



- b. Latest annual financial statements (annual report or income statement and balance sheet). (Omit if gross revenues are \$1,000,000 or less.)
- c. Professional qualifications (i.e. resume or c.v.) of each of the owners, partners, officers and key employees of the Applicant(s) named in Part I Item 1. above.
- d. Professional societies and organizations to which the Applicant and its owners, partners, officers and key employees belong(s).
- e. Advertisements, brochures, and descriptive literature on the Applicant's business.
- f. Sample contract for services between the Applicant and its clients.
- g. A list of and description of affiliations with any organization owned by any owner, partner or officer of any Applicant.

**13. If you are applying for renewal with this company, attach:**

- c. Latest annual financial statements (annual report or income statement and balance sheet). (Omit if gross revenues are \$1,000,000 or less.)
- d. Any changes in any items provided last year pursuant to Items (a), (c), (d), (e), (f) or (g) above.

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**PROFESSIONAL ACTIVITIES AND SPECIALTY**

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14. Please complete the following if you are performing **REAL ESTATE SALES OR CONSULTING:**

a. Average Property Values: \$ \_\_\_\_\_ Maximum Property Values: \$ \_\_\_\_\_

b. Please provide the annual gross revenues during the last twelve months:

Real Estate Sales/Brokerage	\$
Real Estate Consulting	\$
Syndication/Partnerships	\$
Property Development and/or Construction	\$

c. Indicate the percentage of total income derived from the following:

Commercial	%
Residential	%
Industrial	%
Agricultural	%
Undeveloped Land	%
Other (please specify)	%

d. Does the Applicant provide services for foreclosed properties or for short sales?  Yes  No

Estimated annual percentage of transactions that are foreclosed properties:	%
Estimated annual percentage of transactions that are short sales:	%

Describe the disclosure and inspection procedures for foreclosed properties/short sales: \_\_\_\_\_

e. Are sales personnel employees or independent contractors?  
 # of Employees \_\_\_\_\_ # of Independent Contractors\* \_\_\_\_\_  
 \*If independent contractors, please provide sample contract.

15. Does the applicant represent any parts as a dual agent?  Yes  No  
 a. If yes, please provide the percentage of this representation: \_\_\_\_\_%  
 b. Describe the Applicant's procedures for disclosing dual agency representation to all parties involved in the transaction:

16. Do you offer any home warranty/protection plans?  Yes  No  
 If yes, please advise name of plans and percentage of transactions involving such plans:
- 

17. Does the applicant or any person for whom insurance is being requested have any ownership or equity interest in any properties being purchased or sold?  Yes  No  
 If yes, please provide the percentage of ownership of such properties and interests: \_\_\_\_\_%

18. Please complete the following if you are performing **PROPERTY MANAGEMENT** services:

- a. Please provide the annual revenues during the last twelve months:

Real Estate Property Management	\$
Real Estate Leasing Services	\$

- b. Is a budget plan prepared for each property managed?  Yes  No  
 If no, please explain: \_\_\_\_\_

- c. Are credit reports obtained on prospective tenants?  Yes  No  
 If no, please explain: \_\_\_\_\_

- d. Are you responsible for negotiating, effecting or maintaining insurance coverage on properties managed?  Yes  No  
 If yes, please explain: \_\_\_\_\_

- e. Indicate percentage of management fees derived from commercial property:  
 Commercial: % \_\_\_\_\_ Residential: \_\_\_\_\_ %

- f. If any Residential Property Manager's services are rendered, please provide the percentage of the management fees derived from each of the following for the past 12 months:

Apartment	%
Home Owners Association	%
Condominiums	%
Timeshare	%
Other, please explain:	%

- g. Does the applicant or any person for whom insurance is being requested have any ownership or equity interest in any property being managed?  Yes  No  
 If yes, please provide the percentage of ownership of such properties and interests. \_\_\_\_\_%

19. Please complete the following if you handle **MORTGAGE BROKER** services:

- a. Please provide the annual revenues during the last twelve months:

Mortgage Brokerage	\$
Mortgage Banking	\$

b. Loan activity in the past 12 months (*use projections if start up*)

Type	# of Loans	Dollar Amount
Residential		\$
Commercial		\$
Construction		\$
Other (explain)		\$
Total:		\$

c. Indicate percentage of loans:

	Two Years Ago	Last 12 Months	Next 12 Months
Originated	%	%	%
Warehoused	%	%	%
Serviced	%	%	%
Underwritten	%	%	%
Sub-prime (B, C or D paper)	%	%	%
Alt-A/Non-conforming Loans	%	%	%
Loan to Value > 100%	%	%	%
Reverse	%	%	%
Interest Only	%	%	%
Adjustable Rate Mortgages	%	%	%

20. Average loan value (in the past 12 months – use projections if start up): \$ \_\_\_\_\_

Maximum loan value (in the past 12 months – use projections if start up): \$ \_\_\_\_\_

21. Does the applicant:

- a. Have a warehouse line of credit:  Yes  No
- b. If yes, list the amounts and with whom:
- c. Place borrower funds in a separate escrow account?  Yes  No
- d. Perform any appraisal services?  Yes  No
- e. Perform any escrow agent services?  Yes  No
- f. Perform any real estate/broker services?  Yes  No
- g. Have any underwriting authority?  Yes  No

**If yes**, provide details (amounts, limits, etc.): \_\_\_\_\_

\_\_\_\_\_

22. Have there been any complaints or criticisms as a result of an audit in the past two years?  Yes  No

**If yes**, provide details: \_\_\_\_\_

\_\_\_\_\_

23. Please complete the following if you are handling any **REAL ESTATE APPRAISAL SERVICES**:

- a. Please provide the annual revenues during the last twelve months: \_\_\_\_\_
- b. How many licensed appraisers (including trainees) are in the firm? \_\_\_\_\_
- c. Do at least two appraisers review/sign-off on each appraisal?  Yes  No

d. Indicate percentage of gross revenues (should equal 100%)

Percentage of Income Derived from Residential	%
Percentage of Income Derived from Commercial	%
Percentage of Income Derived from Other Types of Properties	%

- e. Is more than 50% of your income derived from any one Client/Mortgage company?  Yes  No
- f. Do you use subcontractors?  Yes  No
  - If yes, complete the following questions:
  - i. Does the applicant sign off on appraisals completed by subcontractors?  Yes  No
  - ii. Are subcontractors required to carry separate E&O coverage?  Yes  No

g. Indicate data sources you use for verifying information for accuracy and maintaining quality control over all appraisals produced by your office (check all that apply):

- MLS / Trend
- NDC (National Data Collective)
- Public Records
- Other (Describe Source): \_\_\_\_\_

- h. Do you perform appraisal services for HUD/FHA Properties?  Yes  No  
If yes, what percentage of your total gross income comes from HUD/FHA Appraisals? \_\_\_\_\_%
- i. Do you currently use a pre-appraisal agreement when performing a real estate appraisal?  Yes  No  
Are the agreements signed in advance by your customer?  Yes  No

24. Please complete the following if you are performing **REAL ESTATE AUCTIONEER** services:

- a. Please provide the annual revenues during the last twelve months: \$ \_\_\_\_\_
- b. Does applicant always put properties to be auctioned on display for inspection prior to auction?  Yes  No  
Values of property auctioned?  Yes  No

Average Property Values: \$ \_\_\_\_\_ Maximum Property Values: \$ \_\_\_\_\_

c. Please list all states you work in and if state license is required:

State	License Required?	State	License Required?	State	License Required?	State	License Required?	State	License Required?	State	License Required?

- d. Does applicant provide any written guarantee relating to condition of property?  Yes  No
- e. Does applicant ever allow decoys in the audience to influence bidding?  Yes  No
- f. Does the applicant auction property owned by the applicant or any principal or any other entity in which the applicant or principal has controlling financial interest?  Yes  No
- g. Does the applicant perform any appraisal services of property to be auctioned?  Yes  No

25. Please complete the following if you are performing **BUSINESS BROKER** services:

a. Please provide the annual revenues during the last twelve months \$ \_\_\_\_\_

b. What types of services are offered? (provide as a percentage):

Type of Service	% of all services
	%
	%
	%

c. Provide number of years as a business broker \_\_\_\_\_

d. What is the average and maximum values of services provided?

Average \$ \_\_\_\_\_ Maximum \$ \_\_\_\_\_

e. Are contracts required 100% of the time?  Yes  No

f. Are valuation services offered?  Yes  No

g. Does the applicant represent any parts as a dual agent?  Yes  No  
 If yes, please provide the percentage of this representation: \_\_\_\_\_%

Describe the Applicant's procedures for disclosing dual agency representation to all parties involved in the transaction: \_\_\_\_\_  
 \_\_\_\_\_

h. Top three clients and average value of contracts

Name	Dollar Amount
	\$
	\$
	\$

26. Please complete the following if you are performing **HOME INSPECTOR** services:

a. Please provide the annual gross revenues during the last twelve months: \$ \_\_\_\_\_

b. Are individual home inspectors required to be licensed/registered in your state or in the state in which you practice?  Yes  No

c. Provide average inspection fee: \$ \_\_\_\_\_

d. Is applicant related to or acting as general contractor?  Yes  No

e. Is applicant only performing visual inspections?  Yes  No

- f. Type of inspection (indicate with X)
- Structural             Septic Tanks
  - Radon                     Construction
  - Mechanical             Public Water Wells
  - Mold                       Private Water Wells
  - Pest                         Indoor Air Quality

g. Indicate percentage of gross revenues (should equal 100%)

Percentage of Income Derived from Residential	%
Percentage of Income Derived from Commercial	%
Percentage of Income Derived from Other Types of Properties	%

- h. What percentage of work is sub-contracted? \_\_\_\_\_%
- i. Are subcontractors required to carry their own E&O insurance?  Yes  No
  - ii. If yes, do you obtain a certificate of insurance?  Yes  No
- i. Are written inspection agreements used 100% of the time?  Yes  No
- a. If no, why not? \_\_\_\_\_

**CLAIMS/HISTORY**

27. During the last five years, have there been any claims or proceedings arising out of professional services against the Applicant, or any of its principals, partners, owners, officers, directors, employees, managers, managing members, its predecessors, subsidiaries, affiliates, and/or against any other person or organization proposed for this insurance?  Yes  No  
 If yes, attach complete details including description of allegations, status of claim, amounts demanded or paid, date of claim, and action taken to prevent the same type of claim in the future.
28. Is the Applicant or any principal, partner, owner, officer, director, employee, manager or managing member of the Applicant or any person(s) or organization(s) proposed for this insurance aware of any fact, circumstance, situation, incident or allegation of negligence or wrongdoing, which might afford grounds for any claim such as would fall under the proposed insurance?  Yes  No  
 If yes, provide details. \_\_\_\_\_
29. Has any insurer cancelled, rescinded, nonrenewed or declined any similar insurance for the Applicant, its predecessors, subsidiaries, affiliates and/or for any other person or organization proposed for this insurance in the last five years?  Yes  No  
 If Yes, attach a copy of such insurer's notice.
30. Has the Applicant and/or any of its principals, partners, owners, officers, directors, managers and/or managing members or employees, its predecessors, subsidiaries, affiliates, and/or any other person or organization proposed for this insurance been involved in or have knowledge of any pending or completed investigative or administrative proceedings or governmental regulatory proceedings, actions or notices?  Yes  No  
 If Yes, provide details on a separate sheet.

31. Previous Professional Liability Insurance:

Policy Period	Insurer	Claims Made or Occurrence?	Limits of Liability	Deductible	Retro Date	Premium

32. Does the Applicant carry General Liability Insurance?

Yes  No

If Yes, provide: Insurer: \_\_\_\_\_

Limits: \_\_\_\_\_

Does coverage include Products/Completed Operations Hazards?

Yes  No

**FRAUD WARNINGS**

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 and subjects that person to criminal and civil penalties (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties). (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.) **(Not applicable in AL, AR, CA, CO, DC, FL, KS, KY, LA, ME, MD, NJ, NM, NY, OK, OR, PA, PR, RI, TN, VA, WA, WV)**

**Applicable in Alabama, Arkansas, District of Columbia, Louisiana, Maryland, New Mexico, Rhode Island, and West Virginia:** Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines or confinement in prison.

**Applicable in California:** For your protection California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Applicable in Colorado:** 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.

**Applicable in Florida and Oklahoma:** 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 FL, a person is guilty of a felony of the third degree.)

**Applicable in Kansas:** 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 or 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.

**Applicable in Kentucky:** 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.

**Applicable in Maine, Tennessee, Virginia and Washington:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**Applicable in Puerto Rico:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars



(\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**REPRESENTATIONS**

Verus Underwriting Managers, a Berkley Company, is authorized to make any inquiry in connection with this application. Signing this application does not bind Verus Underwriting Managers or the Company to provide or the Applicant to purchase the insurance.

This application, information submitted with this application, and all previous applications and material changes thereto of which Verus Underwriting Managers or the Company receives notice is on file with Verus Underwriting Managers and is considered physically attached to and part of the policy if issued. Verus Underwriting Managers and the Company will have relied upon this application and all such attachments in issuing the policy. If the information in this application or any attachment materially changes between the date this application is signed and the effective date of the policy, the Applicant will promptly notify Verus Underwriting Managers, who may modify or withdraw any outstanding quotation or agreement to bind coverage.

**WARRANTY**

I/We warrant to Verus Underwriting Managers and the Company, that I/We understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy and deemed incorporated therein, should Verus Underwriting Managers and the Company evidence its acceptance of this application by issuance of a policy. I/We authorize the release of claim information from any prior insurer to Verus Underwriting Managers or the Company.

It is understood and agreed that prior to the inception date of the policy no applicant knew, nor could have reasonably foreseen, any negligent act, error or omission or breach of professional duty, or personal injury or other circumstances that reasonably might result in a Claim covered by this policy.

<b>Name of Applicant:</b>		
<b>Signature of person authorized to execute on behalf of the applicant:</b>		<b>Date:</b>
<b>Print Name and Title of person authorized to execute on behalf of the applicant:</b>		
<b>Name and Address of Broker:</b>		

**A copy of this application should be retained for your records.**