

AXIS[®] PRO

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AXIS PRO MISCELLANEOUS PROFESSIONAL LIABILITY APPLICATION

WHAT THE APPLICANT SHOULD KNOW ABOUT THIS APPLICATION:

CLAIMS MADE POLICY –

This application is for a CLAIMS MADE POLICY. Claims made coverage applies only to those claims that are first made during the policy period and result from wrongful acts committed after the Retroactive Date stated in the policy, if issued.

DEFINITIONS –

The words “the **Company**”, whenever used in this application, refer to the Insurance Company offering the claims made policy.

The words “the **Applicant**”, in this application, refer individually and collectively to:

1. The corporation(s), partnership(s) and/or sole proprietorship(s) for which coverage is desired;
2. Each person who is an officer, director, owner, partner or employee of the firms listed in Item 1. above.

RETENTION –

The coverage the **Applicant** is applying for includes a retention applying to each wrongful act and applies to any combination of damages and claim expenses.

CLAIM EXPENSES WITHIN LIMIT -

The policy form for which the **Applicant** is applying contains a provision that reduces the total limit of insurance stated in the policy by the amount of claim expenses paid by the **Company**.

APPLICATION FORMS PART OF POLICY –

The **Applicant's** submission of this application does not obligate the **Applicant** to buy insurance nor is the **Company** obligated to sell insurance or to offer insurance upon any specific terms requested. If coverage is effected, this application containing the **Applicant's** statements and answers will attach to and form a part of the policy. If coverage is offered or bound, any false or incorrect statements or answers, which may have affected the **Company's** decision to offer or bind coverage, could result in the offer being retracted or coverage being voided.

INSTRUCTIONS:

The purpose of this application is not only to provide the **Company** with underwriting and rating information, but more importantly, to help make certain the **Applicant** and the **Company** have a common understanding about what the policy, if issued, will cover and what it will not. Thank you for taking the time to provide us with accurate information.

1. Answer all questions. If any question does not apply, explain why not.
2. If space is insufficient, continue answers on the **Applicant's** letterhead.
3. The application must be signed and dated by a principal, partner, officer or director of the firm.
4. Attach:
 - A recent brochure or similar materials describing activities or services;
 - The **Applicant's** most recent financial statement or annual report;
 - Copies of standard contracts the **Applicant** enters into with clients; and
 - Any other forms or materials, which will provide the underwriter with information about the services the **Applicant** performs.

PROPOSED INSURED (APPLICANT):

1. Name of the **Applicant's** firm:
 Street Address:
 City, State, Zip Code: Telephone No.:
 Website address(es):

2. A. Provide the date the **Applicant's** firm was established: _____
 B. Geographic area in which the **Applicant** provides service(s):
 Local Regional (Multi-State) National International

3. Is the **Applicant** owned by, or affiliated with other companies, or does the **Applicant** have any subsidiaries? Yes No
 A. If yes, advise who they are.
 B. For which of these does the **Applicant** wish to extend coverage?

4. A. Within the past five years, has the **Applicant** changed its name, acquired any business, or has the **Applicant** merged or consolidated with any entity? Yes No
 If yes, provide the following information:

<u>Name of Entity</u>	<u>Date of Transaction</u>	<u>Type of Transaction</u> (acquisition, merger or consolidation)

 B. In any of the transactions listed in 4.A. above, did the **Applicant** assume the liabilities (i.e. responsibility for prior acts) of the acquired, merged or consolidated entity? Yes No
 If yes, provide details of the liability(ies) assumed.

5. A. Provide the number of the **Applicant's**:
 principals, partners or officers _____
 technical personnel _____
 clerical personnel _____
 B. List the qualifications of key personnel or attach experience résumés of each.
 C. List professional societies and trade associations relating to the services to be insured in which the **Applicant** or any of the **Applicant's** officers are a member.
 D. Does the **Applicant** have any certified or licensed professionals on staff (i.e. architect, engineer, medical practitioner, attorney, CPA, actuary or insurance agent or broker, etc.)? Yes No
 If yes, what services are they providing?

OPERATIONS:

6. A. Describe the services the **Applicant** provides that the **Applicant** wishes to insure. (Attach company brochures, advertising materials, etc. that describe these services.)
 B. Does the **Applicant** use independent contractors or subcontractors for the services described in A. above? Yes No
 If yes, describe the services they provide and the estimated percentage of time used.

7. Briefly describe the **Applicant's** five largest jobs or projects during the past five years:

	<u>CLIENT</u>	<u>REVENUE</u>	<u>SERVICE(S) PERFORMED</u>
1.		\$ _____	
2.		\$ _____	
3.		\$ _____	
4.		\$ _____	
5.		\$ _____	

8. A. What does the **Applicant** see as its potential exposure to E&O claims?
 B. What safeguards or procedures does the **Applicant** employ to avoid these claims or reduce these exposures?

9. A. Does the **Applicant** use a written contract or agreement describing the services it will provide? Yes No
 If yes, attach representative contracts, work orders, license agreements or letters of agreement the **Applicant** uses with its clients. If no, explain how the **Applicant** reaches agreement with its clients regarding the services to be insured.

B. Percentage of time agreements in 9.A. above are used: _____%

C. Do the **Applicant's** contracts contain the following:

- hold harmless or indemnity agreement inuring to the **Applicant's** benefit? Yes No
- hold harmless or indemnity agreement inuring to the **Applicant's** client's benefit? Yes No
- guarantees or warranties? Yes No
- disclaimer inuring to the **Applicant's** benefit? Yes No

D. Has a law firm experienced in the **Applicant's** field reviewed its:

- contracts? Yes No
- procedures? Yes No

10. Provide the following information regarding the **Applicant's** income:

	Past 12 Months	Current 12 Months	Estimate for Coming Year
Domestic Operations			
Gross billings, sales, fees, commissions (circle the applicable basis)	\$ _____	\$ _____	\$ _____
Foreign Operations			
Gross billings, sales, fees, commissions (circle the applicable basis)	\$ _____	\$ _____	\$ _____

CLAIM EXPERIENCE:

11. A. Have any claims, suits or proceedings been made during the past five years against the **Applicant** or any of the **Applicant's** predecessors in business, subsidiaries or affiliates or against any of their past or present partners, owners, officers, sales persons or employees? Yes No If yes, complete a Supplemental Claim Information form for each.

The policy for which the Applicant is applying, if issued, will not insure any claims, suits or proceedings made against the Applicant before the inception date of the policy or any subsequent claims, suits or proceedings arising therefrom.

B. Is the **Applicant** aware of any actual or alleged fact, circumstance, situation, error or omission, which may reasonably be expected to result in a claim being made against the **Applicant** or any of the persons or entities described in 11.A. above? Yes No If yes, please explain:

The policy for which the Applicant is applying, if issued, will not insure any claims that can reasonably be expected to arise from any actual or alleged fact, circumstance, situation, error or omission known to the Applicant before the inception date of the policy.

12. Has the **Applicant** or any of the **Applicant's** predecessors in business, subsidiaries or affiliates or any of their past or present partners, owners, officers, sales persons or employees been investigated and/or cited by any regulatory agency for violations arising out of your or their activities? Yes No If yes, please explain:

PRIOR OR CURRENT COVERAGE:

13. A. Provide the following information for similar insurance, if any, carried during the last five years:

COMPANY LIMIT DEDUCTIBLE PREMIUM POLICY TERM

B. Advise current retroactive date (if claims made): _____

14. Provide the following information for **General Liability** coverage currently in force:

COMPANY LIMIT DEDUCTIBLE POLICY TERM

Does the policy above include coverage for Products/Completed Operations Hazards? Yes No

15. Limit of Liability desired: \$

Retention: \$

REPRESENTATIONS:

By signing this application, the Applicant agrees that:

1. The statements and answers given in this application and any attachments to it are accurate and complete;
2. The statements and answers the Applicant furnishes to the Company are representations the Applicant makes to the Company on behalf of all persons and entities proposed for coverage;
3. Those representations are a material inducement to the Company to provide a proposal for insurance;
4. Any policy the Company issues will be issued in reliance upon those representations;
5. The Applicant will report to the Company immediately, in writing, any material change in the Applicant's operations, condition or answers provided in this application that occur or are discovered between the date of this application and the effective date of any policy, if issued; and
6. The Company reserves the right, upon receipt of any such notice, to modify or withdraw any proposal for insurance the Company has offered.

WARNING

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT S(HE) IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NAME (PLEASE TYPE OR PRINT)

NAME (SIGNATURE OF AUTHORIZED REPRESENTATIVE)

TITLE

DATE

TO BE COMPLETED BY PRODUCER(S) ONLY:

RETAIL PRODUCER: Producer Name: City, State: Telephone No.:		WHOLESALE PRODUCER: Producer Name: City, State: Telephone No.:	
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NEW HAMPSHIRE SURPLUS LINES AGENT IDENTIFICATION NUMBER: _____

NOTE: AGENT/BROKER IS RESPONSIBLE FOR COLLECTION AND FILING OF ANY SURPLUS LINES TAXES AND FEES THAT MAY APPLY.

NOTICE TO ARKANSAS 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 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 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 MARYLAND APPLICANTS:

ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO 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 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 MEXICO 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 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.

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 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.

SURPLUS LINES NOTICE FOR RHODE ISLAND APPLICANTS:

THIS INSURANCE CONTRACT HAS BEEN PLACED WITH AN INSURER NOT LICENSED TO DO BUSINESS IN THE STATE OF RHODE ISLAND BUT APPROVED AS A SURPLUS LINES INSURER. THE INSURER IS NOT A MEMBER OF THE RHODE ISLAND INSURERS INSOLVENCY FUND. SHOULD THE INSURER BECOME INSOLVENT, THE PROTECTION AND BENEFITS OF THE RHODE ISLAND INSURERS INSOLVENCY FUND ARE NOT AVAILABLE.

SURPLUS LINES NOTICE FOR SOUTH CAROLINA APPLICANTS:

THIS COMPANY HAS BEEN APPROVED BY THE DIRECTOR OR HIS DESIGNEE OF THE SOUTH CAROLINA DEPARTMENT OF INSURANCE TO WRITE BUSINESS IN THIS STATE AS AN ELIGIBLE SURPLUS LINES INSURER, BUT IT IS NOT AFFORDED GUARANTY FUND PROTECTION.

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.

AXIS PRO MISCELLANEOUS PROFESSIONAL LIABILITY

MORTGAGE BROKERS/MORTGAGE BANKERS SUPPLEMENT

1. Name of the **Applicant's** firm:
2. Please indicate the percentages of the **Applicant's** total operations involving: _____% Loan Underwriting
(Must total 100%.) _____% Loan Servicing
_____% Loan Origination
3. Does the **Applicant** have a warehouse line of credit in place? Yes No If yes, indicate amount of credit line: \$_____
4. Does the **Applicant** originate any of the following types of mortgage loans? Sub-prime: Yes - _____% No
(If yes, indicate percentage of each to the **Applicant's** total loan volume.) Reverse: Yes - _____% No
5. a. Number of loans closed in the past year: _____
b. Average Loan Value: \$_____
- c. Maximum Loan Value: \$_____
6. Do any of the **Applicant's** employees or employees of related entities perform property appraisals? Yes No
7. Does the **Applicant** always comply with the Truth-in-Lending Act, Equal Credit Opportunity Act, RESPA and HOEPA?
 Yes No
8. Does the **Applicant** engage in wholesale mortgage lending? Yes No
If yes, does the **Applicant** pay yield spread premiums or other fees to mortgage brokers that are not based on actual services rendered? Yes No If yes, provide details:
9. Does the **Applicant** ever close loans in its own name or that of a related entity? Yes No
10. Is the **Applicant** a member of the Mortgage Bankers Association of America? Yes No
11. Does the **Applicant** or an affiliate/subsidiary entity have any ownership or equity interest in any property(ies) for which services are provided? Yes No If yes, please describe interest(s):
12. Are there any other companies who own any percentage of the **Applicant's** company, does the **Applicant** own any percentage of any other company or is the **Applicant** in any other way affiliated with any other company? Yes No
 - a. If yes, advise who they are and explain the nature and extent of the relationship(s).
 - b. For which of these does the **Applicant** wish to extend coverage?
13. Does the **Applicant** have any written or oral agreements or understandings with any other company that involves the referral of business to or from the **Applicant's** company? Yes No
 - a. If yes, advise who they are and explain the nature and extent of the agreements or understandings.
 - b. If yes, advise if and how any compensation is exchanged under the agreements or understandings.
 - c. If yes, advise whether the relationships between the companies are disclosed to the individuals involved in the transactions involving these referrals.
 - d. Please indicate if any such written agreements and/or any such disclosures have been reviewed by an attorney.
14. Is the **Applicant** a party to an "affiliated business arrangement" as defined by the Real Estate Settlement Procedures Act?
 Yes No
THE REAL ESTATE SETTLEMENT PROCEDURES ACT DEFINES "AFFILIATED BUSINESS ARRANGEMENT" AS AN "ARRANGEMENT IN WHICH (A) A PERSON WHO IS IN A POSITION TO REFER BUSINESS INCIDENT TO OR A PART OF A REAL ESTATE SETTLEMENT SERVICE INVOLVING A FEDERALLY RELATED MORTGAGE LOAN, OR AN ASSOCIATE OF SUCH PERSON, HAS EITHER AN AFFILIATE RELATIONSHIP WITH OR A DIRECT OR BENEFICIAL OWNERSHIP INTEREST OF MORE THAN ONE PERCENT IN A PROVIDER OF SETTLEMENT SERVICES; AND (B) EITHER OF SUCH PERSONS DIRECTLY OR
INDIRECTLY REFERS SUCH BUSINESS TO THAT PROVIDER OR AFFIRMATIVELY INFLUENCES THE SELECTION OF THAT PROVIDER."
 - a. If yes, advise who the parties to the arrangement are, and describe the nature of the arrangement.
 - b. If yes, advise whether "Affiliated Business Arrangement Disclosure Statements" are provided to the persons being referred.
 Yes No If yes, please provide a copy of such disclosure.

- c. If yes, advise whether the persons being referred are required to use any particular provider of real estate settlement services.
- d. If yes, advise what money or other thing of value is exchanged under the affiliated business arrangement.

15. How much of the **Applicant's** commission income was derived from sub-prime activities in the past three years? Please indicate years and percentages in space provided.

20____ - ____% of total commissions derived from sub-prime activities
 20____ - ____% of total commissions derived from sub-prime activities
 20____ - ____% of total commissions derived from sub-prime activities

LOAN SERVICING ONLY:

16. a. Total number and dollar volume of loans serviced by the **Applicant** during the past 12 months:

_____ \$ _____

b. Of the total servicing dollar volume stated above, provide the percentage represented by:

	Current Year	Prior Year
(1) Income property loans	_____%	_____%
(2) Adjustable rate mortgage loans	_____%	_____%
(3) Loans where Applicant acts as subservicer	_____%	_____%
(4) Loans that are subserviced by others	_____%	_____%
(5) Servicing purchased within the last 12 months	_____%	_____%
(6) GNMA pool loans	_____%	_____%
(7) Other loans sold with recourse	_____%	_____%
(8) Loans delinquent from:		
(a) 30-59 days	_____%	_____%
(b) 60-89 days	_____%	_____%
(9) Loans classified as REO and/or loans in foreclosure	_____%	_____%

To complete application, please submit résumés of all principals and key management personnel if the **Applicant** has been in business LESS THAN three years.

THIS MORTGAGE BROKERS/MORTGAGE BANKERS SUPPLEMENT IS ATTACHED TO AND FORMS A PART OF THE AXIS® PRO MISCELLANEOUS PROFESSIONAL LIABILITY POLICY APPLICATION. IT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE AS IN THE BASIC APPLICATION.

Date

Signature/Title

NOTE: THE SIGNATURE MUST BE THAT OF AN ACTIVE OWNER, PARTNER OR EXECUTIVE OFFICER OF THE APPLICANT'S FIRM.