

Member Companies of American International Group, Inc.

Name of Insurance Company To Which Application is Made

Name of Insurance Company to which **Application**^{*} is made (herein called the "**Insurer**"[†])

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REAL ESTATE PROFESSIONAL LIABILITY APPLICATION

NOTICE: THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE AND CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE AND CLAIMS EXPENSES SHALL BE APPLIED AGAINST THE RETENTION AMOUNT. IF THE POLICY IS ISSUED, SOME COVERAGES WILL BE ON A CLAIMS-MADE AND REPORTED BASIS.

"You," "Your" or "Applicant" refer individually and collectively to the Applicant, subsidiaries, persons, entities, and the authorized agent of all person(s) and entity(s), proposed for this insurance. Some sections of the Application may not apply to You. If this is the case, please mark "not applicable" (N/A). In the event You need more space to fully answer a question, please attach separate sheet(s) to this Application with Your full answer. Before continuing, please attach copies of:

- 1. Standard contracts and agreements (customer and independent contractor).
- 2. Current financial statements (e.g, annual report, audit, 10K, pro-forma, etc.).
- 3. Loss runs for the past three (3) years.
- 4. If less than two (2) years in business, a business plan and resumes of principal officers.
- 5. Sample of services brochure and advertising materials.
- 6. List of mergers, acquisitions or divestitures within past three (3) years, including dates and whether **You** acquired or retained assets, liabilities, or both; applicable retroactive dates; scope of due diligence (contracts, prior litigation).
- 7. Other information that **You** believe will better help us understand **Your** business.

I. GENERAL INFORMA	TION				
Full Name of Applicant:					
(attach separate list of subsidiaries for which coverage		ige			
is sought under this Applica	ntion [‡])				
Applicant Type:	Individual Corporation Partnership Other (describe: :)				
Applicant ownership	Publicly traded Privately held				
Mailing Address:					
Telephone:		State of Incorporation:	NA		
Date Established:		No. of Employees:			
Risk Manager/Contact:		Contact E-Mail Address:			
Applicant Home Page:	<u>http://</u>				
Business Description:					
Requested Effective Date:	Rec	quested Retroactive Date:			
Aggregate Limit	\$ Ret	tention Options: \$5,000	\$10,000 \$15,000 \$25,000		
Requested:	\$50	0,000 \$100,000 \$250,000	10 \$100,000 \$250,000 Other \$		
Broker:	Bro	oker Phone Number:			

^t Terms appearing in **bold** type have special meanings. See Clause 2. of the policy for more information.

[†] If this blank is not completed "**Insurer**" shall mean the insurer that issues the policy to the **Applicant** based on this Application.

[‡] For each subsidiary listed, include **Your** percentage of ownership, the acquisition or formation date of such subsidiary and the services performed by such subsidiary. Regardless of the list of subsidiaries provided by **You**, there shall be no coverage for any subsidiary unless specifically endorsed to the proposed policy, or if "blanket" subsidiary coverage is specifically provided, such subsidiary falls within the definition of "subsidiary" as defined in the policy issued.

II. <u>REVENUE INFORMATION[§]</u>					
(Fiscal year basis)	Prior Year	Current Year		Projected Next Year	
Total U.S. Revenue	\$	\$		\$	
Total Non-U.S. Revenue	\$	\$		\$	
Total # of Transactions			-		
Net Income	\$	<u>\$</u>		\$	
Current Assets	\$	<u>\$</u>		\$	
Current Liabilities	\$	\$		\$	
Total Assets Total Debt	\$ \$	<u>\$</u> \$		\$ \$	
	• <u>•</u>	• <u> </u>		φ	
PROFESSIONAL SERVICE ALLOCA' Select the business activity(ies) You perf fiscal year for such activity(ies):		Your total annual proj	iected world	dwide revenue for the next	
Professional Service			Pro	ojected Annual Revenues	
Property Manager				\$	
Commercial Real Estate Agent & Broker				<u>\$</u>	
Residential Real Estate Agent & Broker				\$	
Mortgage Broker Services				<u>\$</u>	
Escrow Services				<u>\$</u>	
Business Brokering				\$	
Additional Sources of Revenue					
Other professional services, <i>please descri</i>	be:			<u>\$</u>	
Other, please describe:				<u>\$</u>	
TOTAL:				<u>\$</u>	
III. CONTRACTS AND LICENSING	G AGREEMENTS				
1. Do You require professional services	contracts with all c	ustomers?		Yes No	
What percentage of Your client co	ontracts are in writin	g?	□ <65	% [] 65-90% [] >90%	
2. Do You use board certified contracts, forms, and disclosures? If not please attach Yes No a copy your standard contract.					
3. Does Your standard professional services contracts contain the following provisions? (check all that apply)					
Conditions of Service Acceptance					
Exclusion of Consequential Damages Force Majeure Clause					
Project Phases or Milestones, including Testing Warranty Disclaimers					
Indemnification Clause Hold Harmless Clause					
Limitation of Liability: Monetary cap on liability other (describe:)					
4. Do You employ a contract administrator, transaction coordinator, or equivalent position? Yes No					
5. Are all modifications to Your standard professional service contracts made in writing?			Yes No		
6. Does legal counsel approve any deviations to Your professional service contracts?			Yes No		
7. How many attorneys do You employ?					

[§] Include the revenue information of any subsidiary for which coverage is sought under this Application.
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8. If You employ any attorneys, would You like a separate quote for Employed Lawyers coverage in the event a claim is made against them in the performance of their legal services?	Yes No			
IV. <u>SUBCONTRACTOR MANAGEMENT</u>				
1. What percentage of Your services are provided by: Independent Contractors% Temporary Workers%				
2. Do You utilize a standard contract for all work performed by independent contractors? If " <i>yes</i> ", attach a copy of Your standard contract.	Yes No NA			
3. What percentage of independent contractors have written contracts with You?				
 4. Do You require independent contractors to provide proof of: (<i>check all that apply</i>) Errors & Omissions insurance Commercial General Liability insurance Other (describe:) V. <u>CLIENT FUNDS</u> 				
1. Do You handle the collection of any funds on behalf of clients or others (i.e., rent collection, deposits, etc.)?	Yes No			
2. If "yes", are the funds held longer than 12 months?	Yes No NA			
3. If "yes", are the funds held in an escrow or trust account?	Yes No NA			
VI. <u>GENERAL OPERATIONAL INFORMATION</u>				
1. Do You supervise the work of other staff members and agents?	🗌 Yes 🗌 No			
2. How many years of experience do the principles of the firm have?				
3. Are files reviewed for completeness and accuracy by senior management and /or principals of the firm?	Yes No			
4. Do You provide a formalized training program for all professionals and staff?	🗌 Yes 🗌 No			
5. Do You require a seller disclosure form to be completed by the seller on all properties?	Yes No			
6. Do You recommend the buyer acquire a home inspection report on all properties?	Yes No			
7. Do You have any on-site presence at builder developments or exclusive listing arrangements with builders or developers?	Yes No			
8. Do You offer a home warranty on all residential sales?	Yes No			
9. Do You formally disclose dual agency relationships in writing?	Yes No			
10. What percentage of transactions did you represent both buyer and seller?	<u>%</u>			
11. Do You manage residential or commercial properties?	Yes No			
12. Do You manage and supervise maintenance, renovation, and construction projects?	Yes No			
If "yes", do You hire and manage subcontractors performing the work?	Yes No			
13. Do You have any ownership interest in the properties You manage? If " <i>yes</i> ", please provide a schedule of the properties with the percentage owned.	Yes No			
14. Do You have a risk management program in place?	Yes No			
15. Do You belong to any professional associations? If " <i>yes</i> ", please list the associations.	Yes No			

VII. <u>HISTORICAL INFORMATION</u>		
16. Have You , or any director, officer, partner, or employee providing services on Your behalf ever been subject to disciplinary proceeding arising out of professional activities?	Yes	No No
If "yes," explain:		
17. Are You aware of any actual or alleged fact, circumstance, situation, error or omission, or issue which might give rise to a claim against You under the proposed policy?	Yes	□ No
If "yes," explain:		
18. Has any insurance carrier ever cancelled or non-renewed a policy that provided the same or similar coverage as the proposed policy? (MISSOURI APPLICANTS NEED NOT REPLY)	Yes	□ No
If "yes," explain:		
19. Has any claim, demand, lawsuit, arbitration, litigation, bankruptcy, administrative proceeding or regulatory proceeding been made or initiated against You , that might have given rise to a claim under the proposed policy if the same or similar insurance coverage was in force?	Yes	🗌 No
If "yes," explain:		
20. Has there been or is there now pending any litigation or claim against or civil, criminal, administrative or regulatory action or proceeding of the Applicant or any person or entity proposed for insurance?	Yes	🗌 No
If "yes," explain:		
21. First date of continuous Claims-Made coverage:		
22. Do You currently have or have You had, over the past five (5) years, any policy providing coverage for errors & omissions liability or professional services liability?	Yes	No
If " <i>yes</i> ," attach a separate document which lists for each policy: (a) insurer's name; (b) the policy period; (c) the policy limits; (d) the retention; and (e) the retroactive date.		
23. Have You reported any occurrences, claims or losses to any insurer in the past five years that provided the same or similar insurance to the proposed insurance?	Yes	No No
If "yes," please attach a separate document with respect to each such occurrences, claim or loss providing: (a) a description; (b) the name of the insurer and policy; (c) the amount of damage, expenses or other loss suffered as a result of occurrences, claim or loss; (d) and the amount paid by the insurer to whom notice was provided (if any)		
24. Do You belong to any professional associations? If yes, please list the associations.	Yes	□ No

VIII. ADDITIONAL DOCUMENTS AND INFORMATION INCORPORATED BY REFERENCE

ALL WRITTEN STATEMENTS, MATERIALS OR DOCUMENTS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION, REGARDLESS OF WHETHER SUCH DOCUMENTS ARE ATTACHED TO THE POLICY, ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF, INCLUDING WITHOUT LIMITATION ANY SUPPLEMENTAL APPLICATIONS OR QUESTIONNAIRES.

IX. LEGAL NOTICE AND SIGNATURES

BEFORE YOU SIGN THIS APPLICATION, READ THESE NOTICES CAREFULLY AND DISCUSS WITH YOUR BROKER IF YOU HAVE ANY QUESTIONS.

FOR THE PURPOSES OF THIS APPLICATION, THE UNDERSIGNED DULY AUTHORIZED REPRESENTATIVE OF ALL PERSON(S) OR ENTITIES PROPOSED FOR THIS INSURANCE DECLARES THAT, TO THE BEST OF HER/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION, AND IN ANY ATTACHMENTS, ARE TRUE AND COMPLETE

THE UNDERSIGNED DULY AUTHORIZED REPRESENTATIVE AGREES THAT IF THE STATEMENTS AND INFORMATION SUPPLIED ON THIS APPLICATION OR INCORPORATED BY REFERENCE CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

SIGNING OF THIS APPLICATION DOES NOT BIND THE **APPLICANT** OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION AND ANY INFORMATION INCORPORATED BY REFERENCE HERETO, SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IS INCORPORATED INTO AND IS PART OF THE POLICY.

SHOULD INSURER ISSUE A POLICY, **APPLICANT** AGREES THAT SUCH POLICY IS ISSUED IN RELIANCE UPON THE TRUTH OF THE STATEMENTS AND REPRESENTATIONS IN THIS APPLICATION OR INCORPORATED BY REFERENCE HEREIN. ANY MISREPRESENTATION, OMISSION, CONCEALMENT OR INCORRECT STATEMENT OF A MATERIAL FACT, IN THIS APPLICATION, INCORPORATED BY REFERENCE OR OTHERWISE, SHALL BE GROUNDS FOR THE RESCISSION OF ANY POLICY ISSUED.

NOTICE TO 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 ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

STATE FRAUD DISCLOSURES:

NOTICE TO ARKANSAS, NEW MEXICO AND WEST VIRGINIA 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 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 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 WITHIN THE DEPARTMENT OF REGULATORY AUTHORITIES.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: 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 IN 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 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 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 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.

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: WARNING: 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 (365:15-1-10, 36 §3613.1).

NOTICE TO PENNSYLVANIA 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 SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON 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 VERMONT 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 ACT, WHICH MAY BE A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

The undersigned is a duly authorized representative of the **Applicant** and hereby acknowledges that reasonable inquiry has been

made to obtain the answers herein which are true, correct, and complete to his/her best knowledge and belief.

Signed	(Duly authorized representative, by and on behavior	alf of the Applicant)	
Date			
Title		Organization:	
	(Must be signed by an authorized officer)	C C	(Organization's seal)
Attest	(Duly authorized representative, by and on beha	alf of the Applicant)	
Produce License Address	Number		