

Navigators Insurance Company
Real Estate Professionals
Errors and Omissions Insurance Application



If you would like coverage for sales/brokering and you have no revenues for sale and brokering, last year or projected, please contact OREP.

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. Please read the policy carefully.

1. Name of Applicant _____
(Company name if applicable)
Contact _____ California Association of REALTORS® member: Yes No
Principal Street Address _____
City _____ ST _____ Zip _____
Mailing Address _____ ST _____ Zip _____
Telephone # (_____) _____ Fax # (_____) _____
E-Mail Address: _____

2. a. Date firm was established: _____ b. Year current owner assumed management: _____
c. Number of years owner licensed as an agent _____ as a broker _____ as an appraiser _____

3. Applicant ownership: Corporation/LLC Independent Contractor Sole Proprietor Partnership/LLP

*** Professionals are defined as:** Owners, Partners, Officers, Real Estate Brokers/Agents/Salespersons, Appraisers, Property Managers, Consultants or Auctioneers including independent contractors.

4. a. Indicate the total number of active full time professionals: * _____
**Full time professionals are defined as earning more than \$20,000.00 in annual income.*
b. Indicate the number of active part time professionals: * _____
**Part time professionals are defined as earning \$20,000.00 or less in annual income.*
c. Indicate the total number of support staff: _____ and inactive professionals: _____

5. Does the applicant have a formalized training program for all professionals and staff? Yes No

6. Indicate the number of professional employees who participated in an accredited, continuing professional education program during the past 12 months. _____

7. Do at least 15% of all professionals hold a professional designation? (i.e. GRI, CRS, CRE, ABR, MAI, SRA) Yes No

8. Is the applicant owned, associated, or controlled by any business, investment group or syndication? Yes No
If Yes, Please provide the name of the entity(s) and the nature of the relationship:

9. a. Has any member of your firm engaged in property construction or development (including renovations)? Yes No
If Yes, check all that apply and complete 9b:

- 1. Directly (member of your firm doing work themselves)
 - 2. Through a licensed contractor
 - 3. Through a separate business entity owned by any member of your firm or their spouses
- (If you checked option 3, please complete supplemental application)*

b. Provide gross commission income derived from the sale of these properties in the past 12 months, and include this total in "Agent/Broker Owned Property Sales" under question 10 on the next page:

Residential \$ _____ Commercial \$ _____
Check here if none in the past 12 months

10. Provide your gross revenues for the last 12 months and projected next 12 months. If newly established, please provide an estimate of revenues for the current annual period (Gross revenues are defined as all fees and commissions before expenses, including fees, commissions and bonuses payable to employees and independent contractors):

	<u>Gross Revenues for</u> Last 12 months	<u># of Transaction sides</u> (closed real estate sales for last 12 months)	<u>Projected Revenues</u> <u>for next 12 months</u>	<u>Projected # of</u> <u>Transaction Sides</u>
RESIDENTIAL				
Sales & Leasing	\$ _____	_____	\$ _____	_____
Agent/ Broker Owned Property Sales	\$ _____	_____	\$ _____	_____
Farm Land	\$ _____	_____	\$ _____	_____
Raw Land	\$ _____	_____	\$ _____	_____
Appraisals*	\$ _____	_____	\$ _____	_____
COMMERCIAL				
Sales & Leasing	\$ _____	_____	\$ _____	_____
Agent/Broker Owned Property Sales	\$ _____	_____	\$ _____	_____
Farm Land	\$ _____	_____	\$ _____	_____
Raw Land	\$ _____	_____	\$ _____	_____
Appraisals*	\$ _____	_____	\$ _____	_____
OTHER SERVICES				
Property Management*	\$ _____	_____	\$ _____	_____
Sale of Business Opportunities*	\$ _____	_____	\$ _____	_____
Mortgage Brokering*	\$ _____	_____	\$ _____	_____
Auctioneering (Real Property)*	\$ _____	_____	\$ _____	_____
Short term Escrow (Funds distributed within 1 year)	\$ _____	_____	\$ _____	_____
Real Estate Consulting (provide details below)	\$ _____	_____	\$ _____	_____
Other (Provide details below)	\$ _____	_____	\$ _____	_____

*If Applicant has revenue derived from any services denoted by an asterisk, please complete the supplemental application

Details of "Real Estate Consulting" and "Other" from above:

11. Does the applicant have documented procedures which include instructions on how to handle complaints and compliance with Federal, State and Local statutes? Yes No
12. Does the applicant use approved board of REALTORS® or state association of REALTORS® standard contract forms for the listing and sale of all Real Estate? Yes No If No, please explain.
13. In the past year, what was the average value of properties:
a. sold \$ _____ or b. appraised (if applicable) \$ _____
14. What percentage of residential transactions included a: a. Signed property disclosure form? _____%
b. Home warranty program? _____% c. Home inspection or written waiver? _____%
15. What percentage of transactions involve acting as a: dual agent _____% intermediary _____% or transactional broker _____%

16. Has any member of your firm been involved in asset or property preservation services including any incidental repair work on bank owned properties within the last 3 year period? Yes No
17. Has any member of your firm been involved in property rehabilitation services on bank owned properties within the last 3 year period? Yes No
If Yes to question 16 or 17, were all such repairs contracted by you done by a licensed contractor? Yes No
18. For any bank owned properties where you represent the buyer, do you advise the buyer in writing to have the property inspected by a licensed and insured home inspector prior to purchase? Yes No
19. Has any member of your firm engaged in acquiring the properties or deeds of financially distressed homeowners, including sale – leaseback agreements within the last 3 year period? Yes No N/A
20. Has the applicant engaged in any eviction services on pre-foreclosed or bank owned properties within the last 3 years? Yes No
If Yes, was the preparation, filing and service of the eviction complaint and obtaining the eviction judgment handled by an attorney? Yes No
21. Is any client responsible for more than 25% of the applicant's annual income? Yes No
If Yes, provide the name, relationship and total revenue from the client.
22. Does the firm perform or intend to perform professional services for REITS or property syndications? Yes No
If Yes, what is the percentage of the gross commission income derived from these services? _____%
23. During the past 5 years:
- a. Has the applicant been involved in any merger, acquisition, or consolidation? Yes No
If Yes, provide details on a separate sheet and include any name changes for the firm.
- b. Has any principal, partner, director, officer, or professional of the applicant performed professional services for any other business which the applicant has any ownership or managerial interest? Yes No
If Yes, provide details on a separate sheet.
24. Does the applicant transact business in multiple states or outside of the United States? Yes No
If Yes, provide details on a separate sheet, including the percent (%) of total gross revenues from each state or country.
25. After inquiry, is the applicant, or anyone to whom this insurance will apply, aware of any:
- a. Professional Liability claim made against them in the past 5 years? Yes No
- b. Act or omissions in the performance of professional service for others which might reasonably be expected to be the basis of a claim or suit against them? Yes No
- c. Complaint, disciplinary action or investigation by any regulatory authority? Yes No
- d. Changes in any claims previously reported on past applications? Yes No

IMPORTANT NOTE: The applicant's disclosure of claim information does not indicate nor imply, in any way, that any act or omission is covered by this policy. In addition, 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 claim reporting period expires.

NEW BUSINESS APPLICANTS ONLY MUST COMPLETE QUESTIONS 26-28

26. **Notice to Missouri Residents: This question does not apply:** During the past 5 years has any insurance carrier declined, canceled or refused renewal of similar insurance on behalf of this applicant or anyone to whom this insurance will apply (Other than due to loss of market)? Yes No If Yes, provide details on a separate sheet and include the date, carrier and reason.
27. List Previous Professional Liability Coverage policies this individual, firm or predecessors of firm have held within the last 5 years. If no insurance was in effect for a given year, state "none" where applicable below:

Company	Policy Period	Limit of Liability	Deductible	Premium	Retro Date
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____
_____	_____ to _____	_____	_____	\$ _____	_____

28. Has the applicant ever purchased an extended reporting period endorsement? Yes No
If Yes, please provide details to include the date, carrier and reason:

29. Coverage Selection:

a. Limits of Liability: Per Claim _____ Policy Aggregate _____
 Claims Expense Inside the Limit or Claims Expense Outside the Limit

b. Deductible: _____ First Dollar Defense? (for a charge) Yes No
Aggregate Deductible? (for a charge) Yes No

c. Desired Policy Effective Date: _____/_____/_____

d. Current Policy Retroactive Date: _____/_____/_____ (Attach current Declarations page)

FRAUD WARNING: 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.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. THE APPLICANT AND FIRM ACCEPTS NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" BASIS. THE APPLICANT AND FIRM ACCEPTS NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE. THE APPLICATION MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, PRINCIPAL, OFFICER, OR MEMBER OF THE APPLICANT.

The undersigned is authorized by, and acting on behalf of, the Applicant and represents that all statements and particulars herein are true, complete and accurate and that there has been no suppression or misstatements of fact and agrees that this application shall be the basis of, and becomes part of, the Applicant's professional liability coverage.

Please print your name _____ Title _____

Signature _____ Date _____

OREP- Organization of Real Estate Professionals Insurance Services, LLC
6760 University Ave., Suite 250, San Diego, CA 92115
Phone: 888-347-5273; Fax: 619-704-0567; Email: info@orep.org
Cali Lic. #0K99465



**Real Estate Professionals
Errors and Omissions Insurance
Application**

Other Services Supplement

Full Name of Applicant or Insured: _____

Please complete only the sections that apply to services performed by the Applicant or Insured

Property Manager Information

1. Does the Applicant enter into a contract with each property owner? **Yes** **No**
2. Is a budget prepared for each property managed? **Yes** **No**
3. Are standard management and lease agreements used for all properties? **Yes** **No**
4. Does the Applicant hire licensed contractors to provide services for any managed properties? **Yes** **No**
If Yes, does the applicant require certificates of insurance from each contractor? **Yes** **No**
5. What is the Applicant's average authority for capital improvements, repairs, etc.? \$ _____
6. Does the Applicant require liability insurance to be in place for all properties managed? **Yes** **No**
7. Indicate the number of property managers who hold professional designations or certification related to P.M.:

8. Does the Applicant have ownership interest in any properties managed? **Yes** **No**
9. Please provide a breakdown of the types of properties managed, revenues and ownership interest:

Property Type	Total Number of Units/Sq. Ft.	% of Property Management Income (total must = 100%)	% of Ownership Interest (if any)
Single Family Homes	# Units:	_____%	_____%
1 - 4 Unit Condos/Apartments	# Units:	_____%	_____%
5+ Unit Condos/Apartments	# Units:	_____%	_____%
Home Owners Associations	# Units:	_____%	_____%
Shopping Centers	Sq Ft:	_____%	_____%
Office Buildings/ Commercial	Sq Ft:	_____%	_____%
Other - Describe Property Types:		_____%	_____%
		<u>100%</u>	

Real Estate Appraiser Information

1. Indicate the number of appraisers who have attained professional designations related to the appraisal market: _____
2. Indicate the number of appraisers who have participated in an appraisal related continuing education program in the past twelve months: _____
3. 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 services? Yes No
4. Does the Applicant always use standard appraisal forms that comply with USPAP? Yes No
5. Does the Applicant perform any Right-of-Way appraisals? Yes No

If Yes, please provide the revenue and number of transactions for the past 12 months:

	Last 12 Months of Revenue	Number of Transactions
Right-of-Way Appraisals	\$ _____	_____

Real Estate Auctioneer Information

1. Does the Applicant provide any written guarantee relating to the condition of the properties being auctioned? Yes No
2. Does the Applicant always put the properties to be auctioned on display for inspection prior to the auction? Yes No
3. Auctioning revenue:

	Last 12 Months of Revenue	Number of Transactions
Auctioning of Real Property	\$ _____	_____

Construction/Development Ownership Interest Information

1. Has the Applicant, or any of its agents, sold or listed for sale any properties that were developed or constructed by a separate business entity owned by the firm, any of its agents or the spouse or domestic partner of an agent or owner? Yes No

If Yes, please provide the following:

- a. Name of the business entity: _____
- b. Percentage of the business entity owned by the firm or agent: _____%
- c. Percentage of the business entity owned by the spouse of domestic partner: _____%
- d. Number of years the entity has been in business: _____
- e. Number of years the entity has operated in the same area: _____
- f. Number of years of development/ construction experience key personnel have: _____
- g. Types of properties developed or constructed by the business entity: Residential Commercial

2. For the past 12 months, please provide the amount of gross commission income (GCI) derived from the sale of properties associated with the separate business entity described in question 2 above:

Residential Property GCI: \$ _____ Commercial Property GCI: \$ _____

Continue to next page

3. During the past 5 years has the Applicant or any of its agents:
- a. Had any claims made against them involving the entity mentioned in question 2a. above? **Yes** **No**
 - b. Have knowledge of any act or omissions which might reasonably be expected to be the basis of a claim against them involving the entity mentioned in question 2a. above? **Yes** **No**

*If Yes to part a. of question 4 above, please complete a Claim Supplement for all claims.
If Yes to part b. of question 4 above, provide details below:*

Business Brokerage Information

*This section must be completed if coverage for the sale of Business Opportunities is requested.
All questions must be answered completely.*

1. Please provide the Name and the years of business brokerage experience for each agent or broker who is involved in the sale of business opportunities:

Agent or Broker's Name	Years of Business Brokering Experience

2. Is the Applicant, or the agent or broker responsible for the sale of the business, involved in the valuation of the business being sold? **Yes** **No**
3. Does the Applicant disclose to the purchaser in writing that there is no certainty or assertion of any future business value or income? **Yes** **No**

Please provide a copy of the standard disclosure form and any other forms, waivers or disclosures used by the Applicant during the negotiation and sale of Business Opportunities.

4. Does Applicant provide a written recommendation that each party retain an attorney and an accountant for the purpose of performing a due diligence review; including evaluation of the income, expenses and feasibility of the sale/purchase of the business operations? **Yes** **No**
6. Does Applicant have a written policy prohibiting agency personnel from making recommendations regarding attorneys and accountants selected? **Yes** **No**
7. Briefly describe the number and types of Business Opportunities arranged, negotiated or sold by the Applicant within the past three years (use a separate sheet if necessary):

Real Estate Mortgage Broker Information

1. How many years of mortgage brokering experience does the Applicant have? _____

2. In transactions where the Applicant serves as both the real estate agent/broker and the mortgage broker, does the Applicant inform the client that they are under no obligation to use the Applicant's mortgage broker services? **Yes** **No**

3. State(s) in which mortgage brokering services are provided: _____
 - a. Are licenses held in all states where required by law? **Yes** **No**

4. Please provide the following, for the past 12 month period:
 - a. Average Loan Amount: \$ _____
 - b. Value of Largest Mortgage: \$ _____
 - c. Names of top 3 lenders used:

_____ % used: _____%
_____ % used: _____%
_____ % used: _____%

5. Indicate the percentage of loans which are:
Residential: _____% Commercial: _____% Other: _____%
If Other, please specify: _____

6. What percentage of your loans:
Are subprime (B or C loans): _____% Are Combo Loans: _____%
Are held longer than 30 days: _____% Fund new construction: _____%
Have a Yield Spread Premium: _____% Are reverse mortgages: _____%
Are placed through governmental agencies and Savings & Loans: _____%

7. Have you in the past, or do you now:
 - a. Perform underwriting duties? **Yes** **No**
 - b. Provide loan servicing duties? **Yes** **No**
 - c. Have any discretionary loan making authority? **Yes** **No**
 - d. Solicit investors or use your own capital in loans you broker? **Yes** **No**
 - e. Fund any loans via a warehouse line of credit or other means in your own name? **Yes** **No**
 - f. Perform appraisals on properties you provided mortgage brokering services for? **Yes** **No**
 - g. Have a correspondent relationship terminated by an investor? **Yes** **No**
 - h. Close or fund any loans without having advance written commitment from an investor or bank to purchase the loan? **Yes** **No**

If you answered YES to any of the above, please explain on a separate paper on company letterhead.

8. Have any allegations been made against you for violations of the Truth-In-Lending Act, the Equal Credit Opportunity Act, or the Real Estate Settlement Procedures Act? **Yes** **No**
If you answered YES, please explain on a separate paper on company letterhead.

FRAUD WARNING: 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.

FLORIDA FRAUD WARNING: 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 of the third degree.

MAINE FRAUD WARNING: 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 denial of insurance benefits.

MARYLAND FRAUD WARNING: 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.

OREGON FRAUD WARNING: 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 to the content of the contract commits a fraudulent insurance act, which may be violating state law and may be subject to prosecution for insurance fraud.

I understand that the information submitted in this supplemental questionnaire becomes a part of my Real Estate Professionals Errors & Omissions Insurance application and is subject to the same representations and conditions.

Print Name

Title

Signature

Date

For Florida Only:

Insurance Agent/Producer Name David Brauner Insurance License # E59100

For New Hampshire Only: Insurance Agent Name and Signature Required

Insurance Agent Name: David Brauner Signature: _____

Real Estate Professionals
Errors and Omissions Insurance Application

Claim Supplement

This form must be completed for each claim, suit or incident. All questions must be answered completely.

1. Full Name of Applicant or Insured: _____

2. Full Name of Individuals or Firm involved in the claim: _____

3. Full Name of Claimant: _____

4. Indicate whether: Incident Claim / Suit

5. Date you became aware of alleged error: _____

6. Date reported to your insurance carrier: _____

7. Name of Insurance company: _____

8. Additional defendants: _____

9. If **CLOSED**: Indicate date closed: _____ Total Amount Paid \$ _____

Of the total amount paid, how much was for legal expenses? \$ _____

What was your deductible? \$ _____

10. If **PENDING**: Please send a copy of the suit papers or answer all questions below.

Claimant's settlement demand: \$ _____

Defendant's offer for settlement: \$ _____

Insurer's loss reserve: \$ _____

Is claim in suit? **Yes** **No** If **Yes**, amount asked in summons \$ _____

Limits of Liability \$ _____ Deductible \$ _____

11. Provide a brief description of the claim; indicate the alleged error, description of events leading to the claim, type and extent of injury or damage alleged and what policies or procedures have been implemented to prevent a reoccurrence or similar situation (use separate sheets as needed):

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I understand that the information submitted in this supplement becomes a part of my Real Estate Professionals Errors & Omissions Insurance application and is subject to the same representations and conditions.

Print Name

Title

Signature

Date

For Florida Agents Only:

Agent or Producer Name _____ License # _____

For New Hampshire Agents Only: Agent Name and Signature Required

Agent Name: David Brauner Signature: _____