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INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY INSURANCE APPLICATION

IF A POLICY IS ISSUED, IT WILL BE ON A CLAIMS MADE BASIS

NOTICE: THE POLICY PROVIDES THAT THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE, FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIES AGAINST THE DEDUCTIBLE AMOUNT.

1. Name of Applicant: _____

Address: _____

Office Telephone: _____

2. Specify If: Individual Partnership Corporation Other (Explain)

3. Limits of Liability Desired: _____
(Each Wrongful Act or series of continuous, repeated or interrelated Wrongful Acts/ Aggregate)

4. Deductible: \$5,000 \$10,000 \$25,000 Other _____

5. Effective Date Desired: _____
Year Established: _____

6. If the applicant is owned or controlled by another entity, give full detail (name of entity, percentage owned/ controlled, etc.). _____

7. List all office locations besides the one listed in Question 1. _____

8. Please give the approximate percentage breakdown of the total of your premium volume and fees as:

Agent %
Broker %
Managing General Agency %
Reinsurance Intermediary %
Excess or Surplus Lines Broker %
Consultant (for fee) %
Risk Manager (for fee) %
Third Party Administrator (for fee)..... %
Other (explain below) %

Must Total.... 100%

LINES OR BUSINESS WRITTEN AND INSURANCE OPERATIONS OF APPLICANT

We are interested in knowing what lines of business makes up the premium volume written by the applicant THIS PAST YEAR, and what other insurance operations, for a fee, applicant is engaged in.

Break it into five (5) major areas:

- (a) Standard Business.
- (b) Non-Standard and Surplus Lines Business.
- (c) Consulting and/ or Risk Management Services.
- (d) Life and Health products.
- (e) Third Party Administration.

9. **Standard Business**

- (a) Total Standard Commissions: \$_____
- (b) Total additional income such as contingent commission: \$_____

10. NON-STANDARD AND SURPLUS LINES BUSINESS – Non-standard business includes: Surplus Lines, Brokerage Business from other agents or brokers, fair plans, Government Pools, and other distressed business the applicant controls or processes. _____

11. WHOLESALE – RETAIL – With respects to applicant’s annual premium volume, what percentage do you place as a wholesaler and what percentage do you place as a retailer?
Wholesaler _____% Retailer _____%

12. CONSULTING AND/ OR RISK MANAGEMENT SERVICES

- (a) Does the applicant engage in Risk Management Consulting? Yes No

If your answer is YES, state what type of consulting performed: _____

Enclose a copy of one of your surveys and written reports completed for a commercial account.

Annual income from Risk Management Services: \$_____

- (b) Does the applicant perform Loss Control, OSHA, Loss Prevention, or Safety Inspection Services? Yes No

If YES, give a statement as to the number of personnel employed, their credentials and their work history. Specify service performed. _____

Annual Income from this service: \$_____

13. LIFE AND ACCIDENT AND HEALTH PRODUCTS

Annual Commissions: \$_____

14. THIRD PARTY ADMINSTRATOR

- (a) Does the applicant act as a Third Party Administrator (TPA) ? Yes No

If YES, state what work is performed for what class of business and attach a copy of the contract(s) used. _____

(b) Annual Income from this service: \$_____

(c) How many staff members are involved in the TPA operations? _____

15. Total All Commissions and Other Income: \$_____

16. STANDARD BUSINESS

List by company name, all admitted insurance carriers you place standard business with and give the estimated % of your total premium placed with that company.

<u>CARRIER</u>	<u>VOLUME</u>	<u>% OF TOTAL</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

17. NON – STANDARD BUSINESS

List by company name all non-admitted and non-standard carriers including Brokerage Houses (intermediaries) and governmental facilities/ plans where you place business and give the estimated % of your total premium placed.

CARRIER/FACILITY/ PLAN VOLUME % OF TOTAL

18. The following is a breakdown of your volume of business by line of cover:

TOTAL Life and A & H \$ _____ Volume

Standard Personal Lines:

Automobile \$ _____ Volume

Homeowners \$ _____ Volume

List of other Standard Personal Lines written by line:

_____ \$ _____ Volume

_____ \$ _____ Volume

_____ \$ _____ Volume

TOTAL Standard Personal Lines \$ _____ Volume

Standard Commercial Lines:

Worker’s Compensation \$ _____ Volume

Commercial Auto \$ _____ Volume

Commercial Multi-peril \$ _____ Volume

Inland Marine \$ _____ Volume

West Marine \$ _____ Volume

Other Commercial Property \$ _____ Volume

Bonds – Surety \$ _____ Volume

Bonds – All Other \$ _____ Volume

Aviation \$ _____ Volume

Umbrella/ Excess \$ _____ Volume

Physicians and Hospitals \$ _____ Volume

Professional Liability \$ _____ Volume

Liability D&O \$ _____ Volume

Other _____ \$ _____ Volume

_____ \$ _____ Volume

TOTAL Standard Commercial Lines \$ _____ Volume

Non – Standard Business:

Non – Standard Personal Lines \$ _____ Volume

Non – Standard Commercial Auto \$ _____ Volume

Brokerage Business from other Agents or Brokers \$ _____ Volume

Assigned Risk, Governmental Pool and Fair Plan \$ _____ Volume

Surplus Lines \$ _____ Volume

Other _____ \$ _____ Volume

TOTAL Non – Standard Lines \$ _____ Volume

TOTAL ALL Premium Produced \$ _____ = 100%

19. Has any policy of or application for similar insurance on the applicant’s behalf or any of its partners, executive officers, directors, salespersons (whether employees or independent contractors), employees, or on behalf of any predecessors in business ever been declined, cancelled or renewal refused? Yes No

If YES, give particulars: _____

20. Have any Professional Liability (E&O) claims been made during the past five years against the applicant or any of its past or present partners, executive officers, directors, salespersons (whether employees or independent contractors), employees, or any predecessors in business? Yes No
 If YES, describe the incident which caused the claim, the date it occurred, the amount of reserve or indemnity paid and estimated expenses paid as respects the claim. **Attach a separate page giving this information.** It is agreed that claims made prior to the inception of the policy period are excluded from this proposed coverage.

21. Does any prospective insured have knowledge or information of any circumstances or any allegations or contentions of any incident which may result in any claim being made against the applicant or any of its past or present partners, executive officers, directors, salespersons (whether employees or independent contractors), employees, or any predecessors in business? Yes No
 If YES, give particulars: _____

22. During the past five (5) years, has the name of the applicant been changed or has any other business been purchased, merged or consolidated with the applicant? Yes No
 If YES, give details: _____

23. Information regarding personnel, their education, work history, and professional experience:
 (a) Give the number of and names of licensed agents, licensed brokers, licensed solicitors, partners, officers of the corporation and stockholders active in the business and considered employed (their FICA taxes are paid by the applicant). Include their years of experience and the years in which they obtained their license.
 (b) Unlicensed Staff
 (c) Name all agents, brokers and solicitors who are considered independent contractors (paid by use of IRS 1099 Form).

<u>NAME</u>	<u>VOLUME PRODUCED</u>
_____	\$
_____	\$
_____	\$

NOTE: Independent contractors are not covered under the basic policy but can be added by endorsement on a blanket basis as Additional Insureds for an additional premium to cover them only for work done for applicant's firm. Check here if the endorsement is being requested by applicant: _____
 (List them in (c) above regardless of whether endorsement is being requested or not).

(d) How many members of your staff hold an insurance professional designation (CPCU, ARM, AAI, etc..) and what designation(s) do they hold?

(e) What percentage of your staff attend Continuing Education Programs, and what Programs do they attend?

(f) Has any prospective insured ever has his/ her license revoked or suspended or been fined or disciplined in any way by a state insurance department? Yes No
 If YES, attach a supplemental page with details.

24. ACCOUNT CONTROLS USED

(a) Does each account receive a formal written Cause of Loss survey annually?
 Commercial Accounts: Yes No Personal Accounts: Yes No
 (b) A copy of the surveys you use (Personal and Commercial) is requested to be attached to this application for review.

(c) Give us a statement on how the Diary System (suspense file) is controlled: _____

(d) (1) Give us a statement on how Binders are controlled: _____

(2) Are they mailed immediately to the bound carrier? Yes No

(3) Explain the procedure for the Binder Diary System: _____

(e) Give us a statement regarding how New Business and Renewals are surveyed, reviewed, processed, and checked by the staff: _____

(f) Is every finished contract checked twice by staff members for coverage afforded and against the survey made which outlines the client's needs before being mailed or delivered? Yes No
Give us a statement as to procedure used: _____

(g) How are expiration records kept? Explain: _____

(h) Do you have a double check system on files as they expire? Explain: _____

25. MISCELLANEOUS:

(a) Give the territory of operation other than your state; list by state and county. _____

(b) Give the premium volume by class of business written outside of the USA continental limits: _____

26. Please complete the following regarding the applicant's professional liability insurance for the past three years:
NAME OF INSURER / LIMITS OF / DEDUCTIBLE / POLICY PERIOD / PREMIUM
LIABILITY

27. List the professional organizations you are an active member of: _____

The undersigned being authorized by, and acting on behalf of, the Applicant and all persons or concerns seeking insurance, has read and understands this application, and declares all statements set forth herein and other information provided hereunder are true, complete and accurate. The undersigned further declares and represents that any occurrence or event taking place prior to the effective date of the policy applied for, which may render inaccurate, untrue, or incomplete any statement made herein will be immediately reported in writing to the Insurer. The undersigned acknowledges and agrees that the submission and the Insurer's receipt of such written report prior to the inception of the policy applied for, is a condition precedent to coverage.

The signing of this application does not bind the undersigned to purchase the insurance, nor does review of the application bind the insurance company to issue a policy. It is agreed that this application and all information provided hereunder shall be the basis of the contract should a policy be issued and shall be part of the policy need update language prior to policy being issued.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPNAY 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, WHICH IS A CRIME.

Applicant's Signature: _____

Title: _____

Date: _____

NEW YORK APPLICANTS: PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED, NEW YORK INSURANCE DEPARTMENT REGULATIONS REQUIRE THAT THIS SIGNED STATEMENT BE ATTACHED TO THE POLICY.

The Insured hereby acknowledges that he/ she/ it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The Insured hereby further acknowledges that he/ she/ it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

Insured: _____

By: _____

Title: _____

Date: _____