

# AIG NATIONAL UNION

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 Applicant: \_\_\_\_\_

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

Office Telephone: \_\_\_\_\_

2. Specify if:  Individual  Partnership  Corporation  Other(Explain) \_\_\_\_\_

3. Limits of Liability Desired:

(Each Wrongful Act or series of continuous, repeated or interrelated Wrongful Acts/ Aggregate)

\$100,000/\$300,000       \$200,000/\$600,000      x \$500,000/\$500,000

\$1,000,000/\$1,000,000      Other \_\_\_\_\_

4. Deductible:  \$1,000     \$2,500     \$5,000     \$10,000     other: \_\_\_\_\_

5. Effective Date Desired: \_\_\_\_\_

Year Established: \_\_\_\_\_

6. If the applicant is owned or controlled by another entity, give full details  
(name of entity, percentage owned/controlled, etc.)

7. List all office locations besides the one listed in question 1.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Please give the approximate percentage breakdown of the total of your premium volume and fees as:

AGENT..... %  
BROKER..... %  
MANAGING GENERAL AGENCY..... %  
REINSURANCE INTERMEDIARY..... %  
EXCESS OR SURPLUS LINES BROKER..... %  
CONSULTANT (for fee)..... %  
RISK MANAGER (for fee)..... %  
THIRD PARTY ADMINISTRATORS (for fee).... %  
Other (explain below)..... %  
MUST TOTAL 100%

**LINES OF BUSINESS WRITTEN AND INSURANCE OPERATIONS OF APPLICANT**

We are interested in knowing what lines of business make up the premium volume written by the applicant THIS PAST YEAR, and what other insurance operations, for a fee, applicant is engaged in.

Break it into five (5) major areas:

- (a) Standard Business.
- (b) Non-Standard and Surplus Lines Business.
- (c) Consulting and/or Risk Management Services
- (d) Life and Health products.
- (e) Third Party Administration.

**9. STANDARD BUSINESS**

(a) Total Standard Commissions \$ \_\_\_\_\_  
(b) Total additional incomes such  
As contingent commission \$ \_\_\_\_\_

**10. NON-STANDARD AND SURPLUS LINES BUSINESS-** Non standard business business includes: Surplus Lines, Brokerage Business from other agents or brokers, Fair Plans, Government Pools, and other distressed business the applicant controls or processes.

Total Non-Standard Business commissions:

Personal Lines \$ \_\_\_\_\_  
Commercial Lines \$ \_\_\_\_\_

**11. WHOLE-RETAIL-** With respect to applicant's annual premium volume, what percentage do you place as a wholesaler and what percentage do you place as a retailer?

Wholesaler \_\_\_\_\_ % Retailer \_\_\_\_\_ %

**12. CONSULTING AND/OR RISK MANAGEMENT SERVICES**

(a) Does the applicant engage in Risk Management Consulting?  YES  NO

If your answer is Yes, state what type of consulting is performed:

\_\_\_\_\_

Enclose a copy of one of your surveys and written reports completed for a commercial account.

Annual Income from Risk Management services \$ \_\_\_\_\_

(b) Does the applicant perform Loss Control, OSHA, Loss Prevention, or Safety Inspection service?

YES  NO

If yes, give a statement as to the number of personnel employed, their credentials and their work history. Specify service performed.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Annual Income from this service \$ \_\_\_\_\_

**13. LIFE AND ACCIDENT & HEALTH PRODUCTS**

Annual Commissions \$ \_\_\_\_\_

**14. THIRD PARTY ADMINISTRATOR**

(a) Does the applicant act as a third party administrator (TPA)?

YES  NO

If Yes, state what work is performed for what class of business and attach a copy of the contract(s) used.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) Annual Income from this service? \$ \_\_\_\_\_.

(c) How many staff members are involved in the TPA operations? \_\_\_\_\_

15. Total All Commissions & Other Income \$ \_\_\_\_\_  
(sum of 9, 10, 12, 13 and 14)

**16. STANDARD BUSINESS**

List by company name, all *admitted* insurance carriers you place standard business with and give the estimated % of your total premium placed with that company.

CARRIER	VOLUME	% OF TOTAL
_____	_____	_____
_____	_____	_____
_____	_____	_____

17. **NON-STANDARD BUSINESS**

List by company name all non-admitted and non-standard carriers including Brokerage Houses (intermediaries) and governmental facilities/plans where you place business and give the estimated % of your total premium placed:

CARRIER/FACILITY PLAN	VOLUME	%OF TOTAL
_____	_____	_____
_____	_____	_____
_____	_____	_____

18. The following is a breakdown of your volume of business by line of cover:

TOTAL Life and A&H		\$ _____	Volume
Standard Personal Lines:			
	Automobile	\$ _____	Volume
	Homeowners	\$ _____	Volume

List of other Standard Personal lines written by line:

_____	\$ _____	Volume
_____	\$ _____	Volume
_____	\$ _____	Volume
TOTAL Standard Personal Lines	\$ _____	Volume

Standard Commercial Lines:

Worker's Compensation.....	\$ _____	Volume
Commercial Auto.....	\$ _____	Volume
Commercial Multi-peril.....	\$ _____	Volume
Inland Marine.....	\$ _____	Volume
Wet Marine.....	\$ _____	Volume
Other Commercial Property.....	\$ _____	Volume
Bonds-All other.....	\$ _____	Volume
Bonds-Surety.....	\$ _____	Volume
Aviation.....	\$ _____	Volume
Umbrella/Excess.....	\$ _____	Volume
Physicians & Hospitals		
Professional Liability.....	\$ _____	Volume
Other Professional Liability/D&O.....	\$ _____	Volume
Other _____	\$ _____	Volume
_____	\$ _____	Volume
TOTAL Standard Commercial Lines	\$ _____	Volume

Non-Standard Business:

Non-Standard Personal Lines.....	\$ _____	Volume
Non- Standard Commercial Auto.....	\$ _____	Volume
Brokerage business from other agents or brokers.....	\$ _____	Volume
Assigned Risk, Governmental Pool and Fair Plan.....	\$ _____	Volume
Surplus Lines.....	\$ _____	Volume
Other _____	\$ _____	Volume
TOTAL Non-Standard Lines	\$ _____	Volume
TOTAL ALL Premium produced	\$ _____	= 100%

19. Has any policy of or application for similar insurance on the applicant's behalf or any of its partners, executive officers, directors, salespersons (whether employees or independent contractors), employees, or on behalf of any predecessors in business ever been declined, cancelled or renewal refused?

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20. Have any professional liability (E&O) claims been made during the past five years against the applicant or any of its past or present partners, executive officers, directors, salespersons (whether employees or independent contractors), employees, or any predecessors in business?  YES  NO

If yes, describe the incident which caused the claim, the date it occurred, the amount of reserve or indemnity paid and estimated expenses paid as respects the claim. Attach a separate page giving this information.

It is agreed that claims made prior to the inception of the policy period are excluded from this proposed coverage.

21. Does any prospective Insured have knowledge or information of any circumstances or any allegations or contentions of any incident which may result in any claim being made against the applicant or any of its past or present partners, executive officers, directors, salespersons (whether employees or independent contractors), employees, or any predecessors in business?  YES  NO

If yes, give particulars \_\_\_\_\_

22. During the past five(5) years, has the name of the applicant been changed or has any other business been purchased, merged or consolidated with the applicant?  YES  NO

If yes, give details \_\_\_\_\_

23. Information regarding personnel, their education, work history, and professional experience:

(a) Give the number of and names of licensed agents, licensed brokers, licensed solicitors, partners, officers of the corporation and stockholders active in the business and considered employed (their FICA taxes are paid by the applicant). Include their years of experience and the year in which they obtained their license.

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(b) Unlicensed staff \_\_\_\_\_

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(c) Name all agents, brokers and solicitors who are considered independent contractors (paid by use of IRS 1099 form).

NAME

VOLUME PRODUCED

\_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

NOTE: Independent contractors are not covered under the basic policy but can be added by endorsement on a blanket basis as Additional Insureds for an additional premium to cover them only for work done for applicant's firm. Check here if the endorsement is being requested by applicant: \_\_\_\_\_

(List them in (c) above regardless of whether endorsement is being requested or not.)

- (d) How many members of your staff hold an insurance professional designation (CPCU,ARM,AAI, ETC.) and what designations(s) do they hold?
- (e) What percentage of your staff attend Continuing Education Programs, and what Programs do they attend?
- (f) Has any prospective insured ever had his/her license revoked or suspended or been fined or disciplined in any way by a state insurance department?       YES       NO  
If yes, attach a supplemental page with details.

**24. ACCOUNT CONTROLS USED**

- (a) Does each account receive a formal written Cause of Loss survey annually?  
Commercial Accounts:       YES       NO  
Personal Accounts:       YES       NO
- (b) A copy of the surveys you use (Personal and Commercial) is requested to be attached to this application for review.
- (c) Give us a statement on how Diary System (suspense file) is controlled: \_\_\_\_\_  
\_\_\_\_\_
- (d) (1) Give us a statement on how Binders are controlled:  
\_\_\_\_\_  
\_\_\_\_\_  
  
(2) Are they mailed immediately to the bound carrier?       YES       NO  
(3) Explain the procedure for the Binder Diary System:  
\_\_\_\_\_  
\_\_\_\_\_
- (e) Give us a statement regarding how New Business and Renewals are surveyed, reviewed, processed, and checked by the staff: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- (f) Is every finished contract checked twice by staff members for coverage afforded and against the survey made which outlines the client's needs before being mailed or delivered?  
 YES       NO; Give us a statement as to your procedure used.
- (g) How are expiration records kept? Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- (h) Do you have a double check system on files as they expire? Explain \_\_\_\_\_  
\_\_\_\_\_

**25. MISCELLANEOUS**

(a) Give the territory of operation other than your state; list by state and county \_\_\_\_\_

(b) Give the premium volume by class of business written outside the USA continental limits: \_\_\_\_\_

26. Please complete the following regarding the applicant's professional liability insurance for the past three years:

<b>NAME OF INSURER</b>	<b>LIMITS OF LIABILITY</b>	<b>DEDUCTIBLE</b>	<b>POLICY PERIOD</b>	<b>PREMIUM</b>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

27. List the professional organizations you are an active member of: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**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 HE 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: \_\_\_\_\_

PRODUCER: AMIS/Alliance Marketing & Insurance Services

TITLE: \_\_\_\_\_

ADDRESS: 355 Via Vera Cruz Ste 7, PO Box 567  
San Marcos, CA 92079-567  
760-471-7116 Fax:760-471-9378  
E-mail: [bwest@amiscorp.com](mailto:bwest@amiscorp.com)  
CA Insurance License: 0E22579

DATE: \_\_\_\_\_

**PLEASE READ FURTHER**

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 judgement 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: \_\_\_\_\_