

APPLICATION FOR INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY

THE POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR DISCOVERY PERIOD.

UNLESS COVERAGE IS PURCHASED FOR PAYMENT OF DEFENSE COSTS IN ADDITION TO THE APPLICABLE LIMITS OF LIABILITY, THE APPLICABLE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY PAYMENT OF DEFENSE COSTS. DEFENSE COSTS SHALL BE SUBJECT TO THE RETENTION.

PLEASE READ AND REVIEW THE POLICY CAREFULLY.

Fully answer all questions and submit all requested information. Terms appearing in **bold** in this **Application** are defined in the Policy and have the same meaning in this **Application** as in the Policy. The **Company** will hold this **Application**, including all materials submitted herewith, in confidence.

1. The Applicant (to be identified as the **Named Insured** in **Item 1.** of the Declarations): _____
 Street Address: _____
 City: _____ County: _____ State: _____ Zip Code: _____
 Contact Name: _____ Title: _____
 Telephone: _____ Fax: _____
 E-mail: _____ Web site: _____

2. a. Are there any branch offices?..... Yes No
 If "Yes," how many? _____ In what states? _____
- b. Is the Applicant owned or controlled by, or affiliated with any other firm? Yes No
 If "Yes," please attach details.
- c. Has the Applicant purchased, merged or been consolidated with any other firm or bought a book of business in the past three (3) years?..... Yes No
 If "Yes," please attach details.
- d. Date Applicant was established: _____ If less than three (3) years, please attach a resume of all principals.
- e. Does the Applicant have any subsidiaries or d/b/a's? Yes No
 If "Yes" list their names, type of operation and whether or not you wish to apply for coverage for them. (Use a separate sheet if necessary):

| Name of Subsidiary or d/b/a | Type of Operation | Applying for Coverage? |
|-----------------------------|-------------------|--|
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

3. Please list the percentage of Applicant's business placed in its role as (total must equal 100%):

Agent/Broker % Reinsurance Broker/Intermediary %
 Wholesaler % MGA/GA/Program Administrator %
 Other % (Specify) _____

4. a. Does the Applicant anticipate any significant changes in the nature of its operations, or changes of twenty-five percent (25%) or more in the size of its operations, in the next twenty-four (24) months? Yes No
 If "Yes" please attach details.
- b. Does the Applicant anticipate writing any new lines of coverage in the next twelve (12) months? Yes No
 If "Yes" please provide details. _____

5. a. Indicate total agency headcount (including you): _____ Of these, indicate how many are:

| | Employees Full Time | 1099 Contractor Full Time | Employees Part Time | 1099 Contractor Part Time |
|-------------------------------|---------------------|---------------------------|---------------------|---------------------------|
| Licensed Agent or Broker | | | | |
| Other Management/Professional | | | | |
| Administrative | | | | |
| Total | | | | |

b. List the names of all partners, principals and key employees below (please include yourself):

| Name | Years in Insurance | Years Licensed | Years with Applicant | Professional Designation |
|------|--------------------|----------------|----------------------|--------------------------|
| | | | | |
| | | | | |
| | | | | |

c. Is the Applicant a member of any cluster arrangement? Yes No
 If "Yes" please provide name of cluster: _____

6. List professional associations to which the Applicant belongs: _____

7. a. Indicate the premium volume and gross insurance commissions and fees paid to the Applicant before any split with others for each of the two (2) most recent years and the estimate for the next twelve (12) months:

| Period/Year | P&C Premiums | P&C Gross Comms. & Fees | Life/A&H Premiums | Life/A&H Gross Comms. & Fees |
|-------------|--------------|-------------------------|-------------------|------------------------------|
| | | | | |
| | | | | |
| | | | | |

b. Indicate how many policies the Applicant placed in the past year: P&C _____ Life/A&H _____

8. Indicate and describe the Applicant's non-insurance business revenues for the past two (2) years:

| Year | Non-Insurance Revenue | Source |
|------|-----------------------|--------|
| | \$ | |
| | \$ | |

9. List all insurers where the Applicant has placed business in the past two (2) years. Use additional sheets if necessary:

| Insurer | Best Rating | Annual Premium Volume | Years Represented | Underwriting Authority? | Lines of Business |
|---------|-------------|-----------------------|-------------------|--|-------------------|
| | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |

10. a. Does the Applicant derive more than fifteen percent (15%) of its income from any one client? Yes No
If "Yes," please attach specifics.

b. Does the Applicant specialize in any industry or industry segments? Yes No
If "Yes," please list the industries and/or specialties and indicate the approximate percentage of the Applicant's income derived from each: _____

11. a. Indicate the Applicant's commission derived from each of the following in the past twelve (12) months:
Mutual Fund Sales _____ Variable Life Sales _____ Variable Annuities _____

b. Does the Applicant have coverage through a broker/dealer or elsewhere? Yes No

12. Indicate if the Applicant provides the following services:

a. Claims Draft Authority? Yes No
If "Yes," indicate maximum authority: _____

If "Yes," does the Applicant have the authority to deny claims? Yes No

b. Inspections, Safety Engineering, Loss Control or Risk Management? Yes No

c. Policy Issuance? Yes No

d. Reinsurance Placement? Yes No

e. TPA Services? Yes No

If "Yes" please describe: _____

13. In the past three (3) years, has the Applicant:

a. Discontinued any program or class of business that accounted for more than ten percent (10%) of its premiums? Yes No

b. Been involved with establishing or managing any fronted program? Yes No

c. Been involved in any structured settlement or viatical settlement? Yes No

d. Established, managed or referred clients to any Professional Employer Organization (PEO)? Yes No

e. Established or managed any risk bearing entity including any risk retention group or captive? Yes No

If "Yes" to any of the above, please attach specifics.

14. a. Has the Applicant had any agency contracts cancelled by any insurer for reasons other than lack of production? Yes No
If "Yes," please attach details

b. Has the Applicant exercised any extended reporting period coverage under any previous professional liability insurance? Yes No

If "Yes," please attach details.

15. Please indicate the percentage of total *premium* volume from the following:

(Total of all sections combined must equal 100%)

Personal Lines:

| | | |
|------------------------------------|-------------------------|---------------------------------|
| Standard Auto..... _____% | Umbrella..... _____% | Marine (Watercraft)..... _____% |
| Non-Standard Auto _____% | Homeowners _____% | Marine (Other)..... _____% |
| Other _____% (Specify) _____ | | |

Commercial Lines:

| | |
|--|----------------------------------|
| Auto (except long haul trucking)..... _____% | Workers Comp _____% |
| Long Haul Trucking _____% | Fidelity..... _____% |
| BOP/SMP _____% | Surety..... _____% |
| GL/Products..... _____% | Aviation _____% |
| Commercial Property _____% | Crop _____% |
| Inland Marine _____% | E&O/D&O _____% |
| Ocean Marine _____% | Medical Malpractice _____% |
| Other _____% (Specify) _____ | |

Group Life/Accident & Health:

| | |
|------------------------------------|-----------------------------------|
| Life..... _____% | Fully Insured Health _____% |
| LTD _____% | Self-Insured Health _____% |
| STD _____% | METS/MEWAS..... _____% |
| Dental..... _____% | Stop Loss..... _____% |
| Other _____% (Specify) _____ | |

Individual Life/Accident & Health:

| | |
|------------------------------------|-----------------------------|
| Term Life..... _____% | Whole Life..... _____% |
| LTD _____% | Universal Life..... _____% |
| STD _____% | Fixed Annuities..... _____% |
| Health..... _____% | Accident/AD&D..... _____% |
| LTC _____% | Credit Life _____% |
| Other _____% (Specify) _____ | |

16. Does the Applicant:

- a. Have written standard operating procedures? Yes No
- b. Date stamp all incoming mail? Yes No
- c. Have procedures to disclose exclusions including but not limited to fungus/mold? Yes No
- d. Document client refusal to accept coverage or limit recommendations? Yes No
- e. Maintain an approved list of insurers? Yes No
- f. Confirm binders in writing?..... Yes No
- g. Appoint sub-agents? Yes No

17. Has the Applicant or any owner, director, officer, employee, partner or independent contractor of the Applicant ever been the subject of a disciplinary action, investigation or complaint as a result of any professional activities? Yes No
 If "Yes," please attach full details.



18. Does any owner, director, officer, employee, partner or independent contractor of the Applicant have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim? Yes No
 If "Yes," please attach full details and advise whether or not it has been reported to any insurer.

19. Have there been any claims, lawsuits, demands, or threat of legal action against the Applicant or any owner, director, officer, employee, partner or independent contractor in the last five (5) years? Yes No
 If "Yes," how many? _____
 Please attach full details including a brief description, date, and amounts sought, paid and/or reserved.

20. Does the Applicant currently have professional liability insurance in force? Yes No
 If "Yes," provide the following for its three most recent policies:

| Expiration Date | Name of Insurer | Limits of Liability | Deductible | Premium |
|-----------------|-----------------|---------------------|------------|---------|
| | | | | |
| | | | | |
| | | | | |

Retroactive date or length of time coverage has been continuously in force: _____

21. **Limits of Liability** Desired: \$ _____ each **Claim**
 \$ _____ in the aggregate all **Claims**

The Applicant may apply for, but may not be offered, defense costs in addition to the above limits.
 Please indicate if you prefer defense costs to be in addition to the above limits: Yes No

22. Deductible Desired: \$1,000 \$2,500 \$5,000 \$10,000 \$25,000 Other: _____

The Applicant may apply for, but may not be offered, a deductible applying to damages only. Please indicate if you prefer the deductible to apply to damages only: Yes No

The person signing this **Application** declares that to the best of his or her knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all proposed **Insureds** to facilitate the proper and accurate completion of this **Application** for the proposed policy. Signing this **Application** does not bind the undersigned to purchase the insurance, but this **Application** shall be the basis of the contract should a policy be issued.

It is agreed by all concerned that the particulars and statements contained in this **Application** are true and shall be deemed material to the decision of the **Company** to issue the insurance. The undersigned agree that if after the date of this **Application** and prior to the effective date of any policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** inaccurate or incomplete, then the undersigned shall notify the **Company** of such occurrence, event or circumstance and shall provide the **Company** with information that would compete, update or correct such information. In such event, the **Company** in its sole discretion may modify or withdraw any outstanding quotation.

The **Company** shall maintain this **Application** on file, including material submitted therewith, which shall be considered to be physically attached to and part of the Policy, if issued.

The information requested in this **Application** is for underwriting purposes only and does not constitute notice to the **Company** under any policy of a **Claim** or potential claim. All such notices must be submitted to the **Company** pursuant to the terms of the Policy, if and when issued.

PLEASE SIGN THIS APPLICATION WHERE INDICATED FOLLOWING THE NOTICES BELOW.

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. (Not applicable in AL, CO, DC, FL, KS, LA, ME, MD, MN, NE, NY, OH, OK, OR, RI, TN, VA, VT or WA.)



NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO COLORADO APPLICANTS: 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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder 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.

WARNING TO DISTRICT OF COLUMBIA APPLICANTS: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

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 KANSAS APPLICANTS: 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, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO LOUISIANA 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 fines and confinement in prison.

NOTICE TO MAINE 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 may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: 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.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO RHODE ISLAND 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 fines and confinement in prison.

FRAUD WARNING (APPLICABLE IN VERMONT, NEBRASKA AND OREGON): Any person who intentionally presents a materially false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

FRAUD WARNING (APPLICABLE IN 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 include imprisonment, fines, and denial of insurance benefits.

NEW YORK 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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

APPLICANT NAME AND TITLE: _____

APPLICANT'S SIGNATURE: _____ DATE: _____
(Must be signed by an active owner, partner or executive officer)

PRODUCER'S SIGNATURE: _____ DATE: _____

AGENT NAME: _____ AGENT LICENSE NUMBER: _____
(Applicable to Florida Agents Only)

IOWA LICENSED AGENT: _____
(Applicable in Iowa Only)

A POLICY CANNOT BE ISSUED UNLESS THIS APPLICATION IS PROPERLY SIGNED AND DATED.

Send completed application to: Lee & Mason Financial Services, Inc.
195 Farmington Avenue, Suite 301
Farmington, CT 06032
Tel: 860-677-0500 Fax: 860-677-1227
E-mail: LMPPro@leeandmason.com

