.

NOTICE TO CALIFORNIA APPLICANTS: All applications for liability insurance and all claim forms: For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO 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.

NOTICE TO 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.

NOTICE TO 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.

NOTICE TO KANSAS APPLICANTS: A "fraudulent insurance act" means 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, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or 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 commercial or personal insurance that 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.

NOTICE TO 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.

NOTICE TO 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.

NOTICE TO MAINE APPLICANTS: 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.

NOTICE TO MARYLAND APPLICANTS: 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.

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

NOTICE TO 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.

NOTICE TO 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.

NOTICE TO 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.

NOTICE TO 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.

NOTICE TO PUERTO RICO APPLICANTS: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NOTICE TO RHODE ISLAND 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.

NOTICE TO TENNESSEE APPLICANTS: 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.

NOTICE TO VIRGINIA APPLICANTS: 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.

NOTICE TO WASHINGTON APPLICANTS: 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.

NOTICE TO WEST VIRGINIA 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.

NOTICE TO ALL OTHER STATES: Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO 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.

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE COMPANY IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

Applicant's Signature: _____ Date: _____

Applicant: _____ Title: _____

Agent/Broker: _____

For Internal Use Only: Marketing Source _____