

Insurance Professionals Errors and Omissions Liability Insurance Basic Application for Claims Made Coverage

GENERAL INFORMATION

1. a. Name of Applicant Agency: _____
b. Agency's Mailing Address: _____ City: _____ State: _____ Zip: _____
c. Name of E&O contact person: _____ Phone: _____
e. E-mail address: _____ Agency's Website Address: _____
f. Is the agency appointed with any Liberty Mutual Group companies? ☐ No ☐ Yes

2. a. Month/Year the agency was: originally established ____/____ established under current ownership ____/____
b. Organization Type: ☐ Corporation ☐ Partnership ☐ LLC ☐ Individual ☐ Other _____
c. Total office locations: ☐ 1 ☐ 2 ☐ 3 ☐ other _____
If more than one location:
Are all locations commonly owned and managed? ☐ No ☐ Yes
Do all locations utilize the same procedures and agency management system? ☐ No ☐ Yes
d. Are there other majority owned entities and/or trade names for which coverage is being requested? ☐ No ☐ Yes
If Yes, please list entities in the Notes Section on page 5 or provide related endorsements from your current E&O policy.

3. a. Does the agency participate in any agency cluster or alliance? ☐ No ☐ Yes
If Yes, what is the cluster/alliance name? _____
Should this entity be included as an additional insured (vicarious liability only) on your policy? ☐ No ☐ Yes
b. Were there any mergers, acquisitions, changes in ownership or agency name changes in the last 3 years? ☐ No ☐ *Yes
c. Does any organization own or control your agency or does your agency own or control any other entity? ☐ No ☐ *Yes
If Yes, do you place any insurance for this entity or organization? ☐ No ☐ *Yes
d. Are you considering and/or planning any organizational changes in the next 12 months including, but not limited to, acquisitions, mergers, sale of agency, account sales? ☐ No ☐ *Yes

***Please explain any *Yes responses in the Notes Section on Page 5**

ANNUAL WRITTEN PREMIUM VOLUME & COMMISSION* INCOME

** do not include contingency commission*

All New and Renewal Business	Current Year (Last 12 months)	Year Prior to Last 12 Months	Projected Next 12 Months
4. a. P&C Written Premium Volume	\$	\$	\$
b. P&C Gross Commissions	\$	\$	\$
c. Life/Accident/Health Gross Commissions	\$	\$	\$

CURRENT BUSINESS MIX

5. a. P&C placements by total written premium volume				b. L&A/H placements by total commission income			
PERSONAL LINES	%	COMMERCIAL LINES	%	Accident & Health	%	Life & Annuities	%
Standard		Prof. Liability - Med Mal		Disability - Individual		Individual	
Non-Standard		Other than Med Mal		Disability - Group		Group	
COMMERCIAL LINES		Workers Compensation		Group - Self-Insured		Annuities - Variable	
Aviation		Auto		Carrier-Insured		Non-Variable	
Ocean Marine		Crop		HMO/PPO		All Other	
Trucking		BOP/CGL/Package		Long Term Care		Total All A & H, Life & Annuities = 100%	
Bonds - Surety/Contract		All Other (specify)		All Other			
Bonds - Other							
D & O		Total All P&C Lines = 100%					

c. What percentage of your premium volume is direct billed by your insurance companies? _____%

BUSINESS DISTRIBUTION

6. a. Percentage of agency's annual written **P&C** volume for each of the following placements: (must equal 100%)

Directly with admitted P&C insurance companies:	%
Directly with admitted P&C insurance companies:	%
Brokered to admitted P&C insurance companies:	%
Brokered to non-admitted P&C insurance companies:	%
In other risk assuming entities (<i>i.e. pools, captives, self-insured funds, risk retention groups, etc.</i>)	%
TOTAL = 100%	

b. Does the agency or any personnel act as an MGA, underwriter, wholesaler or surplus lines broker? ☐ No ☐ Yes
If Yes, please explain _____

c. How much premium volume is brokered into your agency from others? _____%

d. List the percentage of business written outside your state? _____% List states: _____

e. Does your agency specialize in any classes of business? ☐ No ☐ Yes

If Yes, list classes and approximate annual written premium for each _____

f. What is the approximate volume of business written for Contractors? \$ _____

CARRIERS AND RISK ASSUMING ENTITIES USED BY YOUR AGENCY

7. a. List the top 5 P&C insurance companies through which the highest percentage of written premium is placed

Company Name	Annual Premium	Years Represented	Predominant Lines/Classes of Business
	\$		
	\$		
	\$		
	\$		
	\$		

b. List your top 3 L&A/H insurance companies generating the most annual commission income ☐ None

Company Name	Annual Commission	Years Represented	Predominant Lines of Business
	\$		
	\$		
	\$		

c. List ALL other risk assuming entities used (self-insured funds, pools, captives, RRGs, METs/MEWAs, etc.) ☐ None

Entity Name	Annual Premium	Years Represented	Predominant Lines/Classes of Business
	\$		
	\$		

d. List insurance companies whose licensed employees provide customer service for your in-force clients ☐ None

Company Name	Annual premium in plan	Is agency held harmless?	Commercial or Personal Lines?	Do you pay a fee/forfeit commission to the company for service?
	\$	☐ No ☐ Yes	☐ CL ☐ PL	☐ No ☐ Yes
	\$	☐ No ☐ Yes	☐ CL ☐ PL	☐ No ☐ Yes

CARRIER HISTORY AND PROCEDURES

8. a. In the past 3 years, have any of your agency agreements been terminated for reasons other than lack of production or carrier's withdrawal from the market? ☐ No ☐ *Yes

b. In the past 3 years, has any carrier or other assuming entity used by your agency become insolvent, bankrupt, put into receivership or otherwise unable to meet its financial duties? ☐ No ☐ *Yes

*Please explain *Yes responses in the Notes Section on page 5.

c. Do you monitor your carriers' ratings? ☐ No ☐ Yes

If Yes, what minimum rating/financial standard do you require? _____

d. Is there a procedure in place to notify your policyholders of carrier ratings or an unfavorable change? ☐ No ☐ Yes

e. Is there a procedure in place to notify clients in writing and/or obtain their sign-off acknowledging the placement of policies with carriers not rated by A.M. Best or rated less than B+ by A.M. Best? ☐ No ☐ Yes

f. List **ALL** carriers used that are either rated below B+ A.M. Best or not rated by A.M. Best ☐ None
Use the Notes Section on Page 5, if more space is required

Carrier	Premium Volume	Lines/Classes	Admitted	% With Limits >\$300k
	\$		☐ Yes ☐ No	%
	\$		☐ Yes ☐ No	%

OTHER PROFESSIONAL SERVICES

9. a. Does your agency perform any other revenue generating services? Check all that apply and include any annual income:

Actuarial Services	☐ No ☐ Yes	\$	Claims Adjusting outside carrier's draft authority	☐ No ☐ Yes	\$
Legal Services	☐ No ☐ Yes	\$	Human Resources or Consulting Services	☐ No ☐ Yes	\$
Tax Consulting	☐ No ☐ Yes	\$	Premium Finance Company Services	☐ No ☐ Yes	\$
Title Agency Services	☐ No ☐ Yes	\$	Fee-Based Services to Other Insurance Agencies	☐ No ☐ Yes	\$
Real Estate Sales	☐ No ☐ Yes	\$	Fee-Based Insurance Consulting	☐ No ☐ Yes	\$
Loan Origination	☐ No ☐ Yes	\$	Fee-Based Loss Control or Risk Management	☐ No ☐ Yes	\$
COBRA Administration	☐ No ☐ Yes	\$	Wellness Provider Services	☐ No ☐ Yes	\$
Mutual Funds Sales	☐ No ☐ Yes	\$	Wellness Program Referrals	☐ No ☐ Yes	\$
Safety Consultant	☐ No ☐ Yes	\$	Motor Vehicle Title Services	☐ No ☐ Yes	\$
Third-Party Administrator	☐ No ☐ Yes	\$	Investment/Securities Sales	☐ No ☐ Yes	\$
Pre-Paid Legal Services	☐ No ☐ Yes	\$	Marketing of Professional Employer Org. Services	☐ No ☐ Yes	\$
Other:		\$	Other:		\$

OFFICE PROCEDURES

10. a. Do you have a formal set of procedures used by all personnel/independent contractors? ☐ No ☐ Yes
If Yes, how are the current procedures communicated? ☐ Written ☐ Verbal ☐ Other _____

b. Do you have a diary/suspense system that is used consistently by all personnel? ☐ No ☐ Yes
If Yes, is the system automated? ☐ No ☐ Yes

c. Do agency procedures include instructions to assure consistency in the following areas:

Date identification/stamp of all incoming documents, including electronic transmissions	☐ No ☐ Yes
Documentation of all conversations that occur via phone, text or other electronic means	☐ No ☐ Yes
Periodic review of renewal risks for changes in needed coverage	☐ No ☐ Yes
Procurement of signed and dated coverage and/or limit rejections and reductions	☐ No ☐ Yes
Review of all policies and endorsements for accuracy, comparing to coverage requested	☐ No ☐ Yes
Requirement that applications, whether paper or electronic, are to be signed by client	☐ No ☐ Yes
Issuing Certificates of Insurance	☐ No ☐ Yes
Reporting of claims to carriers in a timely manner	☐ No ☐ Yes
Placing of and managing business in states where non-resident licenses are held	☐ No ☐ Yes

d. Do you encrypt or use other measures to protect personal data being electronically transmitted? ☐ No ☐ Yes

e. List the agency management systems (AMS) used in your agency _____ ☐ none
 Does your AMS receive automatic updates? ☐ No ☐ Yes **If No**, when did the last update occur? ____/____/____ mm/yy

f. Are coverage/exposure checklists used for all new business placements? ☐ No ☐ Yes

g. Are internal reviews/file audits performed on a regular basis by management? ☐ No ☐ Yes

LOSS CONTROL

11. a. Number of current agency personnel who participated in E&O risk management education in the last 2 years: _____

b. In the past 3 years, have you hired an E&O consultant/auditor for your agency? ☐ No ☐ Yes
If Yes, name of consultant/audit firm _____ Date of completion ____/____/____
 Have all recommendations made been implemented? ☐ No ☐ Yes ☐ Recommendations were not made
If No, please explain: _____

c. Agency's organization memberships: ☐ IIABA ☐ PIA ☐ Combined IIABA/PIA ☐ Other _____

AGENCY PERSONNEL (count each individual once)

12. a. Owners/Employees	Full Time	Part Time	# hired last 2 years	# left last 2 years
Owners/Principals				
Licensed Producers				
Licensed CSRs				
Non-Licensed CSRs				
Other Licensed				
Other Non-Licensed				

b. Independent Contractors	Full Time	Part Time	# hired last 2 years	# left last 2 years	# with own E&O
Exclusive*					
Non-Exclusive					

**Exclusive refers to those Independent Contractors placing at least 75% of their total book through your agency*

c. List the percentage of agency personnel that hold professional insurance designations: _____%

d. Do you have a formal orientation program in place for newly hired personnel? ☐ No ☐ Yes

CLAIMS/LOSS HISTORY**13. Within the last 5 years:**

- a. Has any E&O policy or application for the agency, its owners, officers, partners, employees or solicitors been declined, canceled, rescinded, non-renewed or otherwise refused? *(Not applicable in Missouri)* ☐ No ☐ *Yes
- b. Has the agency, past or present personnel or any party identified in question 3.c. been subject to any complaints filed, disciplinary action and/or investigation by any regulatory authority or convicted of a criminal activity? ☐ No ☐ *Yes
- c. How many E&O claims have been made against the agency, its past or present personnel or any other entity or individual for whom coverage is requested regardless if it was paid, reserved, closed without payment and/or reported to your E&O carrier? ☐ 0 ☐ 1 ☐ 2 ☐ 3+ **If any**, please complete below Claim/Circumstance Questionnaire
- d. Has the agency paid an uninsured loss out of agency funds? ☐ No ☐ *Yes
- e. After inquiry of all agency personnel or any other entity or person for whom coverage is requested, are there any circumstances, or knowledge of any actual or alleged act, error, or omission or circumstance that may result in an E&O claim being made? *(Not applicable to renewal applicants)* ☐ n/a ☐ No ☐ Yes
- If Yes**, please complete below Claim/Circumstance Questionnaire

***Please explain any *Yes responses in the Notes Section on page 5.**

CURRENT E&O COVERAGE INFORMATION *(not applicable for renewal applicants)*

14. a. Please complete this question (14.a.) **OR** attach a copy of your current E&O policy's Declarations page

Current E&O Insurer _____ Current Policy Period: ____/____/____ to ____/____/____

Annual Premium \$_____ Retroactive Date ____/____/____ **OR** ☐ None – Full Prior Acts

Limits of Liability Each Claim \$_____ Aggregate \$_____

Deductible Each Claim \$_____ Aggregate \$_____ Applies to ☐ Loss Only or ☐ Loss & Expense

b. How many consecutive years have you been insured with your current E&O carrier? ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5+

c. Have you been continuously insured for the past 5 years without any gaps in your E&O coverage? ☐ No ☐ Yes

d. Does your current E&O policy include or do you require coverage for any of the following: **separate application required*

Employment Practices Liability Insurance*	☐ No ☐ Yes - Limits \$_____
Data Compromise	☐ No ☐ Yes - Limits \$_____
Cyber Liability	☐ No ☐ Yes - Limits \$_____
Real Estate Errors & Omissions*	☐ No ☐ Yes
Sale of Mutual Funds	☐ No ☐ Yes
Contingent Catastrophe Extra Expense	☐ No ☐ Yes
Marketing of Professional Employer Organization Services	☐ No ☐ Yes

Insurance Professionals Errors and Omissions Insurance Claim/Circumstance Questionnaire

New business applicants - complete one report for each claim and circumstance occurring in the past 5 years.

Renewal applicants – complete only Questions 3, 7 & 8 for each claim or circumstance reported within the past year.

1. ☐ Claim (a demand made for money or professional services)

OR

☐ Circumstance (knowledge of an actual or alleged act, error, omission or incident which may result in a claim being made)

2. The claimant is: ☐ your client/insured ☐ an insurance company ☐ a broker/mga ☐ a third party ☐ Other: _____

3. Date error reported to your E&O carrier: ____/____/____

4. Cause of Loss: ☐ inadequate coverage ☐ inadequate limits ☐ failure to place coverage ☐ misstatement of coverage

☐ coverage gap due to cancel for non-pay ☐ insolvency of carrier ☐ Other: _____

5. Specific line of underlying coverage involved: _____ Underlying carrier involved: _____

6. Status:

☐ Open – E&O carrier's loss reserve amount: \$_____

OR

☐ Closed – final amount paid by your E&O carrier including deductible: Indemnity \$_____ Expense \$_____

7. Please provide claimant's name and a detailed description of the alleged error:

8. Loss Prevention

Describe, **in detail**, agency procedures and controls that are in place to prevent a similar claim/circumstance from occurring in the future. If none, please describe any procedures or controls to be implemented going forward.

NOTES SECTION

*ADDITIONAL ENTITIES FOR WHICH COVERAGE IS REQUESTED (Question 2d.)

Entity Name	Data included in application?	Currently listed on your E&O policy?	Majority financial interest & control?
	☐ No ☐ Yes	☐ No ☐ Yes	☐ No ☐ Yes
	☐ No ☐ Yes	☐ No ☐ Yes	☐ No ☐ Yes
	☐ No ☐ Yes	☐ No ☐ Yes	☐ No ☐ Yes
	☐ No ☐ Yes	☐ No ☐ Yes	☐ No ☐ Yes
	☐ No ☐ Yes	☐ No ☐ Yes	☐ No ☐ Yes

***To best assure continuity of coverage for additional entities, please include a copy of your current E&O Declarations page and additional insured endorsements. Renewal applicants complete only for entities not previously disclosed.**

FRAUD STATEMENTS

Applicable in AL, AR, DC, LA, MD, NM, RI & WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or 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. *Applies in MD Only.

Applicable in CO: 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.

Applicable in OK: WARNING: 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.

Applicable in KS: 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 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 commits a fraudulent insurance act.

Applicable in KY, OH and PA: 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.

Applicable in ME, TN, VA and WA: 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 denial of insurance benefits. *Applies in ME only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in All Other States: Any person who knowingly and with intent to defraud any insurance company or another 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 and subjects the person to criminal and civil penalties.

SIGNATURE AND AGREEMENTS

The undersigned hereby represent that all statements and answers to the above questions and any information provided in the application process are, to the best of his/her knowledge are true, complete and accurate and that there has been no suppression or misstatement of fact. The undersigned agrees that any policy issued will rely on the truth of his/her statements and representations made and that misrepresentations that are fraudulent, or such that the Company would not have issued the policy, or agreed to the terms of the policy as issued, if the true facts had been known, may result in a denial of coverage for any claim which may be made under this insurance.

The undersigned agrees and is obligated to report to the Company any changes in the information provided herein, that occur subsequent to the signature date below but prior to the effective date of coverage.

THIS APPLICATION MUST BE SIGNED AND DATED BY AN ACTIVE OWNER, OFFICER OR PARTNER

Signature: _____ Date: _____

Print Name: _____ Title: _____

**SIGNING THIS FORM OR SENDING PREMIUM WITH THIS APPLICATION NEITHER BINDS COVERAGE NOR
GUARANTEES A POLICY WILL BE ISSUED. ADDITIONAL INFORMATION MAY BE REQUESTED.**

Producing Agency:

Licensed Producer Name (*Required in Iowa*):