

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. Please read the policy carefully.

1. Name of Applicant (broker or company name) _____

DBA(s) _____

Contact _____ California Association of REALTORS® member: **Yes** **No**

Principal Street Address _____

City _____ ST _____ Zip _____

Mailing Address _____ City _____ ST _____ Zip _____

Telephone # (_____) _____ Fax # (_____) _____

E-Mail Address: _____

2. a. Date firm was established: _____ b. Year current owner assumed management: _____

c. Number of years owner licensed as an agent _____ as a broker _____ as an appraiser _____

3. Entity Type: ☐ Corporation/LLC ☐ Independent Contractor ☐ Sole Proprietor ☐ Partnership/LLP

*** Professionals are defined as:** Owners, Partners, Officers, Real Estate Brokers/Agents/Salespersons, Appraisers, Property Managers, Consultants or Auctioneers including independent contractors.

4. a. Indicate the total number of active full time professionals: * _____
**Full time professionals are defined as earning more than \$20,000.00 in annual income.*

b. Indicate the number of active part time professionals: * _____
**Part time professionals are defined as earning \$20,000.00 or less in annual income.*

c. Indicate the total number of support staff: _____ and inactive professionals: _____

5. Does the applicant have a formalized training program for all professionals and staff? ☐ **Yes** ☐ **No**

6. Indicate the number of professional employees who participated in an accredited, continuing professional education program during the past 12 months. _____

7. Do at least 15% of all professionals hold a professional designation? (i.e. GRI, CRS, CRE, ABR, MAI, SRA) ☐ **Yes** ☐ **No**

8. Is the applicant owned, associated, or controlled by any business, investment group or syndication? ☐ **Yes** ☐ **No**
 If Yes, Please provide the name of the entity(s) and the nature of the relationship:

9. a. Has any member of your firm engaged in property construction or development (including renovations)? ☐ **Yes** ☐ **No**
 If Yes, check all that apply and complete 9b:

1. Directly (member of your firm doing work themselves) ☐

2. Through a licensed contractor ☐

3. Through a separate business entity owned by any member of your firm or their spouses ☐
(If you checked option 3, please complete supplemental application)

b. Provide gross commission income derived from the sale of these properties in the past 12 months, and include this total in "Agent/Broker Owned Property Sales" under question 10 on the next page:
 Residential \$ _____ Commercial \$ _____
 Check here if none in the past 12 months ☐

10. Provide your gross revenues for the last 12 months and projected next 12 months. If newly established, please provide an estimate of revenues for the current annual period (Gross revenues are defined as all fees and commissions before expenses, including fees, commissions and bonuses payable to employees and independent contractors):

	Gross Revenues Last 12 months	# of Transaction sides Last 12 months	Projected Revenues Next 12 months	# of Transactions Next 12 months
RESIDENTIAL				
Sales	\$ _____	_____	\$ _____	_____
Leasing	\$ _____	_____	\$ _____	_____
Agent/Broker Owned Property Sales	\$ _____	_____	\$ _____	_____
Farm Land	\$ _____	_____	\$ _____	_____
Raw Land	\$ _____	_____	\$ _____	_____
Appraisals*	\$ _____	_____	\$ _____	_____
COMMERCIAL				
Sales	\$ _____	_____	\$ _____	_____
Leasing	\$ _____	_____	\$ _____	_____
Agent/Broker Owned Property Sales	\$ _____	_____	\$ _____	_____
Farm Land	\$ _____	_____	\$ _____	_____
Raw Land	\$ _____	_____	\$ _____	_____
Appraisals*	\$ _____	_____	\$ _____	_____
OTHER SERVICES				
Property Management*	\$ _____	_____	\$ _____	_____
Sale of Business Opportunities*	\$ _____	_____	\$ _____	_____
Mortgage Brokering*	\$ _____	_____	\$ _____	_____
Auctioneering (Real Property)*	\$ _____	_____	\$ _____	_____
Short-term Escrow (distributed within 1 year)	\$ _____	_____	\$ _____	_____
Real Estate Consulting (details below)	\$ _____	_____	\$ _____	_____
Other (provide details below)	\$ _____	_____	\$ _____	_____

** If Applicant has revenue derived from any services denoted by an asterisk, please complete the supplemental application.*

Details of "Real Estate Consulting" and "Other" from above: _____

11. Does the applicant have documented procedures which include instructions on how to handle complaints and compliance with Federal, State and Local statutes? **Yes** **No**
12. Does the applicant use approved board of REALTORS® or state association of REALTORS® standard contract forms for the listing and sale of all Real Estate? **Yes** **No** If No, please explain _____
13. In the past year:
- what was the average value of properties sold: \$ _____, or appraised (if applicable) \$ _____
 - what was the average commission percentage earned on closed real estate sales: _____%
14. Has the applicant ever had a transaction valued at \$10,000,000 or more? **Yes** **No**
If yes, please provide the date(s) of sale, type of property, and sale price(s): _____
15. What percentage of residential transactions included a:
- Signed property disclosure form? _____%
 - Home warranty program? _____%
 - Home inspection or written waiver? _____%

16. What percentage of transactions involve acting as a: dual agent ____% intermediary ____% or transactional broker ____%
b. When acting as a dual agent, is dual agency disclosed to all parties in writing? **Yes** **No**
17. Has any member of your firm been involved in asset or property preservation services including any incidental repair work on bank owned properties within the last 3 year period? **Yes** **No**
If Yes, were all such repairs contracted by you done by a licensed contractor? **Yes** **No**
18. Has any member of your firm been involved in property rehabilitation services on bank owned properties within the last 3 year period? **Yes** **No**
If Yes, were all such repairs contracted by you done by a licensed contractor? **Yes** **No**
19. For any bank owned properties where you represent the buyer, do you advise the buyer in writing to have the property inspected by a licensed and insured home inspector prior to purchase? **Yes** **No** **N/A**
20. Has any member of your firm directly acquired the properties or deeds of financially distressed homeowners, including sale – leaseback agreements within the last 3 year period? **Yes** **No**
21. Has the applicant engaged in any eviction services on pre-foreclosed or bank owned properties within the last 3 years? **Yes** **No**
If Yes, was the preparation, filing and service of the eviction complaint and obtaining the eviction judgment handled by an attorney? **Yes** **No**
22. Has the applicant engaged in any services which involved delivering or negotiating cash-for-keys offers or property rehabilitation? **Yes** **No**
If Yes, what is the percentage of the gross commission income derived from these services? ____%
23. Is any client responsible for more than 25% of the applicant's annual income? **Yes** **No**
If Yes, provide the name, relationship and total revenue from the client: _____
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24. Does the firm perform or intend to perform professional services for REITS or property syndications? **Yes** **No**
If Yes, what is the percentage of the gross commission income derived from these services? ____%
25. During the past 5 years:
- a. Has the applicant been involved in any merger, acquisition, or consolidation? **Yes** **No**
If Yes, provide details on a separate sheet and include any name changes for the firm.
- b. Has any principal, partner, director, officer, or professional of the applicant performed professional services for any other business which the applicant has any ownership or managerial interest? **Yes** **No**
If Yes, provide details: _____
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26. Does the applicant transact business in multiple states or outside of the United States? **Yes** **No**
If Yes, provide details including the percent (%) of total gross revenues from each state or country: _____
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27. After inquiry, is the applicant, or anyone to whom this insurance will apply, aware of any:
- a. Professional Liability claim made against them in the past 5 years? **Yes** **No**
- b. Act or omissions in the performance of professional service for others which might reasonably be expected to be the basis of a claim or suit against them? **Yes** **No**
- c. Changes in any claims previously reported on past applications? **Yes** **No**
- d. License revoked by any licensing board, real estate association, or other regulatory body in past 5 years? **Yes** **No**
- e. License suspension by any licensing board, real estate association, or regulatory body in past 3 years? **Yes** **No**
- f. Fines of more than \$10,000 (in the aggregate) by any licensing board, real estate association, or other regulatory body in the past 3 years? **Yes** **No**

IMPORTANT NOTE: The applicant's non disclosure of claim information does not indicate nor imply, in any way, that any act or omission is covered by this policy. In addition, circumstances or incidents that might reasonably be expected to be the basis of a claim **MUST** be reported to the applicant's current insurer before the claim reporting period expires.

NEW BUSINESS APPLICANTS ONLY MUST COMPLETE QUESTIONS 28-30

28. During the past 5 years has any insurance carrier declined, canceled or refused renewal of similar insurance on behalf of this or anyone to whom this insurance will apply (other than due to loss of market)? ****This question does apply to Missouri residents****
☐ **Yes** ☐ **No** If Yes, provide details on a separate sheet and include the date, carrier and reason.

29. List Previous Professional Liability Coverage policies this individual, firm or predecessors of firm have held within the last 5 years. If no insurance was in effect for a given year, state "none" where applicable below:

Company	Policy Period	Limit of Liability	Deductible	Premium	Retro Date
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____

30. Has the applicant ever purchased an extended reporting period endorsement? ☐ **Yes** ☐ **No**
 If Yes, please provide details to include the date, carrier and reason:

31. Coverage Selection:

a. Limits of Liability: Per Claim _____ Policy Aggregate _____
☐ Claims Expense Inside the Limit or ☐ Claims Expense Outside the Limit

b. Deductible: _____

c. Desired Policy Effective Date: _____ / _____ / _____

d. Current Policy Retroactive Date: _____ / _____ / _____ (Attach current Declarations page)

FRAUD WARNING: 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.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. THE APPLICANT AND FIRM ACCEPTS NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" BASIS. THE APPLICANT AND FIRM ACCEPTS 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, PRINCIPAL, OFFICER, OR MEMBER OF THE APPLICANT.

Please print your name _____ Title _____

Signature _____ Date _____