



Exclusively Administered by:



Pearl Insurance
1200 East Glen Avenue
Peoria Heights, IL 61616-5348
1.800.289.8170 www.pearlinsurance.com

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
Business Mailing Address
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:
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?
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?
If yes, please attach a detailed explanation on 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?
If yes, please attach a detailed explanation on a separate sheet.
f. Does the Applicant perform or intend to perform a professional services for the formation, management, or organization of group investments or syndications (including limited partnerships, general partnerships, real estate investment trusts or corporations)?
If yes, what is the percentage derived from these services?

Table with 2 columns: Insurance Agent Information, Mail To. Rows include Name, Address, Agent License Number, Pearl & Associates, Ltd., and contact information.

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

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 _____	_____	_____
<b>TOTALS</b>	_____	_____

**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)? \_\_\_\_\_%  Yes  No
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.**

30. During the past 5 years, have any principals, partners, directors, officers or other professionals been subject to disciplinary action by any regulatory agency or association or ever had their license revoked or suspended?  
 Yes  No **If yes, please attach a detailed explanation on a separate sheet.**
31. After inquiry, have any errors and omissions claims been made during the past 5 years against the Applicant, or any of their past or present principals, partners, directors, officers or other professionals?  
 Yes  No **If yes, please answer questions 36 through 42.**
32. After inquiry, does the Applicant, or any principals, partners, directors, officers, or other professionals have knowledge or information of any circumstance or incident, or any allegation or contention of any incident, which may result in any claim being made against them?  Yes  No **If yes, please answer questions 36 - 42.**
33. Have all matters in question #31 or #32 above been reported to the Applicant's former or current insurers?  
 Yes  No

<b>IMPORTANT</b>	<b>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 claims reporting period expires.</b>
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34. Is any extended reporting period currently in effect?  Yes  No  
**If yes, please attach a copy of the endorsement including the effective and expiration dates.**
35. During the past 5 years, has any similar errors or omissions coverage been canceled, declined or nonrenewed? Not applicable to Missouri applicants.  Yes  No  
**If yes, please attach a detailed explanation on a separate sheet.**

**CLAIM OR INCIDENT INFORMATION**

**NOTE: COMPLETE FOR EACH CLAIM BEING REPORTED AND SUBMIT A COPY OF A LOSS REPORT FROM YOUR CURRENT CARRIER. PLEASE COPY THIS SECTION IF REPORTING MORE THAN ONE CLAIM.**

36. Name of individuals of firm involved in claim: \_\_\_\_\_
37. Name of Plaintiff: \_\_\_\_\_
38. Date of alleged error omission: \_\_\_\_\_ Date claim made: \_\_\_\_\_
39. Status of Claim:  
 a.  Open  Closed  Circumstance  
 b.  Suit  Claim

40. Provide a detailed description of claim or circumstance.  
 \_\_\_\_\_

41. Please complete the following:
- |                             |             |                          |
|-----------------------------|-------------|--------------------------|
| <b>Insurer's</b>            | <b>Loss</b> | <b>Reserve:</b> _____    |
| <b>Insurer's Expense</b>    |             | <b>Reserve:</b> _____    |
| <b>Damages Payment,</b>     | <b>if</b>   | <b>applicable:</b> _____ |
| <b>Expenses Paid:</b> _____ |             |                          |

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

## FRAUD WARNINGS

**NOTICE TO ARKANSAS APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment for 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:** Pursuant to California Insurance Law, Sec. 1623, this application for insurance is being submitted by an insurance broker who is acting on behalf of an insured.

**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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder 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 D.C. 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 insurance company 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 HAWAII APPLICANTS:** For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment or both.

**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 purposes of defrauding the company. Penalties may include imprisonment, fines or a denial or insurance benefits.

**NOTICE TO MARYLAND 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 may be guilty of insurance fraud.

**NOTICE TO MINNESOTA APPLICANTS:** A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

**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 OREGON APPLICANTS:** Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

**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 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 TEXAS APPLICANTS:** Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

**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 ALL OTHER STATE APPLICANTS:** Any person who knowingly includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**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.**

**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 be also subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**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: \_\_\_\_\_ Title: \_\_\_\_\_

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Agent/Broker Name: \_\_\_\_\_

**For Internal Use Only:** Marketing Source \_\_\_\_\_