



INSURANCE AGENTS & BROKERS ERRORS & OMISSIONS INSURANCE
CLAIMS MADE & REPORTED POLICY

PROFESSIONAL LIABILITY INSURANCE SERVICES®, INC.
UNDERWRITING FACILITY - SINCE 1983

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APPLICANT INFORMATION

1. Applicant's Legal Entity Name:
DBA (If applicable):

(This Company will be the name identified on the Declaration page as the Named Insured) NOTE: Complete the Additional Insured Supplement for any additional entities for which coverage is sought.

2. Address: City: State: Zip:

3. Contact Name: Title: Phone: Fax:

4. Email: Website:

5. Are there other office locations? (If YES, please attach details) Yes No

6. Type of Entity: Sole proprietorship Partnership Corporation Limited Liability Company Individual Other

7. Date Entity Established:

BUSINESS AND E&O POLICY INFORMATION (PLEASE ATTACH A COPY OF CURRENT E&O DECLARATIONS PAGE)

8. Please list all Applicant principal(s) below: (if less than 3 year experience, please provide resume/business experience)

Table with 3 columns: Name, Date of Insurance Licensure, Ownership Percentage

9a. Do you control, own, and/or manage any other business entity(ies)? Yes No

b. Do you provide any services to such business entity(ies)? Yes No

c. Does any employee of the applicant serve on the Board of Directors of any client of the applicant? Yes No

Provide detailed explanation to any "YES" Responses

10. Have you had any mergers, acquisitions or cluster arrangements within the past 5 years or plan on having in the next 12 months? Yes No

If YES, provide details:

Table with 3 columns: 11. Current E&O Carrier, Retroactive Date, Desired Effective Date; Current Limits, Deductible, Premium; Defense Inside?, Defense Outside?, If Defense Outside, please confirm limit:

12. Please provide the following based on the last 12 months of operation. If new agency, provide next 12 months projection:

- a. Agency P&C Premium Volume: \$
b. Agency P&C Commission Income: \$
c. Agency Life/A & H Premium Volume: \$
d. Agency Life/A & H Commission Income: \$
e. Consulting/Broker Fees: \$
f. Mutual Funds/Variable Products/Annuities: \$
g. Securities: \$
h. Other (please describe): \$

13. Does Applicant provide any premium financing claims adjusting, third party administration, or reinsurance intermediary services? (outside of the role of an intermediary) If YES, please attach details and confirm revenues are listed in "11h. Other" above. Yes No

AGENCY INFORMATION

14. Indicate below the number of staff in your agency as follows (Each individual should only be counted once):

Owners, Officers, Partners Licensed Brokers, Agents Licensed CSR's Unlicensed CSR's
Other Unlicensed Employees (Include clerical and part-time) Non-employee producers or independent contractors Total:

15. If the Applicant is a solo practitioner, identify the person who handles accounts in your absence
Is this person a licensed insurance agent? Yes No
If YES, please attach a copy of the license. If NO, please attach details

16a. Has the Applicant had any retirements, staff turnover or deaths in the past 12 mos/expect any retirements or staff turnover in the next 12 mos? Yes No
If YES, provide details:

b. Identify the person who would handle any closing operations of the agency or closure of the book of business including processing any outstanding accounts in the event of retirement or death? Is this person a licensed insurance agent? Yes No

c. If yes to 16a, was there an audit or review of files completed? Yes No
If NO, why not?

d. If YES to 16a, was any corrective action taken? Yes No (None needed) No (Errors were found but not corrected)

17a. Does the Applicant give referrals? Yes No

b. Does the Applicant receive fees or commissions for these referrals, or is Applicant involved with a referral contract? Yes No

c. If YES to 17a or b above please provide details:

18. Has any staff attended an E&O loss control/prevention seminar(s) or class(es) within the past twelve months? Yes No
Percentage of management staff attending: %

19. Is there any coverage placed, or involvement with or responsibility as an administrator for self-insured trusts, captives or risk retention groups, risk purchasing groups, PEO's Multiple Employer Trusts (MET) or Multiple Employer Welfare Arrangements (MEWA)? (If YES, please attach details)..... Yes No
20. Percentage of business placed with Admitted Carriers _____% Rated below B+ by A.M. Best _____% Rated above B+ by A.M. Best _____%
 Percentage of business placed with Non-Admitted carriers _____% Rated below A- by A.M. Best _____% Rated above A- by A.M. Best _____%
 Not rated by A.M Best _____%

21. Percentage of policies that are: Direct Bill: _____% Agency Bill: _____%

22. Percentage of business placed through any State Administered Work Comp Funds: _____%

23. Percentage of business placed as a:

Retail Agent _____%	Wholesaler _____%	Surplus Lines Broker _____%
Retail Broker _____%	MGA _____% (if MGA, need supplement)	Coverholder _____% (need supplement)

24. Percentage of Business Placed: Directly with Carriers _____% Through a Wholesaler or MGA _____%

25. How many Wholesalers or MGAs are you Contracted to Write Business Through: _____

26. Has the Applicant had any contracts with insurance companies terminated within the last five years? If YES, please attach details)..... Yes No

27. List top 5 insurance carriers business is placed with and the revenues (your commission) derived from this placement:

Insurance Carrier:	Revenues:	% of Business:
1.		
2.		
3.		
4.		
5.		

28. Percentage of total commission income derived from: Personal Lines _____% Commercial Lines _____% Life & Health _____%

29. Please indicate the percentage of the commission derived and number of accounts from each line of business listed below: (% of accounts must equal 100%)

PERSONAL LINES			COMMERCIAL LINES		
	% of accounts	# of accounts		% of accounts	# of accounts
Auto (Standard)			Property (Valued Under \$3M)		
Auto (Non-Standard/Motorcycles)			Property (Valued Over \$3M)		
Homeowners			SMP/BOP/Package		
Non-Standard Property (Valued Under \$3M)			General Liability		
Non-Standard Property (Valued Over \$3M)			Umbrella/Excess		
Pleasure Boats/Crafts			Auto (Standard)		
Umbrella			Auto (Non-Standard)		
Other (Describe):			Long Haul Trucking		
LIFE, ACCIDENT & HEALTH					
	% of accounts	# of accounts	Workers Compensation		
Individual Life			Livestock		
Group Life			Crop		
Individual Accident & Health			Medical Malpractice		
Group Accident & Health			Allied Medical		
Fixed Annuities			Professional Liability		
Variable Annuities			Inland Marine		
Mutual Funds			Wet Marine		
Securities			Bonds – Surety		
Other (Describe):			Bonds – All Other		
			Aviation		
			Builder's Risk		
			Other (Describe):		
TOTAL OF ALL LINES OF BUSINESS:					

LOSS CONTROLS

30. Are incoming documents date stamped?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
31. Does Applicant provide copies of documents to clients and/or the carrier within specified guidelines?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
32. Does applicant notify in writing when insurance coverage is not able to be bound?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
33. Does applicant notify in writing when special restrictions and/or endorsements apply?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
34. Are certificates of insurance issued based on policy terms and conditions?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
35. Does Applicant maintain a policy expiration list?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
36. Does Applicant use a coverage checklist on all commercial proposals? (Please attach a copy).....	<input type="checkbox"/> Yes <input type="checkbox"/> No
37. Is there a procedure to maintain written documentation of all rejections, reductions, or eliminations of coverage?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
38. Is there a procedure to periodically review renewal risks for needed changes in coverage?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
39. Are all applications, policies and endorsements checked for accuracy?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
40. Are files marked to ensure certificate holders, regulatory agencies are notified of cancellation or material changes?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
41. Is there a procedure for documenting files and telephone conversations?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No

42. Does the Applicant maintain separate bank accounts for monies received from clients and for business expenses?	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
43. What type of diary/suspense procedure does the agency use? <input type="checkbox"/> AUTOMATED PROCEDURE <input type="checkbox"/> NON-AUTOMATED PROCEDURE <input type="checkbox"/> NONE					
44. Does Applicant have a current office procedure manual?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
45. Does Applicant have a specific orientation program for new employees?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
46. Does Applicant use an automated management system?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
47. Does Applicant utilize a computerized production file system and accounting system?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
48. Is there a backup procedure for computerized production?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
49. Desired Limit of Liability (each claim/aggregate limit applies):	<input type="checkbox"/> \$1M/\$1M	<input type="checkbox"/> \$1M/\$2M	<input type="checkbox"/> \$2M/\$4M	<input type="checkbox"/> \$5M/5M	<input type="checkbox"/> Other _____
50. Desired Deductible (each claim/aggregate deductible applies):	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$5,000	<input type="checkbox"/> \$7,500	<input type="checkbox"/> \$10,000	<input type="checkbox"/> Other _____
Aggregate Deductible Desired?	<input type="checkbox"/> Yes	<input type="checkbox"/> No			

CLAIMS HISTORY/EXPERIENCE

(For questions 51-57 answered yes, please complete the SBE E& O Claim Supplement for each claim, fact, situation, act, error or omission.)

To avoid loss of coverage, it is imperative that all known facts, situations, acts, errors or omissions which could result in a professional liability claim against the Applicant, or any of its predecessor companies, be reported to your current insurer within the time period specified in your **current policy**.

As used in the questions below, the term "claim" shall mean a demand received by the Applicant for money or services, including the service of suit or institution of arbitration proceedings against the Applicant.

- 51. Have any claims or suits been made during the past five years against the Applicant or any of its predecessors in business, subsidiaries or affiliates or against any of the past or present partners, owners, officers, salespersons, or employees?..... Yes No
- 52. During the last five years has the Applicant or any of its predecessors in business, subsidiaries or affiliates received a subpoena for documents or testimony or tolling agreement? Yes No
- 53. Is the Applicant aware of any facts, situations, alleged acts, errors or omissions, or of any offenses which may reasonably be expected to result in a claim being made against the Applicant or any of its predecessors in business, subsidiaries or affiliates or against any of the past or present partners, owners, officers, salespersons, or employees? Yes No
- 54. Has any carrier sought subrogation during the past five years against the Applicant or any of its predecessors in business, subsidiaries or affiliates or against any of the past or present partners, members, owners, officers, salespersons, or employees? Yes No
- 55. Has the Applicant or any of its predecessors in business or subsidiaries or affiliates or any of the past or present partners, members, owners, officers, salespersons or employees been investigated and/or cited and/or been the subject of a disciplinary action/investigation by any administrative or regulatory agency for violations arising out of their activities? Yes No
- 56. Has the Applicant made a "goodwill payment" or "adjustment" to settle any dispute in the past 5 years? Yes No
- 57. Has the Applicant ever had E&O coverage declined, cancelled or refused renewal?..... Yes No

It is agreed that if any Owner, Principal, Partner, Officer or Director has knowledge, or if it is reasonable that the person have knowledge, of any such claim(s), potential claim(s), alleged acts, errors or omissions requested in the Claims History/Experience section of this Application, any lawsuit or Claim subsequently made arising from such claim(s), potential claim(s), alleged acts, errors or omissions is not covered under the insurance being applied for by this Application.

Initial

The Applicant should review and reference the Policy wording for the complete terms, conditions and exclusions of the Policy.

NOTICE

The Applicant represents to the best of its knowledge and belief that the statements set forth are true and include all material information, and that there has been no attempt at suppression or misstatement of any material facts known, or which should be known, which might affect the judgment of the Insurer in its rating and/or acceptance of this risk.

The Applicant agrees that if a contract of insurance is provided by the Insurer, this Application and any other previous Applications, along with any additional supplemental applications, any attachments and supplied information shall be the basis for the formation of such contract and shall be a material and integral part of the Policy, whether or not they are attached to the Policy and/or signed by the Applicant.

Any representations made in the application process for any Policy that may be issued by the Insurer, and the statements made within this Application, any additional supplemental applications, any attachments and supplied information shall be construed as representations of the Applicant.

The Applicant represents that the person signing and initializing this Application and any additional supplemental applications has been authorized to do so by the Applicant.

Signing of this Application does not bind the Insurer to an offer nor the Applicant to accept insurance.

The Applicant further agrees that if the information supplied on this Application, any additional supplemental applications, any attachments and supplied information changes between the date of this Application and the inception date of the Policy, the Applicant will immediately notify the Insurer of such change prior to inception of the Policy.

(Initials)

Applicant further understands and agrees that no person or entity other than the Insurer has the right to waive or change any part of the Policy. Furthermore, notice to any agent or knowledge possessed by any agent or other persons acting on behalf of the Applicant shall not effect a waiver or a change in any part of the Policy nor estop Insurer from asserting any right under the terms of the Policy.

This Application, any additional supplemental applications, any attachments and supplied information is for a "CLAIMS MADE AND REPORTED" BASIS POLICY which limits coverage to Claims first made against an Applicant during the Policy Period and reported to the Insurer within the required time period. Coverage, if mutually accepted by the Insurer and the Applicant, will not apply to any known facts, situations, acts, error or omissions that occurred before inception of the Policy Period. The Applicant agrees that in the event of covered Claims, the Applicant will be required to be defended by the Insurer's appointed attorneys and that the deductible under the Policy shall apply to Claims including but not limited to Defense Costs. If, however, the Applicant elects to handle a Claim without in any way involving the Insurer, then no coverage for such Claim is afforded to the Applicant under the Policy.

By signing this Application, and any additional supplemental applications, the Applicant confirms that they have been provided with and inspected a specimen of the Small Business Essentials – Miscellaneous Errors & Omissions wording and any applicable endorsements. The Insurer expects that the Applicant will take time to review the Policy to ensure that they fully understand the coverages provided. The Applicant should feel free to consult with any source, including legal advisors, regarding coverage.

Risk Management: The proposed insurance Policy is for Applicants that maintain loss control procedures represented on the original application for insurance. Should a Policy be issued, the Applicant agrees to maintain these loss control procedures throughout the policy period.

In addition to all other terms and conditions: Applicable in Kentucky. 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.

SIGNATURES – MUST BE SIGNED & DATED BY OWNER, PARTNER OR DIRECTOR OF THE AGENCY APPLYING FOR COVERAGE

Date

Signed by Partner, Officer, or Director

Title

Printed name of Partner, Officer or Director