

AMERICAN GUARDIAN INSURANCE

License# 6002084

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NEW BUSINESS APPLICATION FOR A CLAIMS-MADE INSURANCE AGENTS, BROKERS AND CONSULTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

1. Applicant Information

Applicant Legal Entity Name:

Physical Address:

City: County: State: Zip:

Number of Locations: Which state is the majority of your income produced? Website Address:

Applicant is a: Individual Sole Proprietorship Partnership LLC Corporation Other

Date Entity Established: Total number of years of industry experience of the entity's principal(s):

Contact Name: Contact Title:

Phone: Contact Person's Email Address:

What Associations and/or Industry Trade Groups are you a member of or participate in? (if any)

2. Current E&O Policy Information

Attach current E&O Declarations Page. If No coverage in place, indicate the desired effective date here: / /

Carrier: Premium:

Expiration Date: Retroactive Date:

Current Limits: Current Deductible:

3. Office / Staff Information

During the last three years, has there been:

- a. Change in Agency Name? Yes No b. Change in Agency Ownership? Yes No c. Acquisitions or Mergers of book or agency? Yes No

If YES, Complete the Changes, Mergers, Acquisitions Supplemental Application

- d. Is coverage needed for any additional agency/firm entities (including DBA names) in addition to the applicant Named Insured? Yes - complete the chart below, include separate sheet, if needed. No

Name of Entity	Address (if different)	Date Established	Entity Type

- e. Total number of Independent Contractors? f. Do you have Agents with personal production outside of business placed through your agency? Yes No
- g. Total number of Employees (Not including Owner)?

h. How would you like to cover your Independent Contractors ("IC"): (select one)	
<input type="checkbox"/> Include all IC's	<input type="checkbox"/> Provide separate limits for my IC – Complete IC Supplemental App
<input type="checkbox"/> Limit coverage to the IC's exclusively contracted with the Named Insured	<input type="checkbox"/> NA – I have no IC's
i. Would you like a quotation for Employee Practices related Liability Exposure? <input type="checkbox"/> Yes <input type="checkbox"/> No	
j. Do you currently have EPLI Insurance? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, what is your EPLI Retroactive Date? _____ <input type="checkbox"/> N/A
k. What is your average 3-year employee turnover rate?	%
l. During the past five years, has any EPLI claim been made against the Insured or any other named insureds applying for coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No	
m. What Percentage of your sales staff has any of the following designations? CLU, CPCU, CIC, ARM, RPLU, AAI, AU, AIS, AIC, ASLI, ARC, AFSB	%
n. Please select the option that best describes your firms diligence and consistency regarding employee hiring policies and procedures (select one):	
<input type="checkbox"/> Documented employee hiring policies and procedures exist and are reviewed regularly.	
<input type="checkbox"/> Common practices are followed and documented relative to hiring.	
<input type="checkbox"/> There are no documented or common practices followed relative to hiring.	

4. Office Procedures/Information Security	
a. Select the option that best describes how the firm/entity's contracts with 3 rd parties deals with transfer of risk?	
<input type="checkbox"/> Mutual Hold Harmless	
<input type="checkbox"/> 3 rd Party holds Agency 100% harmless	
<input type="checkbox"/> There are no contractual transfer of risk in such arrangements	
b. Is proof of E&O Insurance required from agents/brokers and/or sub-agents/brokers that place business through your agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Is there a written policy/procedure manual that is updated and reviewed at least once per year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
d. Are written or electronic records maintained outlining details of critical conversations, instructions, agreements and phone calls?	<input type="checkbox"/> Yes <input type="checkbox"/> No
e. Are policies/endorsements checked against the application and other client requests for coverage prior to delivery to clients?	<input type="checkbox"/> Yes <input type="checkbox"/> No
f. Does the firm document the client's acceptance and rejection of offers, coverage, limits, conditions and limitations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
g. Are expiration lists used to document solicitation of renewal applications and delivery of renewal quotes?	<input type="checkbox"/> Yes <input type="checkbox"/> No
h. Percentage of staff that completed a state-approved E&O Loss Prevention seminar within the past 24 months?	%
i. Does the agency employ a dedicated risk manager (more than 50% of time dedicated to risk management, staff training, and compliance)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
j. Are there procedures to preserve the confidential nature of client's information?	<input type="checkbox"/> Yes <input type="checkbox"/> No
k. Is the data on all computers (including laptops) storing personally identifiable information (e.g. credit card numbers, social security numbers, medical data, etc.) encrypted?	<input type="checkbox"/> Yes <input type="checkbox"/> No
l. Does the applicant have a security policy communicated to all employees and volunteers who have access to personal identifiable information (e.g. credit card numbers, social security numbers, medical data, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
m. Is Firewall technology used to prevent unauthorized access to and from internal networks and external networks?	<input type="checkbox"/> Yes <input type="checkbox"/> No
IF yes: 1) Are Firewall configurations regularly reviewed and kept up to date?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2) Is any data stored or retained outside of the firewall (while not in transit)	<input type="checkbox"/> Yes <input type="checkbox"/> No

n.	Is anti-virus software installed on all computers/servers that connect to your network and is it regularly updated?	<input type="checkbox"/> Yes <input type="checkbox"/> No
o.	Does the applicant store or handle less than 10,000 of the listed types of records? <i>*Social Security</i> <i>*Medical or Healthcare Data including protected health information</i> <i>*3rd party confidential information</i> <i>*Any account number, credit or debit card number, any associated password or security code that permits access to financial records</i> <i>*Proprietary business information</i> <p style="text-align: right;">IF OVER 10,000, please estimate total number of records: _____</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
p.	During the last 3 years, have you had any information security breaches including unauthorized access, unauthorized use, denial of service attack, breach, theft of data, fraud, electronic vandalism, sabotage or other security events? If yes, please explain on a separate attachment.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Explain any 'NO' answers for questions 4b – 4n. Attach separate sheet if needed.		

5. Product Information		
a.	Percentage of policies that are: Billed by your Agency: % Billed direct by Carrier: % Placed with a Carrier Service Center: %	
b.	Percentage of revenue placed through any State-Administered Work Comp Funds:	%
c.	Percentage of revenue that is placed with Surplus Lines/Non-Admitted carriers:	%
d.	Percentage of revenue derived as a: Retail Agency: % Wholesaler: % Surplus Lines Broker: % MGA/BGA: %	
e.	Percentage of revenue placed with carriers not rated and/or rated below B+ by A.M. Best or S by Demotech?	%
f.	Is there any coverage placed, involvement with, responsibility as or an administrator for: Captives, Risk Retention Groups, Risk Purchasing Groups, and/or PEO's? <i>If Yes, complete the Alternative Risk and/or PEO Supplemental Application</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
g.	Is there any coverage placed, involvement with, responsibility as, or an administrator for: Self-insured Plans, Self-insured Trusts, Multiple Employer Trusts (MET) and/or Multiple Employer Welfare Arrangements (MEWA)? <i>If Yes, complete the Plan/Trust Supplemental Application</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
h.	Are you interested in obtaining an Additional Insured Endorsement for any contracts or arrangements you are party to that require such an endorsement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
i.	Do you receive over-ride commission or fees for recruiting, licensing, marketing or other agent support services pursuant to a contract with an insurance company or entity that is contracted with an insurance company?	<input type="checkbox"/> Yes <input type="checkbox"/> No

List the top 3 insurance carriers from which your agency income is derived. Include product type and approximate percentage of total agency income		
Insurance Carrier	Product Type (P&C or Life)	% of Total Income
1.		%
2.		%
3.		%

6. Products and/or Services: Include past 12 months data. If NEW, please project next 12 months			
Property and Casualty (P&C) Insurance:			
Total P&C Insurance Premium Volume:	\$	<i>(Net is commission & fees after payment to NON-EXCLUSIVE sub producers)</i>	
GROSS P&C Commission and Fee Income:	\$	NET P&C Commission and Fee Income:	\$
P&C – Personal and Commercial Lines			
Indicate the percentage of commission/fee income for each – This P&C section must total 100%			
<u>PERSONAL LINES:</u>			
Auto (Standard)	%	Pleasure Boats/Craft	%
Auto (Non-Standard) / Assigned Risk	%	Umbrella	%
Homeowners / Fire (Standard)	%	Other (Describe):	%
Homeowners / Fire (Non-Standard)	%		
<u>COMMERCIAL LINES</u>			
Fire (Standard)	%	Crop	%
Fire (Non-Standard)	%	Medical Malpractice	%
SMP/BOP/Package	%	Professional Liability	%
Commercial General Liability	%	Inland Marine	%
Umbrella/Excess	%	Wet Marine	%
Auto (Standard)	%	Bonds – Surety*	%
Auto (Non-Standard)	%	Bonds – All Other*	%
Long-Haul Trucking	%	Aviation	%
Workers Compensation	%	Other (Describe):	%
Livestock	%	*If commission/fee income from Bonds, a supplemental application may be required.	
CALCULATE TOTAL P&C (MUST EQUAL 100%):			%

Life, Accident & Health (A&H) Insurance and other Financial Products on next page

6. Products and/or Services (cont'd): Include past 12 months data. If NEW, please project next 12 months			
Life, Accident & Health (A&H) Insurance and other Financial Products:			
Total Life, A&H, Annuities & other Financial Products Premium Volume:	\$	<i>(Net is commission & fees after payment to NON-EXCLUSIVE sub producers)</i>	
GROSS Life, A&H, Annuities & other Financial Products Commission & Fee Income:	\$	NET Life, A&H, Annuities & other Financial Products Commission & Fee Income:	\$
Life, A&H Ins and other Financial Products Indicate the percentage of commission/fee income for each – This section must total 100%			
Individual Life	%	Variable Life & Variable Annuities	%
Individual A&H	%	Equity-Indexed Annuities	%
Group Life	%	Mutual Funds	%
Group A&H	%	Securities**	%
Long-Term Care	%	Life Settlement Transactions	%
Fixed Annuities	%	Other (Describe):	%
Premium Financed Life	%	**If commission/fee income, please complete the Securities supplemental application.	
Disability	%		
CALCULATE TOTAL (MUST EQUAL 100%):			%
Other Products and/or Services: *** If fee income from any Other Products and/or Service, complete Supplemental Application.			
Human Resources Consulting Fees	\$	Employee Benefit Plan Consulting/Administration Fees	\$
No. of Human Resources Professional Consultants		Third-Party Insurance Claims Administration Fees	\$
		Other (Describe): _____	\$

7. Loss History	
a. In the last 5 years, has the Agency/Firm or any other Named Insured applying for coverage, been the subject of a disciplinary action or investigation by a regulatory body as a result of professional activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b. In the last 5 years, have any employees, management and/or principals been convicted of a felony?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Has the Agency/Firm or any other Named Insured applying for coverage, had E&O coverage declined, cancelled or refused in the past 3 years? (Not applicable in MO)	<input type="checkbox"/> Yes <input type="checkbox"/> No
d. During the past 5 years, has any E&O or Cyber related claim been made against the Agency/Firm, or any other Named Insured applying for coverage? If YES, please complete the Claims Supplemental Application and submit carrier-produced, currently-dated loss runs.	<input type="checkbox"/> Yes <input type="checkbox"/> No
e. Does the Agency/Firm or any other Named Insured applying for coverage, have knowledge of any wrongful acts that occurred prior to the requested effective date of this coverage, that have not been reported and may result in a potential E&O claim?	<input type="checkbox"/> Yes <input type="checkbox"/> No
f. During the past 5 years, have you or the entity(ies) applying for coverage made an "adjustment" or "goodwill payment" in settlement of any dispute?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please provide explanations for any 'YES' answers below. Attach a separate sheet if needed.	

8. Desired Coverage Options – Additional Limits and Deductible Options may be available upon request.

Limits of Liability: (each wrongful act/aggregate)

Each Claim:	\$	Annual Aggregate:	\$
<input type="checkbox"/> Defense Costs INSIDE the limits (Defense costs will erode your limits)		<input type="checkbox"/> Defense Costs OUTSIDE the limits (Defense costs will NOT erode your limits)	
Deductible: (each wrongful act/aggregate)			
<input type="checkbox"/> \$1,000 / \$2,000	<input type="checkbox"/> \$2,500 / \$5,000	<input type="checkbox"/> \$5,000 / \$10,000	<input type="checkbox"/> \$10,000 / \$20,000
<input type="checkbox"/> Damages & Defense Deductible (Deductible will apply if any payment is made on your claim)		<input type="checkbox"/> Damages Only Deductible (Deductible will only apply if Damages are paid on your claim)	

Note: this policy will not apply to claims arising from acts errors or omissions that occurred prior to the requested effective date of coverage being applied for, to which any actual or potential Named Insured had knowledge or information of such wrongful acts that could lead to a claim, whether or not disclosed. If you or your agency are aware of any act, error or omission or circumstance that could give rise to claims as such, please report those to your current carrier to prevent possible gaps in coverage.

REPRESENTATIONS:

On behalf of our company, I agree that this application, including all attachments, exhibits, supplemental applications or addendums, is complete and correct to the best of my knowledge and belief. I understand that this application and its addendums form the basis of the contract of insurance, if the Company offers coverage and we accept the Company's offer. I also understand that completion of this application does not bind the Company Agent or Broker to provide insurance. This application attaches to and becomes a part of the contract of insurance, if such contract is issued.

I understand that if any of this information changes prior to the issuance of the insurance applied for, that I am obligated to notify the Program Administrator of such changes and that the Program Administrator may modify or withdraw any proposal for insurance. The Program Administrator is authorized to make inquiry in connection with this application.

NOTICE: ANY PERSON WHO, KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON, SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION MAY BE GUILTY OF INSURANCE FRAUD.

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 or confinement in prison, or any combination thereof.

NOTICE TO ARKANSAS, NEW MEXICO, RHODE ISLAND AND 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 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 in the third degree.

NOTICE TO KANSAS APPLICANTS: 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 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.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with the 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 and with intent to deceive, presents a false or fraudulent claim for payment of a loss or benefit, or knowingly and with intent to deceive, presents false information, that is material to the risk, in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. Fraud or misrepresentation with the intent to deceive made after the contract is formed is grounds to deny coverage for illegitimate claims and is reason for cancellation, but the insurer must supply coverage for legitimate claims until cancellation is effective.

NOTICE TO MAINE, TENNESSEE, VIRGINIA AND 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 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 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 claims 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.

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 OREGON APPLICANTS: Any person who, knowingly and with intent to defraud or facilitate a fraud against any insurance company or other person, submits an application, or files a claim for insurance containing any false, deceptive, or misleading material information may be guilty of insurance fraud.

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.

THE COMPLETION OF THIS APPLICATION OR THE ATTACHED SUPPLEMENTS, OR TENDERING OF PREMIUM DOES NOT BIND COVERAGE. THIS APPLICATION IS SUBJECT TO THE UNDERWRITING RULES OF THE INSURANCE COMPANY. APPLICANT'S ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT OF INSURANCE SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO THE POLICY.

The Applicant represents that the above statements are true and correct to the best of his or her knowledge and that no material or relevant facts have been suppressed or misstated and agree that the policy, if issued, will be issued on the reliance of such representations.

Applicant acknowledges a continuing obligation to report to us as soon as practicable any material changes in the facts or statements above, and in each supplementary application, which Applicant becomes aware after signing the application.

Must be signed by a person who has the authority to sign on behalf of and to bind the Applicant, all firms and individuals requesting insurance through this application.

MUST BE SIGNED AND DATED BY OWNER, PARTNER OR SENIOR OFFICER OF THE AGENCY APPLYING FOR COVERAGE

Signature of Owner, Partner or Senior Officer _____	Title _____	Date _____
Producer Name: _____ Address: _____ City: _____ State: _____ Zip Code: _____ (Required in FLORIDA, IOWA, NEW HAMPSHIRE only)		
Producer License Number: _____ Applicable State: _____ (Required in FLORIDA only)		