

# Chartis Specialty Insurance Company

Name Of Insurance Company To Which Application Is Made (herein called the company)

## INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY INSURANCE APPLICATION

IF A POLICY IS ISSUED, IT WILL BE ON A CLAIMS-MADE AND REPORTED BASIS

NOTICE: THE POLICY PROVIDES THAT THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

1. Name of Agency:

Contact Name:

Email address:

Phone:

Fax:

Mailing Address:

Are you a member of NAILBA (National Association of Independent Life Brokerage Agencies)  Yes  No

Membership in this association is a requirement to purchase E&O coverage under this program. For membership information visit the NAILBA web site at [www.nailba.org](http://www.nailba.org).

2. Date Agency was Established:

Number of years insurance agency experience:

Number of years continuous E&O coverage:

Name of current E&O carrier:

Policy Effective Date:

Current policy retro date:

Limits and deductible currently carried:

/

/

*For example:*

*Per Claim Limit /*

*Aggregate Limit /*


*Deductible*


Premium of current policy: \$

3. Please provide the following based on the last **12 months** of operation:

Total Staff Size (including Owners, Officers, Partners, CSR's, etc.):

Full time staff:		
Part-time staff:		
Non-Employee Exclusive Producers (1099 producers):	f/t	p/t
Employee Producers:	f/t	p/t
Number of Sub-Agents or Sub Producers:		

Total Gross Commission income and fees, including bonuses paid by carriers or fund companies (Project if new): \$ 

Gross written premium across all applicable lines of business: \$ 

**4. What percentage of total income comes from one or more of the following?**

*third party administration services, employee benefit consulting, financial planning, consulting for a fee, or placement of pre-paid legal services memberships* %

**Percentage of business placed:**

Retail:	%
Wholesale:	%

**Percent of business that you placed as a /an:**

Agent:	%
Broker:	%
MGA:	%

*If you are an MGA, do you act as an agent of the insurer with authority to underwriter and bind coverage?*  Yes  No

**Life, Accident, Health, & Securities**

**Please indicate the percentages of the Applicant's premium volume derived from each line of business listed below. (Total of all lines must equal 100%.)**

Individual Life	%
Individual Accident & Health	%
Group Life	%
Group Health	%
Financial Products (series 6, i.e. Variable Annuities & Mutual Funds):	%
Fixed Annuity Sales	%
Investment Advisory Services	%
Financial Products Brokerage Services (Series 7; i.e. stocks, bonds, REITs)	%
Property/Casualty	%
Consulting/Fees (please attach description)	%
Viaticals/Life Settlements *	%
Other (please attach description)	%
<b><u>TOTAL</u></b>	<b><u>100%</u></b>

\* If Viaticals/Life Settlements sold, list all Providers:

**\*Please Describe any Direct or Indirect Exposure to Bernard Madoff Investment Securities as it relates to any coverage you are requesting?** \_\_\_\_\_

**Securities Business**

**Do you want Securities Coverage**       Yes       No  
**If yes, please answer the following questions:**

**Please list the Number of owners, officers, partners or employees registered as a (an):**

Series 6 registered representative	
Series 7 registered representative	
Investment Advisors with a Registered Investment Advisor	

**Name and Address of Securities Broker/Dealer and/or Registered Investment Advisor**

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**Please list your total commission revenues from the following:**

Series 6 business:	\$
Series 7 business:	\$
Investment Advisory Business:	\$
Assets under management:	\$

State percent of total **securities** revenues from each of the following: *(total of all must equal 100%)*

Listed Stocks	%
Unlisted Stocks	%
Penny Stocks (unlisted securities trading for less than \$5)	%
Proprietary Partnerships	%
Listed Bonds	%
Unregistered Stocks, or Bonds	%
Commodities	%
Commodity Futures	%
Mutual Funds	%
Other Limited or Limited Liability Partnerships	%
Variable Annuities	%
Other Annuities	%
Commercial Paper	%
Option Contracts	%
WRAPs	%
Other Securities, (please identify)	%
<b>TOTAL</b>	<b>100%</b>

Please provide the following based on the last **12 months** of operation:

**Series 6, Series 7, or Registered Investment Advisor:**

Please list any owner, officer, partner, or employee that does series 6, or 7 business, or is a Registered Investment Advisor.

_____	_____
_____	_____
_____	_____

**Additional Insureds:** Please list companies you would like listed as additional insureds:

<b>Company Name</b>	<b>Relationship to Agency</b> (i.e. parent company, subsidiary, marketing group firm)
_____	_____
_____	_____
_____	_____

**Optional Coverage**

**Preferred Producer**

**Coverage for non-employee outside sub-brokers. Coverage is only applicable for business placed through named insured. Preferred Producers share an aggregate limit of \$1,000,000. The Preferred Producer limit is included in and not in addition to the name insured's limit.**

Does your current policy contain preferred producer coverage?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you want preferred producer coverage on your new policy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**\*Please Note:** If this coverage is chosen, the named insured must create and maintain a Roster of Preferred Producers. If a sub-producer is not on this roster at the time of a claim, he/she will not be considered a Preferred Producer and will not be afforded coverage.

**Personal Production**

**Coverage afforded to licensed employees of insured entity upon authorization by agency management for Personal Production.**

Does your current policy contain personal production coverage?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you want personal production coverage on your new policy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

How many of your employees will write personal production? \_\_\_\_\_

Is the % of revenue for agents' personal production 5% or less of your agency revenue?  Yes  No

**Claims History - (If yes to any of the above please attach an explanation with details.)**

In the past 5 years, number of E & O claims: (attach loss runs if there have been claims)

0       1       2       3       4       5       More

Has the Applicant been the subject of disciplinary action or investigation as a result of professional activities?       Yes       No

Does the Applicant have any knowledge of any potential errors or omissions claim(s)?       Yes       No

Has any policy of or application for similar insurance on the applicant's behalf or any of its partners, officers, directors, salespersons, employees, or on behalf of any predecessors in business ever been declined, cancelled, or renewal refused?       Yes       No

Have any employees attended any E&O loss prevention seminars or other industry related education courses within the past two years?       Yes       No

Who sponsored the education?

**Limit and Deductible Options for Quotation:**

- a) First - please circle a limit option
- b) Second - please circle a corresponding deductible option (you may choose multiple deductible options per limit option for quotation)

You may circle up to **FOUR** limit and deductible combinations for quotation:

<u>Limits of Liability</u>	<u>Deductible</u>
\$1M per Claim / \$2M Aggregate	\$5k, 10k, 15k, 20k, 25k
\$2M per Claim / \$3M Aggregate	\$7.5k, 10k, 15k, 20k, 25k
\$2M per Claim / \$4M Aggregate	\$7.5k, 10k, 15k, 20k, 25k
\$3M per Claim / \$4M Aggregate	\$10k, 15k, 20k, 25k
\$3M per Claim / \$5M Aggregate	\$10k, 15k, 20k, 25k
\$5M per Claim / \$5M Aggregate	\$25k

**Other: Expiring Policy Limits/Deductible Not Shown above \_\_\_\_\_**

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE COMPANY TO WHICH THIS APPLICATION IS SUBMITTED (HEREIN CALLED THE COMPANY) IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

THIS APPLICATION DOES NOT BIND THE APPLICANT TO BUY, OR THE COMPANY TO ISSUE THE INSURANCE, BUT IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND MADE A PART OF THE POLICY. THE UNDERSIGNED APPLICANT DECLARES THAT THE STATEMENTS SET FORTH IN THIS APPLICATION ARE TRUE. THE APPLICANT FURTHER DECLARES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE TIME WHEN THE POLICY IS ISSUED, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATION OR AGREEMENT TO BIND THE INSURANCE.


NOTICE: IN SOME STATES, 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. IN NEW YORK, A PERSON WHO COMMITS SUCH CRIME SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED \$5000 AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

APPLICANT'S SIGNATURE:	
DATE:	
TITLE:	
ADDRESS:	

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

The Insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The Insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

Insured:		By:	
Title:		Date:	

Please fax completed application to:

**Sue Surrell**  
**Arthur J. Gallagher & Co.**  
**Fax#: (949) 349-9948**

Or email completed application to:

**sue\_surrell@ajg.com**