

REAL ESTATE AGENTS'  
APPLICATION FOR  
CLAIMS MADE  
ERRORS AND OMISSIONS INSURANCE

Offered by:

**AUSTIN & AUSTIN**  
**INSURANCE SERVICES, INC.**  
P.O. BOX 278, Pleasanton, CA 94566  
(800) 987-1475 FAX (925) 416-1693  
California Insurance License #0C10853

1. **YOUR FULL NAME:** (including all firm names, trading names, franchise affiliation or DBA's under which you operate).

\_\_\_\_\_

dba: \_\_\_\_\_

ADDRESS (of principal office): \_\_\_\_\_ CITY \_\_\_\_\_

COUNTY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TELEPHONE:( ) \_\_\_\_\_ FAX:( ) \_\_\_\_\_ e-mail \_\_\_\_\_

Does the applicant have multiple sales office locations?  Yes  No. If Yes, How many? \_\_\_\_\_. (Please list the names and addresses of all additional locations under the same ownership with the firm given in Question #1).

Name	Location

2.a. Has the firm name ever changed or has there ever been any acquisition, consolidation, dissolution, merger or change in business organization?  Yes  No. If yes, please explain on separate sheet. (coverage is not provided for any predecessor firms or prior owners unless approved in writing by the insurance company).

2.b. Are there any Additional Insured's needed? (Franchises, e. g.) \_\_\_\_\_

3. Month/Year firm established under current ownership? \_\_\_\_\_

Firm is:  Individual (Sole Proprietorship)  Partnership  Corporation.

4. Complete the following for each Owner, Partner, Director and Officer. If licensed less than three (3) years, please provide resumes.

Name and Title	Date First Licensed as Broker / Agent	License Status Active/In-active	Professional Designations	How Long with Firm

5.a. Are you controlled by or owned by or associated with, or do you control or own or affiliated with any other firm or business?  Yes  No? If yes, please explain.

5.b. Is your firm or any agent/broker/principal engaged in any business enterprise or professional practice other than real estate sales, leasing, property management, appraisal, or counseling?  Yes  No. If Yes, please explain.

5.c. If yes to 5.a. or 5.b., Do they perform any services to the applicant or does the applicant provide services for them? If yes, please explain.

6.a. STAFF: (indicate numbers, include those listed on #4)

Licensed Brokers - employed and independent contractors \_\_\_\_\_ (over \$20,000 commission \_\_\_\_ under \$20k \_\_\_\_ )  
 Licensed Agents - employed and independent contractors \_\_\_\_\_ (over \$20,000 commission \_\_\_\_ under \$20k \_\_\_\_ )  
 Property Management \_\_\_\_\_  
 Appraisal employees \_\_\_\_\_  
 Clerical employees \_\_\_\_\_  
 Other: (fully describe) \_\_\_\_\_  
 TOTAL STAFF: \_\_\_\_\_

- 6.b. Number of licensees who have either a broker's license or a professional designation \_\_\_\_\_  
 6.c. Number of licenses who have completed a DRE approved Continuing Education course within the last 12 mos. \_\_\_\_\_  
 7. Please indicate the percentage of licensed agents who have held their licenses more than two years? \_\_\_\_\_ %.  
 8.a. GROSS INCOME from real estate activities (gross income includes all fees and commissions before expenses and split with agents).

Description	Gross Income Last 12 Months	Number of Transactions	% Sold w/ Warranty	Projected Income Next 12 Months	Projected Transactions
Residential (including family owned farms)	\$				
Commercial (including residential prop. over 5 units)	\$				
Vacant Land Zoned for Residential Usage	\$				
Vacant Land Zoned for Commercial Usage	\$				
Business Brokerage	\$				
Property Management Fees (Residential)	\$				
Property Management Fees (Commercial)	\$				
Real Estate Leasing fees (Property not managed)	\$				
Real Estate Appraisal Fees	\$				
Referral Fees	\$				
Real Estate Consulting	\$				
Escrow Services	\$				
Real Estate Mortgage Brokerage*see below	\$				
Real Estate Mortgage Banking*see below	\$				
Other (Describe)	\$				
Total	\$				

- 8.b. In the last five years, has the applicant engaged in any professional services or business other than those indicated in #8.a. above?  
 \_\_\_\_ Yes \_\_\_\_ No. If yes, pls describe \_\_\_\_\_
- 8.c. If yes to mortgage brokering or banking, Loan Volume \_\_\_\_\_ Largest Loan \_\_\_\_\_ % Residential \_\_\_\_\_
- 8.d. Has any one client accounted for 25% or more of the applicant's gross revenues during the past 12 months? \_\_\_\_\_
- 8.e. What percentage of sales are from new construction? \_\_\_\_\_ If any, are you the exclusive sales agent for a builder/developer? \_\_\_\_ Yes \_\_\_\_ No If yes, please describe \_\_\_\_\_
- 8.f. What percentage of transactions involve dual agency? \_\_\_\_\_
9. Please indicate the average sales price of the firms prior year closed residential transactions. \_\_\_\_\_
- 10.a. Does the applicant do any auctioneering? \_\_\_\_ Yes \_\_\_\_ No. If Yes, please provide income from real estate auctioneering.  
 \$ \_\_\_\_\_.
- 10.b. Does the applicant form, manage or organize group investments/syndications (i.e., limited partnerships, general partnerships, real estate investment trusts or corporations) for the purpose of investing in real property? \_\_\_\_ Yes \_\_\_\_ No. If Yes, please provide applicant's income from this activity \$ \_\_\_\_\_. **No Coverage is provided.**
- 10.c. Does the applicant have any involvement with real estate activities for which an applicant is a construction manager or property developer? \_\_\_\_ Yes \_\_\_\_ No. If Yes, is the construction manager or property developer a separate business entity? \_\_\_\_ Yes \_\_\_\_ No. Provide the name of the entity \_\_\_\_\_. **No coverage is provided.**
11. a. Is the applicant involved in property management? \_\_\_\_ Yes \_\_\_\_ No. If yes, please complete the following.  
 b. Is a budget prepared for each piece of property managed? \_\_\_\_ Yes \_\_\_\_ No.  
 c. Is a credit report obtained on each prospective tenant? \_\_\_\_ Yes \_\_\_\_ No.  
 d. Do you use standard management and lease agreements? \_\_\_\_ Yes \_\_\_\_ No.  
 e. Number of residential units managed? \_\_\_\_\_  
 f. Amount of commercial/Industrial square footage managed? \_\_\_\_\_

12. a. Does the firm have an in-house procedures manual?  Yes  No
- b. Does the firm have in-house training sessions and/or encourage agents to take outside training courses?  Yes  No.
- c. Does the principal broker have a specific training program for new sales associates?  Yes  No
- d. Has the firm's principal broker attended a risk reduction seminar in the last year?  Yes  No
- e. Are standard contract forms used?  Yes  No  
If Yes, what percentage of transactions use standard contract forms?  %
- f. Are property/seller disclosure forms used?  Yes  No  
If yes, what percentage of transactions use disclosure forms?  %
- g. Does the firm require their agents to perform physical inspections of properties?  Yes  No

(No #13)

14. PRIOR INSURANCE HISTORY: (By year, please advise the following information on any and all Real Estate Errors and Omissions Insurance carried by the firm(s). Also, please note if you have invoked an "extended reporting period" for any contract).

List all insurance companies for the past five (5) years by name and year beginning with the most current. If none, state none.

Current Insurance Company \_\_\_\_\_  
Limits of Liability \_\_\_\_\_ Deductible: \_\_\_\_\_  
Retroactive Date \_\_\_\_\_ Incep/Exp Date \_\_\_\_\_ Premium \_\_\_\_\_

2nd Year Insurance Company \_\_\_\_\_  
Limits of Liability \_\_\_\_\_ Deductible: \_\_\_\_\_  
Retroactive Date \_\_\_\_\_ Incep/Exp Date \_\_\_\_\_ Premium \_\_\_\_\_

3rd Year Insurance Company \_\_\_\_\_  
Limits of Liability \_\_\_\_\_ Deductible: \_\_\_\_\_  
Retroactive Date \_\_\_\_\_ Incep/Exp Date \_\_\_\_\_ Premium \_\_\_\_\_

4th Year Insurance Company \_\_\_\_\_  
Limits of Liability \_\_\_\_\_ Deductible: \_\_\_\_\_  
Retroactive Date \_\_\_\_\_ Incep/Exp. Date \_\_\_\_\_ Premium \_\_\_\_\_

5th Year Insurance Company \_\_\_\_\_  
Limits of Liability \_\_\_\_\_ Deductible: \_\_\_\_\_  
Retroactive Date \_\_\_\_\_ Incep/Exp Date \_\_\_\_\_ Premium \_\_\_\_\_

**YOU WILL NOT RECEIVE RETROACTIVE COVERAGE WITHOUT DATES GIVEN AND PROOF OF PRIOR INSURANCE.**

**ANSWER QUESTIONS #15 THROUGH #18, ONLY AFTER INQUIRY OF EACH MEMBER OF THE FIRM.**

15. Have any persons proposed for this coverage ever been subject to disciplinary action by any real estate association, state licensing board or other regulatory body as a result of real estate agents or brokers, property managers or real estate appraiser activities? If yes, please attach a detailed explanation  Yes  No.
16. Has any application or policy for similar Errors and Omissions insurance on behalf of the applicant, partners, owners or officers of the applicant or on behalf of the applicant's predecessors in business ever been declined, cancelled or refused renewal? (Other than due to loss of market.) If yes, please attach a detailed explanation.  Yes  No.
17. Have any claims been made during the past five years against the applicant or those indicated in Questions 4 or 6?  
 Yes  No. If yes, the SUPPLEMENTAL CLAIMS INFORMATION must be completed for each claim.  
*Please note: This policy will not apply to claims which any person proposed for this insurance is aware of prior to the effective date of the policy.*
18. Is the applicant aware of any circumstance which may result in a claim being made against the applicant or those indicated in Questions 4 or 6?  Yes  No. If yes, the SUPPLEMENTAL CLAIMS INFORMATION must be completed for each

circumstance. Please note: This policy will not apply to circumstances which any person proposed for this insurance is aware of prior to the effective date of the policy.

19. List all professional organizations/boards the firm is a member of:  
\_\_\_\_\_.

20. Does the firm have a General Liability/Business Owner policy? \_\_\_\_ Yes \_\_\_\_ No. If "Yes", please provide name of Insurer.  
\_\_\_\_\_.

21. DESIRED LIMITS AND DEDUCTIBLE (Check all of those for which you wish to receive quotes)

LIMIT: \_\_\_\_ \$250,000/\$250,000 \_\_\_\_ \$300,000/\$1,000,000 \_\_\_\_ \$500,000/\$500,000  
\_\_\_\_ \$500,000/\$1,000,000 \_\_\_\_ \$1,000,000/\$1,000,000 \_\_\_\_ Other \_\_\_\_\_

DEDUCTIBLE: \_\_\_\_ \$1,000 \_\_\_\_ \$2,500 \_\_\_\_ \$5,000 \_\_\_\_ \$10,000 \_\_\_\_ \$15,000 \_\_\_\_ \$25,000 \_\_\_\_ other

DESIRED EFFECTIVE DATE: \_\_\_\_\_

The undersigned declares that to the best of his/her knowledge and belief the foregoing statements and representations are complete and accurate. Signing this proposal does not bind the undersigned to purchase the insurance; but it is agreed that this form shall be the basis of the contract should a policy be issued, and this form will be attached and become part of the policy. Nor does submission of this proposal obligate the insurer or the agent to issue a policy.

It is further agreed that if, in the time between submission of the application and the requested date for coverage to be effective, the applicant becomes aware of any information which would change the answers furnished in response to Questions 15, 16, 17 & 18 of this application, such information shall be revealed immediately in writing to the Underwriter.

I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my Professional Liability policy. I understand that all statements in this application are "considered" material facts and an incorrect statement can void my policy.

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS, FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT.**

\_\_\_\_\_  
Signature of Partner, Owner, Director of Named Insured

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

Please Type Name of signing applicant.

\_\_\_\_\_  
First Initial Last

FAX AND MAIL COMPLETE APPLICATION TO:  
**AUSTIN & AUSTIN  
INSURANCE SERVICES, INC.  
P.O. BOX 278, Pleasanton, CA 94566  
(800) 987-1475 FAX (925) 416-1693  
CALIFORNIA INSURANCE LICENSE #0C10853**

# AUSTIN & AUSTIN

Insurance Services, Incorporated

## Mortgage Brokering Supplemental

Name of Applicant \_\_\_\_\_

1. Indicate the percentage of Applicant's current 12 month Gross Receipts from the following activities. If the Applicant is newly established, please advise best estimates.

a) Loan Origination	_____	%
b) Loan Servicing	_____	%
c) Loan Underwriting	_____	%
d) Yield Spread Premiums	_____	%
e) Other	_____	%
<b>Total 100%</b>		

2. Provide a percentage loan placement breakdown.

a) Residential	_____	%
b) Commercial	_____	%
c) Other	_____	%
<b>Total 100%</b>		

3. What percentage of the Applicant's Gross Receipts is derived from reverse mortgages? \_\_\_\_\_ %

4. What percentage of the Applicant's Gross Receipts is derived from loans from the sub-prime market? \_\_\_\_\_ %

5. What percentage of the Applicant's Gross Receipts is derived from Federal Housing Authority (FHA) and Veterans Administration (VA) loans? \_\_\_\_\_ %

6. Does the Applicant have an in-house line of credit? Yes \_\_\_\_\_ No \_\_\_\_\_ If "yes", please provide level of authority.

7. Does the Applicant provide mortgage loan services for homes that are built by a real estate development company with whom the Applicant is affiliated or has common ownership? Yes \_\_\_\_\_ No \_\_\_\_\_ If "yes", please provide details.

8. Does the Applicant provide origination services on behalf of only one bank or lender? Yes \_\_\_\_\_ No \_\_\_\_\_

9. Please provide average loan size, largest loan size, and total dollar value of loan origination business for the Applicant's current 12 month period.

a) average size	\$ _____
b) largest size	\$ _____
c) total dollar value of loans	\$ _____

10. Has the Applicant or any past or present staff member ever been criticized, disciplined, or fined by any government agency, regulatory entity, investor group, warehouse wholesaler/banker, or the Department of Housing and Urban Development, (HUD)? Yes \_\_\_\_\_ No \_\_\_\_\_ If "yes", please provide details.

THIS MORTGAGE BROKERS SUPPLEMENTAL APPLICATION IS ATTACHED TO AND FORMS PART OF THE PROFESSIONAL LIABILITY APPLICATION. THIS SUPPLEMENTAL APPLICATION IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE IN THE BASIC APPLICATION.

\_\_\_\_\_  
Signature of Partner, Owner, Director of Named Insured

\_\_\_\_\_  
Date