

# Employers Reinsurance Corporation

5200 Metcalf • P.O. Box 2991 • Overland Park, Kansas 66201-1391

Broker: \_\_\_\_\_

License No.: \_\_\_\_\_

## PROFESSIONAL LIABILITY INSURANCE

### APPLICATION FOR "CLAIMS MADE AND REPORTED" INSURANCE POLICY FOR LIFE INSURANCE AGENCY PROFESSIONAL LIABILITY (E&O)

Instructions: (A) Answer all questions. If the answer is none, state "none." (B) If space is insufficient to answer any question fully, use a separate sheet to explain. (C) Application must be signed in ink and dated by named applicant. (D) Please do not complete application earlier than 60 days before proposed effective date of coverage.

1. Agency: _____	Contact: _____
2. Address: _____	Phone: (    ) _____
_____	Fax: (    ) _____
City                      County                      State                      Zip Code	

3. Additional Business Locations:

Name	Address	Gross Annual Commission (Include under No. 14)
_____	_____	_____
_____	_____	_____

Are there officers under direct control of applicant's agency?  Yes  No If no, attach full details.

4. a. Operating as:  Individual  Partnership  Corporation  Limited Liability Company  
 Date business established: \_\_\_\_\_  
 b. If in operation less than three years, furnish detailed explanation with prior insurance experience.

5. Within the past five years have there been:

a. Changes in name? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Changes in agency ownership? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. Mergers with/or purchase of other agencies? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If yes to any of the preceding, attach a detailed explanation.

6. Are you a member of a national producer group? .....  Yes  No  
 If yes, attach an explanation.

7. a. Is anyone covered by this policy an employee of an insurance company (on a salary), bank, savings and loan, thrift, credit union, mortgage bank, broker/dealer or other financial institution? .....  Yes  No  
 b. Is anyone covered by this policy an employee of or located with an automobile dealership? .....  Yes  No

8. List all states in which the agency or producers in the agency are licensed: \_\_\_\_\_

9. Check association memberships and professional designations:

<input type="checkbox"/> NALU	<input type="checkbox"/> MDRT	<input type="checkbox"/> GAMA	<input type="checkbox"/> AALU	<input type="checkbox"/> APA	<input type="checkbox"/> CEBS	<input type="checkbox"/> NAILBA
<input type="checkbox"/> NAHU	<input type="checkbox"/> AAMGA	<input type="checkbox"/> IIAA	<input type="checkbox"/> PIA	<input type="checkbox"/> NAIW	<input type="checkbox"/> NSSTA	<input type="checkbox"/> Other _____

10. Identify percentages of annual commission income during the last calendar year received as:

a. Agent .....	_____ %
b. General Agent .....	_____ %
How many companies do you represent in this capacity? _____	
c. Managing or Master General Agent .....	_____ %
How many companies do you represent in this capacity? _____	
d. Brokerage General Agent .....	_____ %
How many companies do you represent in this capacity? _____	
e. Broker (where your agency or agency member did not have a contract direct with the carrier) .....	_____ %
f. Other (explain) .....	_____ %
	_____ 100 %

11. Do you require evidence that all your sub-agents carry Errors and Omissions coverage each year? .....  Yes  No

12. Do the majority of your carriers pay commissions directly to the producers on your business? .....  Yes  No

13. Break down your total revenues by percentage from professional activities in the last year. Total must equal 100%.

- |  |         |  |         |
|--|---------|--|---------|
| a. Life, individual .....              | _____ % | j. Benefit, Pension Plan, Claim<br>or Third-Party Administration ..... | _____ % |
| b. Life, Group .....                   | _____ % | k. Insurance Consulting .....  | _____ % |
| c. Health, Individual.....             | _____ % | l. Tax Consulting .....  | _____ % |
| d. Health, Group.....                  | _____ % | m. Estate Planning.....  | _____ % |
| e. Annuities .....                     | _____ % | n. Actuarial Consulting.....   | _____ % |
| f. HMO/PPO/DSPs .....                  | _____ % | o. Financial Planning/Reg. Invest. Adv. ....                           | _____ % |
| g. Financial Products.....             | _____ % | p. Viatical Settlements .....  | _____ % |
| h. Property/Casualty Products.....     | _____ % | q. Other (specify) .....   | _____ % |
| i. Benefit or Pension Consulting ..... | _____ % |  |         |
|  |         | TOTAL  | 100 %   |

14. Provide your annual commission and fee income from life and health products for the following:

	Commissions	Fees	Total
Two years prior	_____	_____	_____
One year prior	_____	_____	_____
Estimated next 12 months	_____	_____	_____

If any of the following are answered yes, attach a detailed explanation for each.

15. In the past five years has the agency:

- a. Sold annuities in Structured Settlement arrangements? .....  Yes  No
- b. Placed coverage or been involved with self-insured programs or stop-loss/aggregate coverage for such programs? (Advise of service performed, clients, carriers, volume, etc.) .....  Yes  No
- c. Had authority from an insurance company to perform activities which would customarily be performed by an insurance company, such as premium collection, underwriting, claims administration? .....  Yes  No
- d. Assumed responsibilities to notify terminated employees of Life and A&H policyholders of their rights to benefits under "COBRA"? .....  Yes  No

16. List the six major life insurance companies with which you place business, types of policies written and annual income from each:

Name of Company	Type of Policy	Annual Commission
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

17. List all other insurance companies from which you receive commissions (attach list if necessary):

\_\_\_\_\_

\_\_\_\_\_

18. Office procedures:

- a. Is incoming mail date-stamped? .....  Yes  No
- b. Is there a procedure for documenting telephone conversations? .....  Yes  No
- c. Are all applications, policies and riders checked for accuracy? .....  Yes  No
- d. Is there a backup procedure for agency personnel when away from the office? .....  Yes  No
- Explain: \_\_\_\_\_
- e. Does the applicant have a diary/suspense system for follow-up? .....  Yes  No
- f. Does the applicant have an office manual? .....  Yes  No
- g. Does applicant have in-house training sessions and/or encourage employees to take outside training courses such as CLU, LUTC? .....  Yes  No
- h. Does applicant have a specific orientation program for new employees? .....  Yes  No
- i. Does the applicant use a computer or data processing in its operation? .....  Yes  No

19. Number of personnel:

- 1. Owners, officers, partners \_\_\_\_\_
- 2. Employees, solicitors, brokers, agents \_\_\_\_\_
- 3. Other employees (including clerical) \_\_\_\_\_
- 4. Total staff (including clerical) \_\_\_\_\_
- 5. Exclusive Non-employee Producers \_\_\_\_\_
- 6. Non-exclusive Non-employee Producers (include sub-agents) \_\_\_\_\_

20. List agency owners, officers, and licensed employee producers (attach separate list if necessary):

Name	Professional Designations	Position/Title	Licensed for			Years with Applicant/Licensed
			Series 6	Series 7	P&C	
_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/
_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/
_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/
_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/
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_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/
_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/
_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/

21. List sub-agents who are to be covered for their acts in the sales and servicing of business written through applicant. Provide evidence of their current E&O coverage.

Name with Professional Designations	General Agent	Carriers Representing	Years in Business
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

22. a. If applying for Mutual Funds or Financial Products coverage, identify annual income derived from the sale of the following financial products (excluding variable products):

Product	Annual Income
Mutual Funds	_____
Unit Investment Trusts	_____
Limited Partnerships	_____
Stocks and Bonds	_____
Others (specify)	_____
TOTAL	_____

- b. Does anyone covered by this policy own or have any interest in any broker/dealer organization? .....  Yes  No  
If yes, attach explanation.
- c. Complete information on agents needing this supplemental coverage (available only to those in No. 20 above):

Licensed Agent	Broker/Dealer Organization	Coverage Requested	
		Mutual Funds (only)	Financial Products (Coverage applies to Mutual Funds, Stocks, Bonds, Unit Investment Trusts, and Limited Partnerships only)
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

23. Provide a detailed explanation of all entities having a 10% or more controlling interest in the applicant or any subsidiary or affiliate of the applicant. \_\_\_\_\_
24. Does the agency place insurance coverage on any entity in which the applicant has an ownership interest or for any for-profit entity in which an employee is an officer or director? .....  Yes  No  
If yes, attach an explanation.
25. Has any past or present owner, officer, partner, employee, or solicitor been the subject of disciplinary action by an insurance or other regulatory authority? .....  Yes  No  
If yes, attach an explanation.

**Do not answer the next question if domiciled in Missouri.**

26. Has any policy or application for Errors and Omissions insurance on behalf of the applicant or any of its past or present owners, officers, partners, employees or solicitors, or to the knowledge of the applicant, on behalf of its predecessors in business, ever been declined, cancelled or renewal refused within the past 10 years? If yes, attach an explanation. ....  Yes  No
27. Have any Errors and Omissions claims been made against the applicant or any of its past or present owners, officers, partners, employees, or solicitors, or to the knowledge of the applicant, on behalf of its predecessors in business, within the past 10 years? .....  Yes  No  
If yes, attach an explanation stating nature of claim, date of claim, loss payments and disposition, E&O carrier handling claim, etc.
28. Are there any circumstances which may result in Errors and Omissions claims being made against the applicant, past or present owners, officers, partners, employees, or solicitors, or its predecessor in business? If yes, attach an explanation. ....  Yes  No

29. List Errors and Omissions carriers for your agency for the past five years. If no agency coverage previously existed, please list the Errors and Omissions coverage for each agent under their individual Errors and Omissions policies. If none, state none.

Name of Carrier	Policy Term	Limits	Policy Number (if available)
_____	_____/_____/_____	\$ _____	_____
_____	_____/_____/_____	\$ _____	_____
_____	_____/_____/_____	\$ _____	_____
_____	_____/_____/_____	\$ _____	_____
_____	_____/_____/_____	\$ _____	_____

30. Desired Coverage: Per Claim \_\_\_\_\_ Deductible \_\_\_\_\_ Effective Date \_\_\_\_\_  
 Per Policy Period \_\_\_\_\_  
 Extension for Property and Casualty Products? .....  Yes  No

Claims Made Basis: Except to such extent as may be provided otherwise in the Policy, the coverage of the policy for which application is being made is limited to ONLY THOSE CLAIMS THAT ARE MADE AGAINST THE INSURED AND REPORTED TO EMPLOYERS REINSURANCE CORPORATION WHILE THE POLICY IS IN FORCE. All claims will be excluded that result from any acts, circumstances or situations known prior to the inception of coverage being applied for, that could reasonably be expected to result in a claim.

Applicant hereby represents that the statements and answers to questions made above and attachments hereto are true and applicant has not omitted or misrepresented any information.

Applicant understands and agrees that the completion of this application does not bind ERC to issuance of an insurance policy. Further, the Applicant understands and agrees that she or he is obligated to report any changes in the information provided in this application that occur after the date of the application. I hereby authorize the release of claim information from any prior insurer to the Corporation.

**WARNING: Any person who knowingly 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 also punishable by civil penalties in certain jurisdictions.**

**Pennsylvania residents:**

Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and payment of a fine of up to \$15,000.

**THE APPLICATION MUST BE SIGNED AND DATED BY AN OWNER, OFFICER OR PARTNER.**

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name and Title: \_\_\_\_\_  
Please print

The applicant understands and agrees that she or he is obligated to report any changes in the information provided in this application which occur after the date of this application.