

## Real Estate Errors and Omissions Insurance Application

All States except Alaska, California, Louisiana, New York, or West Virginia

### 1. GENERAL INFORMATION

a. **NAME OF APPLICANT:** (include the complete name of any agency, firm, franchisee operation or DBA's under which you operate):

\_\_\_\_\_

*(Please attach a separate sheet if additional space is needed to list all entities in which you are applying for coverage.)*

PRINCIPAL STREET ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ COUNTY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

WEBSITE: \_\_\_\_\_ CONTACT NAME: \_\_\_\_\_

b. Has there been any change in name, ownership or operation within the past two years or do you anticipate such changes within the next year?  Yes  No. *If "Yes", please explain including the effective date:* \_\_\_\_\_

c. Do you transact business in multiple states or outside of the country?  Yes  No *If "Yes", please list all below including the percentage (%) of revenue from each state or country:* \_\_\_\_\_

d. Date Established? \_\_\_/\_\_\_ Applicant is a(n):  Individual  Partnership  Corporation  Other \_\_\_\_\_

### 2. PRINCIPAL AND STAFF INFORMATION

a. Complete the following for each **Owner, Partner, Director, and Officer**. If licensed less than three (3) years, please provide resumes. Attach an additional sheet, if necessary. Please include and identify the managing broker.

Name and Title	Date First Licensed?	Broker?	List Professional Designations
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	

b. **STAFF:** Indicate total staff including **Owner(s), Partner(s), Director(s), and Officer(s)** listed in 2a. above.

*\*Full-time is defined as earning more than \$20,000 in annual commissions or fees.*

	Full-time*	Part-time
Licensed Brokers - employed and all independent contractors		
Licensed Agents - employed and all independent contractors		
Mortgage Brokers/Loan Officers		
Appraisers - employed and all independent contractors		
Other (describe):		
<b>TOTAL STAFF:</b>		

c. Number of staff members that hold either a broker's license or a Professional Designation? (e.g. CCIM, GRI, CRS, MAI, SRA) \_\_\_\_\_

d. Is the applicant owned by or associated with any other business entity, involved in the formation or management of any investment group, syndication or REIT, or otherwise involved in the introduction of parties for the purpose of investing?  Yes  No  
*If "Yes", please provide details including the name of the entity and the nature of the affiliation:* \_\_\_\_\_

e. Is the applicant or any member engaged in any business enterprise, professional practice or services other than real estate sales, leasing, property management, appraisal, auctioneering or mortgage brokerage?  Yes  No  
*If "Yes", please explain.* \_\_\_\_\_

**3. GROSS REVENUE and AREAS OF PRACTICE**

Please complete the following grid providing the applicant's gross revenue from all services offered. If newly established, please provide projections. Gross revenue is defined as all commissions and fees, before expenses or any splits with agents or appraisers.

a.

Areas of Practice	Past 12 Months		Projections for Next 12 Months	
	# of Transactions or Appraisals	Gross Income	# of Transactions or Appraisals	Gross Income
<b>RESIDENTIAL</b>				
Residential Property Sales (1-4 Units)	_____	\$ _____	_____	\$ _____
Residential Raw Land	_____	\$ _____	_____	\$ _____
Leasing - Residential (Property not managed)	_____	\$ _____	_____	\$ _____
Property Management - Residential	_____	\$ _____	_____	\$ _____
Agent Owned Property Transactions	_____	\$ _____	_____	\$ _____
<b>COMMERCIAL</b>				
Commercial Property	_____	\$ _____	_____	\$ _____
Commercial Raw Land	_____	\$ _____	_____	\$ _____
Leasing – Commercial (Property not managed)	_____	\$ _____	_____	\$ _____
Property Management – Commercial	_____	\$ _____	_____	\$ _____
Business Brokerage/Sale of Business Opportunities*	_____	\$ _____	_____	\$ _____
Farm/Ranch/Vineyards (income producing)	_____	\$ _____	_____	\$ _____
Industrial Property Sales or Leasing	_____	\$ _____	_____	\$ _____
Agent Owned Property Transactions	_____	\$ _____	_____	\$ _____
<b>MISCELLANEOUS BROKERAGE SERVICES</b>				
Auctioneering (Real Property)	_____	\$ _____	_____	\$ _____
Broker Price Opinions (BPOs)	_____	\$ _____	_____	\$ _____
Condo/Homeowners Association Management*	_____	\$ _____	_____	\$ _____
Escrow Agent (short-term for your real estate clients)	_____	\$ _____	_____	\$ _____
Mortgage Brokerage	_____	\$ _____	_____	\$ _____
Real Estate Consulting (describe):	_____	\$ _____	_____	\$ _____
Referral Fees	_____	\$ _____	_____	\$ _____
Other (describe):	_____	\$ _____	_____	\$ _____
<b>APPRAISAL SERVICES</b>				
Residential Appraisals	_____	\$ _____	_____	\$ _____
Residential Appraisal Reviews	_____	\$ _____	_____	\$ _____
Residential Desktop Appraisals	_____	\$ _____	_____	\$ _____
Commercial/Industrial Appraisals*	_____	\$ _____	_____	\$ _____
Appraisal of Blueprints or Construction Draws*	_____	\$ _____	_____	\$ _____
Appraisals involving multiple properties, condominium conversions, new construction/development projects*	_____	\$ _____	_____	\$ _____
Conservation, Right-of-Way or Public Sector Appraisals*	_____	\$ _____	_____	\$ _____
Other*	_____	\$ _____	_____	\$ _____
<b>TOTALS:</b>	_____	\$ _____	_____	\$ _____

\*Supplemental Application Required

- b. PROPERTY MANAGMENT:** Please answer the following questions for property management services offered.....  Not Applicable
- Does the applicant require and obtain a written agreement with all property management clients?.....  Yes  No
  - Number of units managed: \_\_\_ Houses \_\_\_ Apartments \_\_\_ Condos \_\_\_ Office Buildings \_\_\_ Shopping Centers \_\_\_ Office Buildings
  - Does the applicant require proof that there is liability insurance in place for each property managed?.....  Yes  No
  - Does the applicant require proof of liability insurance from all contractors hired to provide services?.....  Yes  No

**4. OPERATIONS**

- a. What percentage of transactions, over the past year, involved the applicant representing both the buyer and seller in a single transaction (*in some states referred to as Dual Agency*)? ..... \_\_\_\_\_%
- b. Average sales price on closed transactions (past year)? Residential: \$\_\_\_\_\_ Commercial: \$\_\_\_\_\_
- c. Did/will any client or project represent more than 25% of your gross annual revenue (past or projected 12 months)? ..... Yes No  
If "Yes", please explain. \_\_\_\_\_
- d. What percentages of sales were from new construction listings (past 12 months)? ..... \_\_\_\_\_%  
Does the applicant, or any agent, have any exclusive listing or leasing agreements with any builder/developer? ..... Yes No  
If "Yes", please complete the attached Builder/Developer Exclusive Listings Supplemental Application.
- e. Has any member of the applicant engaged in acquiring properties or deeds of financially distressed homeowners, including sale-leaseback agreements? ..... Yes No
- f. Does the applicant handle any sales, leasing, property management or appraisal of mobile homes, RV parks, hotels, motels or timeshares? ..... Yes No
- g. Is the applicant or any member of the applicant involved in real estate activities in which they act as a general contractor, builder, construction manager or property developer (including property rehab or renovations)? .... Yes No  
If "Yes", please attach separate sheet describing activities, entity under which services are provided, number of properties and gross revenues.  
**No coverage is provided for any of these activities unless coverage is specifically endorsed onto the policy.**

**5. INTERNAL PROCEDURES, PRACTICES AND RISK MANAGEMENT**

- a. Does the firm have an in-house procedures manual? ..... Yes No
- b. Does the firm have in-house training and/or encourage staff to take outside training courses? ..... Yes No
- c. Does the principal broker have a specific training program for new sales associates?..... Yes No N/A
- d. In the past year, what % of the applicant's licensees completed a risk reduction seminar? ..... \_\_\_\_\_%
- e. In the past year, what % of the applicant's licensees completed formal continuing education courses? ..... \_\_\_\_\_%
- f. What percentage of the firm's sales transactions (*appraiser applicants may skip this question*):
  - 1) Included the use of a standard state real estate trade association purchase/sales contract?..... \_\_\_\_\_%
  - 2) Included an offer to obtain a home warranty? ..... \_\_\_\_\_%
  - 3) Included a home inspection performed on the property? ..... \_\_\_\_\_%  
*Do you advise all buyers in writing to have a property inspection by a licensed and insured home inspector prior to purchase?* Yes No
  - 4) Included a signed property disclosure from the Seller? ..... \_\_\_\_\_%
- g. Do all staff members use standard contracts and forms or standardized appraisal report generating software? ..... Yes No  
If "Yes", what percentage of time are standard forms/reports used: 100% 75% Less than 50%

**6. CLAIMS INFORMATION**

**If you answer "Yes" to questions a, c or d below, completion of the Board Investigation/Claim Supplemental Application and submission of insurance company loss runs for the past five years, will be required.**

**ANSWER THE FOLLOWING QUESTIONS ONLY AFTER INQUIRING OF EACH OWNER, OFFICER, MEMBER, EMPLOYEE AND INDEPENDENT CONTRACTOR.**

- a. Has any of the above reference persons or the applicant been subject to a felony conviction, license surrender or been subject to any investigation, license revocation, suspension or other disciplinary action by any licensing board, real estate association, or other regulatory body within the past 5 years? ..... Yes No  
*Please submit a copy of the initial board complaint, your written response to the board and the final ruling.*
- b. Has any similar Errors and Omissions Insurance policy written on behalf of the firm, its partners, owners, officers, or on behalf of the firm's predecessors in business, ever been declined, canceled, or refused renewal within the past 5 years? Yes No  
*If "Yes", please provide details, including the date, carrier and reason. NOT APPLICABLE IN MISSOURI*
- c. After inquiring, have any claims been made against the applicant or any of the aforementioned persons within the past five (5) years? ..... Yes No
- d. After inquiring, is any of the aforementioned persons aware of any act, omission, personal injury, fact, circumstance, situation or incident which could be a basis for a claim? ..... Yes No

**PLEASE NOTE:** Failure to report to your current insurance company any claim made against you during your current policy term, or facts, circumstances or events which could give rise to a claim against you BEFORE the expiration of your current policy term may jeopardize your coverage. This policy will not apply to any claim which any person proposed for this insurance knew of prior to the effective date of the policy. This policy also will not apply to any claim if any person proposed for this insurance knew prior to the effective date of the policy of an act, error or omission which could be the basis of a claim.

**6. INSURANCE HISTORY**

**PRIOR INSURANCE HISTORY:** Provide the following information on all Real Estate Errors and Omissions Insurance carried by the firm for the past five (5) years. *If no insurance was in effect for any year, please indicate "none" where applicable.*

POLICY PERIOD from / to	INSURANCE COMPANY	LIMITS OF LIABILITY Per Claim/Aggregate	DEDUCTIBLE	PREMIUM
-				
-				
-				
-				
-				

- a. Has your firm purchased Extended Reporting Period coverage in the past from any carrier? ..... Yes No  
If "Yes", please provide the date purchased and carrier you purchased it from: \_\_\_\_\_.
- b. **DESIRED EFFECTIVE DATE:** \_\_\_\_\_  
month/day/year
- c. **RETROACTIVE DATE:** \_\_\_\_\_  
Attach a copy of your current policy Declarations Page and any endorsement that shows your current retroactive coverage date.  
**NOTE: Retroactive coverage (i.e. prior acts) will not be provided without proof of existing retroactive coverage!**
- d. If the firm has current coverage in force, does such coverage contain any endorsements that exclude or limit coverage under the policy? ..... Yes No  
If "Yes", please provide a copy of all such endorsements.

**7. LIMITS AND DEDUCTIBLES**

- a. **LIMITS OF LIABILITY:**  
 \$250,000/\$250,000  \$ 500,000/\$500,000  \$ 500,000/\$1,000,000  \$1,000,000/\$1,000,000  Other \_\_\_\_\_
- b. **DEDUCTIBLE:**  
 \$0  \$1,000  \$2,500  \$5,000  \$10,000  \$15,000  \$20,000  \$25,000  Other \$ \_\_\_\_\_

**NOTICE**

**General Star National Insurance Company** is an "admitted" or "licensed" insurer in all states, subject to the financial solvency regulation and enforcement, which applies to licensed companies. This insurance company participates in state insurance guarantee funds.

The following fraud notices supersede any others that may appear in any Application or Application Supplement:

**FRAUD WARNINGS**

**Notice to Applicants of all states except Colorado, Florida, Kentucky, New Jersey, New Mexico, Oklahoma, Oregon, Pennsylvania, Virginia, Washington and D.C.:** Any person who knowingly, and with the intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any material 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 the person to criminal and civil penalties and denial of insurance benefits.

**Colorado Notice:** Any person who knowingly, and with the intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any material 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 the person to criminal and civil penalties and denial of insurance benefits. Any insurance company or insurance agent who knowingly provides false, incomplete or misleading 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.

**Notice to Florida Applicants:** 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.

**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 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 Oklahoma Applicants: Warning:** Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**Notice to Oregon Applicants:** Any person who knowingly and with intent to defraud or deceive any insurance company or other person who files an application for insurance or a statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto upon which the insurance company or any other person relies may be a crime and may provide grounds for criminal or civil penalties.

**Notice to Pennsylvania Applicants:** Any person who knowingly and with intent to defraud any insurance company or other person who, files an application for insurance or a 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 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 Washington and Washington D.C. 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.

**I declare that the information provided in this application is true and accurate to the best of my knowledge, I have not withheld or misrepresented any material facts, and I will notify the company if the information on this application changes between the date of this application and the effective date of any insurance provided. I agree that completion of this application does not bind the company to issue a policy or bind the applicant to purchase the insurance. I further agree that this application shall be the basis of the contract and will attach to the policy of insurance should a policy be issued.**

Name and Title: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Please note that the application must be signed and dated by an owner or officer of the applicant.**

**For Florida Agents Only:**

Insurance Agent or Producer's Name: \_\_\_\_\_ License Number: \_\_\_\_\_

**For Iowa and New Hampshire Agents Only:**

Insurance Agent or Producer's Name: \_\_\_\_\_

Insurance Agent or Producer's Signature: \_\_\_\_\_

**Please submit your application to [info@orep.org](mailto:info@orep.org)**