



- Deerfield Insurance Company
- Evanston Insurance Company
- Essex Insurance Company
- Markel American Insurance Company
- Markel Insurance Company
- Associated International Insurance Company

National Program Administrator:
The Plus Companies
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 Bridgewater, NJ 08807
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APPLICATION FOR AGENTS AND BROKERS ERRORS AND OMISSIONS LIABILITY INSURANCE
(Claims Made or Claims Made and Reported Basis)

If space is insufficient to answer any question fully, attach a separate sheet.

If response is none, state NONE.

I. GENERAL INFORMATION

1. Full name of Applicant: _____
2. Principal business premise address: _____
 (Street)

 (City) (State) (Zip)
3. Contact person: _____ email: _____ phone no. _____ fax: _____
4. Web site: _____ 5. Date organized (MM/DD/YYYY): _____
6. Business is a: corporation partnership sole proprietorship other _____
7. Are there any predecessor organizations to the Applicant (any organization which was engaged in the same essential types of insurance activities as the Applicant, in whose financial assets and liabilities the Applicant is the majority successor in interest)? Yes No
 If Yes, name of predecessor organization(s): _____
8. Is the Applicant controlled by, owned by, or commonly owned, affiliated or associated with any other organization? Yes No
 (a) If Yes, are any services provided to such organization(s)? Yes No
 (b) If Yes, provide details. _____
9. During the last five years has the Applicant been involved in, or are they presently considering or contemplating:
 (a) Any merger or acquisition? Yes No
 (i) If Yes, provide a complete explanation detailing liabilities assumed and any Errors and Omissions Liability Coverage purchased by any predecessor organization. _____

 (b) A change in the nature of business operations? Yes No
 (i) If Yes, provide details. _____
10. During the last five years has:
 (a) The name of the Applicant been changed? Yes No
 (b) Ownership of the Applicant changed? Yes No
 (c) If Yes to either (a) or (b) above, provide details. _____

11. Does the Applicant have any subsidiaries or affiliated organizations? Yes No
 (a) If Yes, provide the following for each subsidiary and affiliated company.

| Name | Description of Operations | % Ownership by Applicant | Date Acquired, Created or Affiliated | Domicile State |
|------|---------------------------|--------------------------|--------------------------------------|----------------|
| | | | | |
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- (b) Is coverage requested for any of the above organizations? Yes No
 (i) If Yes, for which organization(s) is coverage requested? _____

II. APPLICANT OPERATIONS

1. During the last five years has the Applicant placed business with any insurance company, reinsurer, risk retention group, captive (or any other self-insurance plan or trust by whatsoever name) or any other organization that has been declared bankrupt, insolvent, or been placed in receivership, liquidation or rehabilitation or has been financially unable to meet all or part of its financial obligations? [] Yes [] No

2. During the last five years has the Applicant:
 (a) Negotiated, placed or bound reinsurance for any organization? [] Yes [] No
 (b) Received commissions from, collected premiums or paid claims on behalf of any reinsurer? [] Yes [] No
 (c) Placed coverage with any self insured risk assuming organization or risk retention group? [] Yes [] No
 (d) If Yes to (a), (b) or (c) above, provide details. _____

3. Total premium volume from property and casualty:
Year
 (a) estimate for the coming year: _____ \$ _____
 (b) last twelve months: _____ \$ _____
 (c) one year prior: _____ \$ _____

4. Provide the percentage of premium volume from property and casualty from:
 (a) Commercial Lines _____%
 Personal Lines _____%
 100%
 (b) Retail or Business direct from insureds _____%
 Wholesale or Business accepted from other agents _____%
 100%

5. (a) Provide the total annual premium volume from property and casualty that is placed with:
 Lloyd's of London \$ _____
 Other Non-United States domiciled insurers \$ _____
 (b) List all non-United States domiciled insurers, where coverage is placed:

6. Provide the percentage of premium volume from property and casualty that the Applicant acts as:
 (a) MGA, Underwriting Manager or Program Administrator _____%
 (b) Surplus Lines Broker or Agent _____%

7. Provide the percentage of premium volume from property and casualty for the following:

| | | | |
|--------------------------|--------|----------------------------|--------|
| Animal Mortality | _____% | Flood Insurance | _____% |
| Aviation | _____% | Hazardous Waste Operations | _____% |
| Bonds - Surety | _____% | Long Haul Trucking | _____% |
| Crop/Hail | _____% | Medical Malpractice | _____% |
| Energy/Mineral/Oil | _____% | Professional Liability/D&O | _____% |
| Environmental Impairment | _____% | Wet Marine | _____% |

8. (a) Does the Applicant place Life or Accident and Health Insurance? [] Yes [] No
 If Yes,
 (i) What was the premium volume received by the Applicant for the last year? \$ _____
 (ii) What was the commission received by the Applicant for the last year? \$ _____
 (iii) In the last five years has the Applicant sold viatical settlements, viatical contracts or viatical investments? [] Yes [] No
 a. If Yes, provide details. _____

9. List all insurers, annual premium volume of business and the number of years represented for business that the Applicant places:

| <u>Insurer</u> | <u>Annual Premium Volume</u> | <u>No. Years Represented</u> |
|----------------|------------------------------|------------------------------|
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |

10. Provide the percentage of annual total gross income from the following:

| | | | |
|----------------------------------|--------|----------------------------|--------|
| Appraisal Services | _____% | Premium Financing | _____% |
| Insurance Claims Adjusting | _____% | Reinsurance Intermediary | _____% |
| Insurance Claims Administration | _____% | Risk Management for a fee | _____% |
| Insurance Commissions | _____% | Structured Settlements | _____% |
| Insurance Consulting for a fee | _____% | Third Party Administration | _____% |
| Insurance Program Administration | _____% | Other (specify)_____ | _____% |

11. Provide net commission of the Applicant for the last twelve months. \$ _____
 (net commission = total commission minus commission paid to retailers)

12. (a) Provide number of the Applicant's total staff (including part-time):
 Active principals, partners, officers, directors _____
 Employed/independent contractor solicitors, brokers, agents _____
 Other employees _____
 Total _____

(b) Total number of staff hired within the last twelve months _____
 (c) Total number of staff resigned, retired or terminated within the last twelve months _____

13. Average number of years with the Applicant:

(a) Professional Staff _____
 (b) Clerical Staff _____

14. Provide the following for each owner of the Applicant:

| Owner's Name | Title | Currently Active full time with the Applicant (Yes/No) | Total Number of Years With the Applicant | Total Number of Years in the Insurance Industry | Percentage Ownership |
|--------------|-------|--|--|---|----------------------|
| | | | | | |
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15. Does the Applicant place homeowners or property insurance for any insureds located in the hurricane belt (AL, FL, GA, LA, MS, NC, SC or TX)? [] Yes [] No
 (a) If Yes, does the Applicant always get a written sign-off from the client if they decline to purchase Flood and/or Windstorm coverage? [] Yes [] No
 If No, explain. _____

16. When the Applicant receives a claim from an insured:
 (a) What is maximum number of days within which the Applicant notifies the insurer? _____
 (b) What is the number of days after forwarding a notice to an insurer that the Applicant allows before following up with the insurer to confirm the insurer's receipt of the notice? _____
 (c) Are all notifications to the insurer in writing? [] Yes [] No

III. OFFICE PROCEDURES AND CONTROLS

1. Does the Applicant have procedures or controls to ensure that all:
 (a) Date/time sensitive items are entered into a central diary/suspense system? [] Yes [] No
 (b) Incoming mail is date stamped? [] Yes [] No
 (c) Employees correctly follow procedures? [] Yes [] No
 (d) Quotes and Binders are in writing and contain a description of coverage and restrictions? [] Yes [] No
 (e) Orders to bind are in writing from the insured or sub producer and state the coverage the bind request is for? [] Yes [] No
 (f) Policies and endorsements comply with the insured's or sub producer's requests? [] Yes [] No
 (g) Requests for policy changes (endorsements) and reductions in coverage are in writing from the insured or sub producer? [] Yes [] No
 (h) Requests for cancellation are in writing from the insured, sub producer or premium finance company? [] Yes [] No
 (i) Policies that are renewed with less coverage than on the expiring policy, have a reduced coverage statement acknowledging the coverage reduction that is signed by the insured or the sub producer? [] Yes [] No

2. Does the Applicant place business as a retailer?..... [] Yes [] No
 If Yes, does the Applicant always:
 - (a) Use a comprehensive coverage checklist?..... [] Yes [] No
 - (b) Get a written sign-off from the client if they decline to purchase recommended coverage? [] Yes [] No
3. Does the Applicant allow staff to sign an application on behalf of a client?..... [] Yes [] No
 (a) If Yes, provide an explanation. _____
4. Does the Applicant check that all cancellation notices and nonrenewal notices are sent in compliance with policy provisions and state statutory requirements?..... [] Yes [] No
5. Does the Applicant:
 - (a) Require all sub agents and producers to have Errors and Omissions Liability Coverage?..... [] Yes [] No
 - (b) Require a copy of all sub agents'/producers' licenses prior to binding any risk for them? [] Yes [] No
 - (c) Have a system which ensures that its sub agents/producers are licensed and have in-force Errors and Omissions Liability Coverage, each year?..... [] Yes [] No

IV. MANAGING GENERAL AGENTS, UNDERWRITING MANAGERS AND PROGRAM ADMINISTRATORS

1. Does the Applicant act as Managing General Agent ("MGA"), Underwriting Manager and/or Program Administrator? [] Yes [] No
 If **No**, skip to Section V.
 If **Yes**, answer the following questions.

2. Provide the following information for each organization that the Applicant has represented as an MGA, Underwriting Manager or Program Administrator for the last five years.

| Insurer | Domicile of Insurer | Number of Years Represented | Annual Premium Volume | Number of Times Audited per Year |
|---------|---------------------|-----------------------------|-----------------------|----------------------------------|
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3. In the last three years has any audit by an insurer stated that the Applicant:
 - (a) Had exceeded its premium cap or underwriting authority?..... [] Yes [] No
 - (b) Did not issue the correct policy wording and/or endorsements as mandated by the insurer? [] Yes [] No
 - (c) If Yes to either of the above questions, provide details and actions taken to amend procedures. _____
4. In the last three years, other than minor infractions, were all audits by insurers satisfactory? [] Yes [] No
 If No, provide details. _____
5. In the last five years has any:
 - (a) MGA, Underwriting Manager or Program Administrator contract authority been canceled, revoked or terminated? [] Yes [] No
 - (b) Insurer added any restrictions to the Applicant's underwriting or claim handling authority? [] Yes [] No
 - (c) If Yes to either of the above questions, provide details. _____
6. (a) What is the Applicant's maximum authority for the following:

| | |
|---------------------------------|----------|
| Binding Risks | \$ _____ |
| Claims Adjusting/Administration | \$ _____ |
| Loss Control | \$ _____ |
| Reinsurance Placement | \$ _____ |

 - (b) Does the Applicant have authority for any insurer other than stated in IV.2. hereinabove?..... [] Yes [] No
 - (i) If Yes, provide details. _____
 - (c) Total number of insurers for which the Applicant has authority of any kind: _____

7. (a) Provide the total number of producers that the Applicant has appointed as sub agents. _____
- (b) Has the Applicant delegated any underwriting, claim handling and/or any other authority to any sub agent? [] Yes [] No
- If Yes,
- (i) Provide a detailed description. _____
- (ii) Provide a copy of the contract with the insurer that authorizes the Applicant to delegate authority to other organizations.

V. CLAIMS/HISTORY

1. (a) Limits of Liability: Indicate the limits of liability requested:
- Per Claim / Aggregate
- [] \$1,000,000 / \$1,000,000 [] \$4,000,000 / \$4,000,000
- [] \$2,000,000 / \$2,000,000 [] \$5,000,000 / \$5,000,000
- [] \$3,000,000 / \$3,000,000 [] other _____
- (b) Deductible: Indicate the deductible requested:
- [] \$5,000 [] \$10,000 [] \$25,000 [] \$50,000 [] higher – specify \$ _____
- THE COMPANY DOES NOT GUARANTEE TO OFFER ANY OF THE ABOVE LIMITS AND/OR DEDUCTIBLES.
2. During the last five years, have there been any claims or proceedings arising out of professional services against the Applicant or any of its principals, partners, officers, directors, trustees, employees, managers or managing members or predecessors, subsidiaries, affiliates, and/or against any other person or organization proposed for this insurance? [] Yes [] No
- (a) If Yes, how many? _____
- (b) Attach a completed copy of our Supplemental Claim Form.
3. Is the Applicant and/or any of its principals, partners, officers, directors, trustees, employees, managers or managing members or any person(s) or organization(s) proposed for this insurance aware of any fact, circumstance, situation, incident or allegation of negligence or wrongdoing, which might afford grounds for any claim such as would fall under the proposed insurance? [] Yes [] No
- (a) If Yes, complete a copy of our Supplemental Claim Form.
4. Has the Applicant and/or any of its principals, partners, officers, directors, trustees, employees, managers or managing members or any person(s) or organization(s) proposed for this insurance ever been involved in or have knowledge of any pending or completed investigative or administrative proceeding? [] Yes [] No
- (a) If Yes, provide details. _____
-
5. Has the Applicant and/or any of its principals, partners, officers, directors, trustees, employees, managers or managing members, predecessors, subsidiaries, affiliates, and/or any other person or organization proposed for this insurance ever had its/his/her license suspended or revoked or has its/his/her license ever been forfeited or ever been investigated or disciplined by a state insurance department, federal agency, regulatory agency or professional review board? [] Yes [] No
- (a) If Yes, provide details on a separate sheet.
6. Has any insurer cancelled, rescinded, nonrenewed or declined any similar insurance for the Applicant, its predecessors, subsidiaries, affiliates and/or for any other person or organization proposed for this insurance in the last five years? [] Yes [] No
- (a) If Yes, attach a copy of such insurer's notice.

7. Errors and Omissions Liability Insurance for the last five years:

| Policy Period | Insurer | Limits of Liability | Deductible | Retro Date | Premium |
|---------------|---------|---------------------|------------|------------|---------|
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REPRESENTATIONS

BY SIGNING THIS APPLICATION THE APPLICANT AGREES THAT:

1. The Applicant has made a comprehensive internal inquiry or investigation to determine whether anyone in the Applicant organization is aware of any actual or alleged fact, circumstance, situation, error or omission which may reasonably be expected to result in a claim, and have divulged any and all such situations in Part V. Questions 2., 3., 4. and 5. of this application; and
2. The application and attachments, and all of the statements and answers given therein are:
 - (a) accurate and complete to the best of the Applicant's knowledge;
 - (b) representations the Applicant is making on behalf of all persons and organizations proposed to be insured;
 - (c) a material inducement to the Company to provide a proposal for insurance and any policy that the Company issues is issued on reliance upon these representations; and
 - (d) deemed attached herein, incorporated into, and form a part of the policy.
3. The Applicant agrees to report to the Company in writing any material change in its operations, conditions, or answers provided in this application that may occur or be discovered after the completion date of the application and before the effective date of the policy. On receipt of any such written notice the Company has the right to modify or withdraw any proposal for insurance the Company has offered, at the sole discretion of the Company.

Signing of this application does not bind the Company to offer, nor the Applicant to accept insurance, but it is agreed that this application shall be the basis of the insurance and it will be deemed attached to and made a part of the policy should a policy be issued.

Any person who, knowingly and with the intent to defraud any insurance company 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 may be considered a crime.

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF THIS POLICY IS ISSUED, THIS SIGNED STATEMENT WILL BE ATTACHED TO THE POLICY.

No fact, circumstance, situation or incident indicating the probability of a claim or action for which coverage may be afforded by the proposed insurance is now known by any person(s) or organization(s) proposed for this insurance other than that which is disclosed in this application. It is agreed by all concerned that if there be knowledge of any such fact, circumstance, situation, incident or allegation of negligence or wrongdoing, any claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

The policy applied for is SOLELY AS STATED IN THE POLICY, if issued, which provides coverage on a claims made basis for ONLY THOSE "CLAIMS" THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD, unless an automatic extended reporting period is available or the extended reporting period option is exercised in accordance with the terms of the policy. The policy has specific provisions detailing claim reporting requirements.

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.

New York Notice: This application is for claims-made coverage. There shall be no coverage for "Claims" arising out of "Wrongful Acts" or "Personal Injuries" which took place prior to the "Retroactive Date". Upon termination of coverage for any reason, a sixty-day Automatic Extended Reporting Period will apply. For an additional premium, an Optional Extended Reporting Period of thirty-six months can be purchased. There is no coverage for "Claims" first made against the Insured

after the "Policy Period" or Automatic Extended Reporting Period unless the Optional Extended Reporting Period is purchased. Gaps in coverage may arise if the policy is not replaced with comparable claims-made coverage upon expiration of either the policy or Optional Extended Reporting Period, if purchased.

During the first several years of claims-made coverage, claims-made rates are comparatively lower than occurrence rates, and the insured can expect substantial annual premium increases, independent of overall rate level increases, until the claims made risk reaches full maturity.

Notice to New York Applicants: 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.

Must be signed within 60 days of the proposed effective date.

Name of Applicant

Title (Officer, partner, etc.)

Signature of Applicant

Date