



## New Business Application

The Hanover Insurance Company | 440 Lincoln Street, Worcester, MA 01653  
Citizens Insurance Company of America | 645 West Grand River Avenue, Howell, MI 48843



Please submit application to:  
sales@pbigroupsolutions.com

or

Fax: (888) 600-4130

### Real Estate Professional Liability (E&O) Insurance

#### CLAIMS-MADE WARNING FOR APPLICATION

THIS APPLICATION IS FOR A CLAIMS-MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY. PLEASE READ THE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

UNDERWRITTEN BY: THE HANOVER INSURANCE COMPANY

#### GENERAL INFORMATION

Legal Name of Firm: \_\_\_\_\_

"Trade Name" or "dba": \_\_\_\_\_

Are you requesting coverage for any additional entities (including any Subsidiaries)? ☐ Yes ☐ No

If Yes, please use a separate sheet for information on name/s and ownership.

Mailing Address: \_\_\_\_\_

Physical Address (if different): \_\_\_\_\_

Primary Insurance Contact Name & Title: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_ Email: \_\_\_\_\_

Website: www. \_\_\_\_\_

Proposed Effective Date: (mm/dd/yyyy): \_\_\_\_\_ Year Firm Was Established (legal entity, not dba): \_\_\_\_\_

List all states where professional services are provided: \_\_\_\_\_

In the past 12 months, has your Firm had a change in ownership or name, including any acquisitions or mergers? ☐ Yes ☐ No

If Yes, please explain: \_\_\_\_\_

#### APPLICANT OPERATIONS

1. Provide the following information for all owners and managers with 5% or greater ownership interest:  
(please use a separate sheet for additional owners and managers)

Name	Position	Percentage of Ownership (must equal 100%)	Year First Licensed
		%	
		%	
		%	

2. How many owners, employees, and independent contractors are performing professional services for your firm?

Full Time: \_\_\_\_\_ Part Time: \_\_\_\_\_ Average years of experience: \_\_\_\_\_

3. Is your firm controlled, managed, or owned by any other firm or business enterprise?

If Yes, please explain: \_\_\_\_\_

4. Does your firm, or any member of the firm, including any Independent Contractors own, manage, or control any other entity, including any subsidiary, related to the Real Estate Industry? ☐ Yes ☐ No

If Yes, please explain: \_\_\_\_\_

5. a. Complete the following chart for each service provided. If this is a start-up, please provide projections.

		Most Recent 12 Months (Not Fiscal Year)	
Service		Number of Transactions/Sides	Gross Commissions and/or Fees (not total sales volume)
Residential:	Sales		\$
	Leasing		\$
	Land and Lots		\$
	Vacation Rentals		\$
	Property Management		\$
	Appraising		\$
	Auctioneering		\$
Commercial:	Sales		\$
	Leasing		\$
	Land and Lots		\$
	Property Management		\$
	Appraising		\$
	Auctioneering		\$
Broker Price Opinions:			\$
Other: (Please Explain in Box Below)			\$
Other Services Explained:			
<b>TOTALS:</b>			

5. b. Prior 12 Months (12-24 months ago) Gross Commissions & Fees: \_\_\_\_\_

5. c. Projected Coming 12 Months Gross Commissions & Fees: \_\_\_\_\_

5. d. Approximate % of Most Recent 12 Months Total Revenue derived from Foreclosures or Short Sales: \_\_\_\_\_

5. e. Approximate % of your Foreclosures or Short Sales where you represented the Seller: \_\_\_\_\_

6. Complete the below chart for the most recent 12 months:

Property Type	Average Sale Price	Highest Sale Price	Number of Transactions > \$1 mil
Residential	\$	\$	
Commercial	\$	\$	

7. Does anyone in your firm provide any of the following Services? If answers are all "No" check here ☐

a) Construction / Development	<input type="checkbox"/> Yes <input type="checkbox"/> No	e) Sale/Lease/Mgt of Time shares	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Construction Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	f) Business Brokering	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Mortgage Brokering	<input type="checkbox"/> Yes <input type="checkbox"/> No	g) Condo/Assoc Management	<input type="checkbox"/> Yes <input type="checkbox"/> No
d) Formation/Management of REITS	<input type="checkbox"/> Yes <input type="checkbox"/> No		

If Yes to any of the above, is separate Errors and Omissions coverage in place for these services? ☐ Yes ☐ No

8. Does your firm derive more than 10% of total commissions from any one development, subdivision, or builder? ☐ Yes ☐ No

9. Approximate % of your firm's total revenue from the most recent 12 months was derived from the sale of properties owned in part or in whole by one of your Agents, Brokers, Independent Contractors or your Firm itself? \_\_\_\_\_ %
10. Does anyone in your Firm sell properties Constructed/Developed by any of your Agents, Brokers, Independent Contractors, the Firm itself, or Spouses of any Agents, Brokers, IC's? ☐ Yes ☐ No
11. For the most recent 12 months, indicate the % of sales transactions in which your Firm, or any member of your Firm, including Independent Contractors, received commission on BOTH the buyer AND the seller sides of the same transaction? \_\_\_\_\_ %
12. For the most recent 12 months, what percentage of sales transactions included:
- a. A signed seller's disclosure statement \_\_\_\_\_ %
  - b. A property inspection \_\_\_\_\_ %
13. Does your Firm:
- a. Document each file with your recommendations and client instructions? ☐ Yes ☐ No
  - b. Have written procedures in place to notify management of problem transactions? ☐ Yes ☐ No
  - c. Have a written internal policy or procedure manual? ☐ Yes ☐ No
  - d. Use in-house legal counsel, legal counsel on retainer, or a risk manager on retainer? ☐ Yes ☐ No

#### PRIOR INSURANCE & CLAIM HISTORY

14. Complete the following for your current E&O Insurance **(Please attach a copy of your current policy Declarations Page w/ your Application)**. Check here if none ☐

	Carrier	Policy Period	Limit of Liability	Deductible	Premium	Retro Date
Current Year		_____ to _____	\$ _____ per claim \$ _____ per year	\$ _____	\$ _____	
Prior Year 1		_____ to _____	\$ _____ per claim \$ _____ per year	\$ _____	\$ _____	
Prior Year 2		_____ to _____	\$ _____ per claim \$ _____ per year	\$ _____	\$ _____	

15. Has any claim involving professional services been made against you, your firm, or any member of your firm during the past five years? ☐ Yes ☐ No  
If Yes, please submit "loss runs" from your prior carrier(s). A completed supplemental claims application may also be required.
16. Does any person or entity proposed for insurance have knowledge of any incident, act, error or omission which could reasonably be expected to be the basis of a claim under the proposed policy? ☐ Yes ☐ No  
If Yes, please attach a description of such act, error or omission and an explanation of why a claim may arise.
17. **(Not Applicable In Missouri)** Within the past 5 years has any professional liability insurance policy of yours been cancelled or non-renewed by the insurance carrier? ☐ Yes ☐ No  
If Yes, please provide full details: \_\_\_\_\_
18. Has any person or entity proposed for this insurance been the subject of any disciplinary actions or been cited by any regulatory agency or professional association during the past 5 years? ☐ Yes ☐ No  
If Yes, please attach a description.

#### REQUESTED COVERAGE

19. Limit requested (check all that you are interested in):  
☐ \$500,000/\$500,000 ☐ \$1,000,000/\$1,000,000 ☐ \$2,000,000/\$2,000,000 ☐ Other: \$ \_\_\_\_\_
20. Deductible requested (check all that you are interested in):  
☐ \$1,000 ☐ \$2,500 ☐ \$5,000 ☐ \$10,000 ☐ \$15,000 ☐ \$25,000 ☐ \$50,000 ☐ Other: \$ \_\_\_\_\_

## DECLARATIONS AND NOTICE

The undersigned, acting on behalf of all Applicants, declare that the statements set forth in this Application are true and correct and that thorough efforts were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this Application.

The undersigned agree that the information provided in this Application and any material submitted herewith are the representations of all the Applicants and that they are material and are the basis for issuance of the insurance policy provided by us. The undersigned further agree that the Application and any material submitted herewith shall be considered attached to and a part of the policy. Any material submitted with the Application shall be maintained on file (either electronically or paper) with us and shall be deemed to be attached hereto as if physically attached.

It is further agreed that:

- If any of the Applicants discover or become aware of any significant change in the condition of the Applicant's Organization between the date of this Application and the policy inception date, which would render the Application inaccurate or incomplete, notice of such change will be reported in writing to us; as soon as practicable
- Any policy issued, will be in reliance upon the truthfulness of the information provided in this Application; provided, however, with respect to such information, no knowledge or information possessed by any Applicant shall be imputed to any other Applicants. If any person or persons knew as of the policy inception date that such information contained in the Application(s) was untrue, inaccurate or incomplete, then Coverage may be denied or canceled with respect to that person or persons if such information was material to issuance of the policy. However, if the Chairperson of the Board of Directors, President, Chief Executive Officer, or Executive Director of the Applicant knew as of the policy inception date that such information contained in the Application(s) was untrue, inaccurate or incomplete, then Coverage may be denied or canceled with respect to that person or persons and the Applicant Organization if such information was material to issuance of the policy;
- Statements in the Application, facts pertaining to or knowledge possessed by the individual signing the Application shall be imputed to the Applicant; and
- The signing of this Application does not bind the undersigned to purchase insurance.

This Application\* must be signed by a representative of the Applicant acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

Date \_\_\_\_\_ Signature/Title \_\_\_\_\_  
(mm/dd/yyyy) (Chief Executive Officer, President, Chief Financial Officer, Managing Partner or Owner)

If you are electronically submitting this application to Hanover, apply your electronic signature to this form by checking the Electronic Signature and Acceptance box below. By doing so, you hereby consent and agree that your use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes your signature, acceptance, and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.

\*Electronic Signature and Acceptance box ☐

### A POLICY CANNOT BE ISSUED UNLESS THE "APPLICATION" IS PROPERLY SIGNED AND DATED.

**NOTE:** Whenever used in this Application, the term **you** or **your(s)** or the **Applicant** shall mean the **Named Insured** and all subsidiaries, unless otherwise stated.

**NOTICE TO ARIZONA AND MISSOURI APPLICANTS:** CLAIM EXPENSES ARE INSIDE THE POLICY LIMITS. ALL CLAIM EXPENSES SHALL FIRST BE SUBTRACTED FROM THE LIMIT OF LIABILITY, WITH THE REMAINDER, IF ANY, BEING THE AMOUNT AVAILABLE TO PAY FOR DAMAGES.

**NOTICE TO ARKANSAS, LOUISIANA 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 PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER 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 AGENCIES.

**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 OF THE THIRD DEGREE.

**NOTICE TO HAWAII APPLICANTS:** FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

**NOTICE TO IDAHO AND 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 KENTUCKY 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.

**NOTICE TO MAINE, 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 MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY AND 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 MICHIGAN AND MINNESOTA 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, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO NEW JERSEY APPLICANTS:** ANY PERSON WHO KNOWINGLY INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY OR FILES A STATEMENT OF CLAIM CONTAINING ANY FALSE OR MISLEADING INFORMATION IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO NEW MEXICO AND 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 CIVIL FINES AND CRIMINAL PENALTIES.

**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 OREGON APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD ANY INSURANCE COMPANY: (1) BY SUBMITTING AN APPLICATION, OR (2) BY FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT, MAY BE VIOLATING STATE LAW.

**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 VERMONT APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.