

INSURANCE AGENTS AND BROKERS ERRORS & OMISSIONS APPLICATION

APPLICANT'S INFORMATION:

| | | | |
|---|--|---|--|
| LEGAL NAME OF AGENCY: | | | |
| BUSINESS ADDRESS: | | | |
| COUNTY: | | | |
| DATE FIRM ESTABLISHED: | | DATE PRESENT OWNERSHIP ASSUMED CONTROL: | |
| <input type="checkbox"/> Corporation <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> PA/PC <input type="checkbox"/> Franchise Member of Agents/Brokers Associations: <input type="checkbox"/> PIA <input type="checkbox"/> NAPSLO <input type="checkbox"/> AAMGA <input type="checkbox"/> IIAA | | | |

INSURANCE HISTORY:

1. Current Insurer: _____ Deductible: \$ _____
 Expiration Date: _____ Expiring Premium: \$ _____
 Is Current Carrier willing to renew? Yes No Current limits: \$ _____
 Retroactive Date (Prior Acts): _____ (Please attach copy of Declaration Page)

2. Requested Limits: \$100,000/\$300,000 \$500,000/\$500,000 Other: _____
 \$300,000/\$600,000 \$1,000,000/\$1,000,000
 Requested Deductible (Per Claim): \$2,500 \$5,000 \$10,000

3. A. List all the Applicant firm's personnel:
 (Each individual should be classified in only one category.)
 Owners, Officers, Partner: _____ Exclusive Non-employee Producers: _____
 Employee Solicitors, Brokers, Agents: _____ Non-exclusive Producers: _____
 Other employees (including clerical): _____ **TOTAL STAFF** (including part time): _____

B. Do you want an optional quote to provide you coverage for placing coverage with a B+ rated carrier or better that later becomes insolvent? Yes No

C. Do you want an optional quote to provide coverage for independent contractors acting as solicitors on your behalf? Yes No

4. For Managing General Agents and Administrators of Insured Programs:
 A. List all companies for whom you are Managing General Agency or Program Administrator or have binding authority.

| Company | Lines of Insurance | Number of Years | Premium Volume | Loss Ratio | | |
|---------|--------------------|-----------------|----------------|--------------------------|---|---|
| | | | | Each of Last Three Years | | |
| | | | | % | % | % |
| | | | | % | % | % |
| | | | | % | % | % |

B. Producers:
 1. Number from whom you receive business: _____
 2. Number that you have appointed as agents with binding authority: _____
 Premium Volume: \$ _____
 3. Lines of business for which they are granted authority: _____
 4. What supervision do you exercise over them? _____

If yes, please explain: _____

- C. List all other companies for which you have been Managing General Agent or Program Administrator or agent with binding authority in the past five years:

- D. List all functions you perform as Managing General Agent or Program Administrator or agent with binding authority, including rating, quoting, claims handling, policy issuance, etc.:

- E. Specify the maximum limit and claim handling authority for each carrier with which you have binding authority:

| | Limits | Carriers | Claim Handling Authority |
|---------------|---------------|-----------------|---------------------------------|
| Marine/Island | | | |
| Marine/Wet | | | |
| Property | | | |
| Casualty | | | |
| Aviation | | | |
| Life/Accident | | | |
| Medical | | | |

5. Has the applicant ever had any association with a cluster or franchise business? _____

A. If yes, please explain: _____

6. Does the applicant offer flood coverage? _____

A. If your insured rejects flood coverage are they required to sign a statement to that effect? _____

7. List all firm's owners, officers and licensed employee producers:

| Name | Position/Title | Professional Designations | # of Years Licensed | # of Years with Applicant |
|-------------|-----------------------|----------------------------------|----------------------------|----------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

8. A. Number of branches: _____

B. Please attach list of each branch location.

9. A. Do you or any of your principals own, control or act as director or officer of any other insurer, reinsurer or other insurance-related entity? Yes No

B. If yes, please identify entity and relationship: _____

- C. During the past five years, has your name been changed or has any other business purchased, merged or consolidated with you? Yes No

If yes, give dates, names, premium volumes and details: _____

10. List the five insurance companies for whom applicant firm places the most annual premium:

| Complete Name of Insurance Company | Years Affiliated | Annual Premium Volume | A.M. Best Rating |
|------------------------------------|------------------|-----------------------|------------------|
| | | | |
| | | | |
| | | | |
| | | | |

11. List all insurance companies and volume of business you placed with companies having an A.M. Best rating of B or below, or with companies not currently rated:

| Insurance Company | Volume |
|-------------------|--------|
| | \$ |
| | \$ |
| | \$ |

12. List the following information for the top five MGAs, brokers or intermediaries with whom Applicant does business:

| Complete Name of Entity | Volume |
|-------------------------|--------|
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |

13. What percentage of total income comes from:

| | | | |
|------------------------|---------|---------------|---------|
| A. Insurance: | _____ % | Annuities: | _____ % |
| Premium Financing: | _____ % | Fixed: | _____ % |
| Real Estate: | _____ % | Variable: | _____ % |
| Mutual Funds: | _____ % | | |
| Other – specify: _____ | _____ % | Total: | _____ % |

B. Approximate percentage of the total annual volume you do as:

| | | | |
|------------------------|--------------|---|--------------|
| 1. Agent: | _____ % | 2. Retailer or business direct from insureds: | _____ % |
| Broker: | _____ % | Wholesale or business accepted from other agents: | _____ % |
| Managing General: | _____ % | Must Total: | 100 % |
| Surplus Lines Broker: | _____ % | | |
| Consultant (for fee): | _____ % | | |
| Other – specify: _____ | _____ % | | |
| Must Total: | 100 % | | |

C. Total annual premium volume for:

Surplus Lines: \$ _____
Assigned Risk, Governmental Pool and Fair Plan: \$ _____

14. Total annual premium volume for:

A. **Life and Accident/Health**

| | | | |
|-----------------------------------|-----------------|----------------|----------------|
| Group Life, Accident/Health: | \$ _____ | Volume: | _____ % |
| Individual Life, Accident/Health: | \$ _____ | Volume: | _____ % |
| Total: | \$ _____ | Volume: | _____ % |

B. **Personal Lines**

| | | | |
|-------------|----------|---------|---------|
| Automobile: | \$ _____ | Volume: | _____ % |
| Homeowners: | \$ _____ | Volume: | _____ % |

Other personal lines written
 By line: _____
 _____ Volume: _____
 _____ Volume: _____
Total: \$ _____ **Volume:** _____ %

C. Commercial Lines

General Liability: \$ _____ Volume: _____ %
 Worker's Compensation: \$ _____ Volume: _____ %
 Commercial Auto: \$ _____ Volume: _____ %
 Commercial Multi-Peril: \$ _____ Volume: _____ %
 Other Commercial Property: \$ _____ Volume: _____ %
 Inland Marine: \$ _____ Volume: _____ %
 Wet Marine*: \$ _____ Volume: _____ %
 Bonds – Surety: \$ _____ Volume: _____ %
 Bonds – All Other: \$ _____ Volume: _____ %
 Aviation*: \$ _____ Volume: _____ %
 Long Haul Trucking: \$ _____ Volume: _____ %
 Umbrella/Excess: \$ _____ Volume: _____ %
 Physicians & Hospital Professional Liability: \$ _____ Volume: _____ %
 Other Professional Liability/D&O: \$ _____ Volume: _____ %
 Other (specify): _____ Volume: _____ %
 _____ Volume: _____ %
Total: \$ _____ **Volume** _____ %

*If 20% or more of agency's volume is wet marine or aviation, a supplemental application must be completed

D. Premium Volume:

| | <u>Year</u> | <u>Premium</u> |
|------------------|-------------|----------------|
| Two Years Prior: | _____ | \$ _____ |
| One Year Prior: | _____ | \$ _____ |
| Current Year: | _____ | \$ _____ |
| Next Year: | _____ | \$ _____ |

E. Commission:

Actual last fiscal year: \$ _____ through ____ / ____ / ____
 Estimated next fiscal year: \$ _____ through ____ / ____ / ____

F. Premium written under your surplus lines license: \$ _____

G. Number of policies: Next 12 Months _____ Current 12 Months _____

15. What volume of total annual premium for the agency is currently placed with:

- A. Lloyd's of London: \$ _____
- B. Other foreign insurers: \$ _____
- C. Please list foreign insurers and brokers below:

16. List sub-agents, independent contractors or office brokers (individuals paid on a commission only basis) to be NAMED as Limited Additional Insureds, and **annual premium volume** for each:

| Name | Premium Volume |
|------|----------------|
| | \$ |
| | \$ |
| | \$ |

17. A. Does the firm utilize a computerized production and accounting system? Yes No
- B. Is the firm on-line with any carrier? Yes No
 If yes, please list: _____
- C. Is the firm using the Internet? Yes No
 Does the firm have a Home Page and/or website? Yes No
 If yes, indicate website address: www. _____
 If yes, is it used for marketing? Yes No
 If yes, is it used for sales? Yes No
 If yes, are applications completed/submitted through the Internet? Yes No
- D. Is incoming mail date stamped? Yes No
- E. Please describe procedures for handling incoming mail: _____

- F. Are verbal binders given? Yes No
 If yes, how and when are verbal binders confirmed in writing? _____

 How and when is the company notified? _____
- G. Are copies of the binders mailed to the insured? Yes No
- H. Is there a procedure for documenting telephone conversations? Yes No
- I. Is a policy expiration list maintained? Yes No
- J. Are all application, policies and endorsements checked for accuracy? Yes No
- K. Are files marked to ensure certificate holders, regulatory agencies, etc., are notified of cancellation or material changes? Yes No
- L. Do you check all notices of cancellation to assure compliance with policy cancellation conditions and statutory requirements? Yes No
- M. Is there a back-up procedure for when the firm's personnel are away from the office? Yes No
- N. Does the firm have a diary/suspense system? Yes No
 If yes, please attach a detailed description of your diary system.
- O. Does the firm have an office manual? Yes No
- P. Does the firm have a specific orientation program for new employees? Yes No
- Q. Do you confirm to the Insured, in writing, all declinations of coverage? Yes No
- R. Do you identify for special handling all monies due Assigned Risk or other pool plans? Yes No
- S. Do you conduct credit checks or other investigation of new clients? Yes No
- T. Are credit and other investigations made in compliance with the provisions of the Fair Credit Reporting Act? Yes No
- U. How are staff members kept informed of changes in legislation, regulations and procedures that might affect your firm, clients or their insurance carriers? Yes No

- V. How do you monitor the solvency and financial condition of the insurers with which

you place business and give notice to everyone in the agency of possible insurer financial trouble?

W. State how long records are retained: _____

X. What, if any, in-house training do you do? _____

Y. Do you encourage employees, through incentives, to take outside training courses such as IIA, CPCU, LOMA, etc.? Yes No

Z. Do you have a procedure to provide information to Insureds whose coverage has changed from occurrence to claims made and from claims made to occurrence? Yes No

AA. Has any principal, solicitor or employee ever had his/her license suspended or revoked or been investigated or disciplined by a state insurance department? Yes No
If yes, attach a detailed description.

BB. Does the agency have a procedure to verify that its principles are appropriately licensed in all states in which it is doing business? Yes No

18. A. Has any application for similar insurance on behalf of you or any of your partners, executive officers or directors, or to your knowledge, on behalf of the predecessors in business, ever been declined, canceled or renewal refused? Yes No

If yes, please explain: _____

B. Have any claims been made during the past five years against you, or any of your past or present partners, officers, directors, solicitors, office brokers or employees, any predecessors in business or against any corporation that any proposed Insured was formerly employed by, associated with or had an interest in? Yes No

If yes, please attach a statement giving complete details and status of each claim including dates, basis of claim, amounts, deductibles, payments, open reserves.

C. Are you, or any of your partners, officers, directors, solicitors, office brokers or employees, aware of any circumstances or any allegations or contentions of any incident which may result in a claim against you, your predecessors in business or any past or present partner, officer, director, solicitor, office broker or employee? Yes No

* 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, may be committing a fraudulent insurance act, and may be subject to a civil penalty or fine.
* not applicable in all states

Applicant Signature

Date

Producer

Title

