



# Professional Liability Insurance for Insurance Agents and Brokers Application

Aspen American Insurance Company  
499 Washington Boulevard, 8<sup>th</sup> Floor  
Jersey City, NJ 07310  
(A stock insurance company)

1. Name of Applicant (include all dba's): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Are there any branch offices? Yes No If "Yes," how many \_\_\_\_\_

In which States? (Use separate sheet if necessary): \_\_\_\_\_

Contact: Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_ Web Site: \_\_\_\_\_

## 2. Ownership:

A. Are you owned or controlled by, or affiliated with any other firm? .....  Yes  No  
If "Yes," please use separate sheet to provide details.

B. Have you purchased, merged or been consolidated with any other firm in the past three years?  Yes  No  
If "Yes," please use separate sheet to provide details.

C. Do you have any subsidiaries? .....  Yes  No  
If "Yes," please list their names, type of operation, and whether or not you wish to apply for coverage for each of them (Use a separate sheet if necessary):

<u>Name of Subsidiary</u>	<u>Type of Operations</u>	<u>Applying for Coverage</u>
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

3. Date your firm was established: \_\_\_\_\_ (MM/DD/YYYY)  
If less than three (3) full years, please attach a resume for each principals with agency/brokerage management experience.

4. Please list the percentage of your business derived from your activities in each role (total must equal 100%):  
Agent/Broker: \_\_\_\_\_ % MGA/MGU/General Agent/Program Administrator\*: \_\_\_\_\_ %  
Wholesaler: \_\_\_\_\_ % Reinsurance Broker/Intermediary: \_\_\_\_\_ %  
Other: \_\_\_\_\_ % (Specify) \_\_\_\_\_

\*If you are in whole or in part an MGA, MGU, General Agent, and/or Program Administrator please complete the MGA/GENERAL AGENT/PROGRAM ADMINISTRATOR supplemental application.

5. Limits of Liability Desired:

\$ \_\_\_\_\_ each wrongful act or series of continuous, repeated or interrelated wrongful acts

\$ \_\_\_\_\_ aggregate

You may apply for defense costs to be in addition to or included within the above limits.

Please indicate your preference. Defense costs to be in addition to the above limits: .....  Yes  No

6. Deductible Desired:

\$1,000  \$2,500  \$5,000  \$10,000  \$25,000  Other: \_\_\_\_\_

You may apply to have the deductible apply to damages only or to both damages and defense costs.

Please indicate your preference: Deductible to apply to damages only: .....  Yes  No

7. Changes in Operations:

A. Do you anticipate any significant changes in the nature of your operation, or changes of twenty-five (25) percent or more in the size of your operations, over the next twenty (24) months?.....  Yes  No  
If "Yes," please attach details.

B. Do you anticipate writing any new lines of coverage in the next 12 months? .....  Yes  No  
If "Yes", please provide details. \_\_\_\_\_  
\_\_\_\_\_

8. Staffing:

A. Indicate your current total agency headcount (**including yourself**): \_\_\_\_\_  
Of these, indicate how many are:

	Employed Full Time	1099 Full Time	Employed Part Time	1099 Part Time	Total
Licensed Agent or Broker					
Other Management Professional					
Administrative/Other					

B. List the names of all partners, principals and key employees below: (**Please include yourself**)

<u>Name</u>	<u>Years in Insurance</u>	<u>Years Licensed</u>	<u>Years with Applicant</u>	<u>Professional Designations</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

C. During the past five (5) years have there been any changes in the management structure, including any additions or deletions of any principals, owners or managers? .....  Yes  No  
If "Yes", please provide details. \_\_\_\_\_  
\_\_\_\_\_

D. Are you a member of any cluster arrangements? .....  Yes  No  
If "Yes", please provide details. \_\_\_\_\_  
\_\_\_\_\_

**9. Independent Contractors:**

- A.** Do you have independent contractors? .....  Yes  No  
 Are they exclusive, i.e., do they place coverage only through your firm? .....  Yes  No
- B.** Do you wish to cover them as insureds under your policy? .....  Yes  No  
 If coverage is desired, you may either provide the names of those to be covered or you may elect coverage on a blanket basis by checking here:.....
- C.** Do you maintain and update license information on all independent contractors? ...  Yes  No  
 Do you require independent contractors to maintain their own professional liability insurance?  Yes  No

**10. List all professional associations to which you belong:**

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**11. Revenues:**

- A.** Please indicate your premium volume and gross insurance commissions and fees for the current twelve months along with projections for the next twelve months:

	P&C Premiums	Life/A&H Premiums	Annual Gross P&C Commissions and Fees (before split with others)	Annual Gross L/A&H Commissions and Fees (before split with others)
Current Twelve Months				
Next Twelve Months				

- B.** How many P&C policies did you place in the past year \_\_\_\_\_ ; How many Life/A&H policies \_\_\_\_\_

**12. Please indicate and describe your non-insurance business revenues for the past two years:**

	<u>Non-Insurance Revenue</u>	<u>Sources</u>
Current Twelve Months:	\$ _____	_____
Next Twelve Months:	\$ _____	_____

**13. Insurers:**

- A.** Please list your top 5 insurers where you have placed business in the past two years. Use additional sheets if necessary:

Insurer	Annual Premium Volume	Years Represented	Do You Have Binding Authority?	A.M. Best Rating
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	

- B.** Approximately how much business is placed with carriers that are:  
 Rated less than B+ by AM Best \_\_\_\_\_ %      Non-Admitted: \_\_\_\_\_ %  
 Not Rated by AM Best (NR): \_\_\_\_\_ %      If **not** applicable, please check here

**14.** Please list your three largest commercial clients together with the services provided and revenues derived from each:

<u>Client</u>	<u>Services You Provide</u>	<u>Your Revenues</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**15.** Please indicate the percentage of your total premium volume from the following: **(Total of all sections combined must equal 100%)**

Personal Lines:

- |                       |                    |                      |
|-----------------------|--------------------|----------------------|
| Standard Auto _____ % | Umbrella _____ %   | Non-Std Auto _____ % |
| Marine _____ %        | Homeowners _____ % | Flood, Wind _____ %  |
| Other _____ %         | (Specify) _____    |                      |

Commercial Lines:

- |  |                                    |
|--|------------------------------------|
| Auto (except long haul trucking) _____ % | Workers Comp _____ %               |
| Long Haul Trucking _____ %               | Flood, Wind _____ %                |
| BOP/SMP _____ %                          | Fidelity _____ %                   |
| GL Products _____ %                      | Surety _____ %                     |
| Commercial Property _____ %              | Aviation _____ %                   |
| Inland Marine _____ %                    | Crop _____ %                       |
| Ocean Marine _____ %                     | Professional Liability/D&O _____ % |
| Medical Malpractice _____ %              | Other (Specify) _____ %            |

Group Life/Accident & Health

- |                |                              |
|----------------|------------------------------|
| Life _____ %   | Fully Insured Health _____ % |
| LTD _____ %    | Self-Insured Health _____ %  |
| STD _____ %    | METS/MEWAS _____ %           |
| Dental _____ % | Stop Loss _____ %            |
| Other _____ %  | (Specify) _____ %            |

Individual Life/Accident & Health

- |                      |                               |
|----------------------|-------------------------------|
| Term Life _____ %    | Whole Life _____ %            |
| LTD _____ %          | Universal Life _____ %        |
| STD _____ %          | Fixed Annuities _____ %       |
| Health _____ %       | Accident/AD&D _____ %         |
| LTC _____ %          | Credit Life _____ %           |
| Split Dollar _____ % | Premium Financed Life _____ % |
| COLI/BOLI _____ %    | Other (Specify) _____ %       |

**16.** Does the Applicant specialize or focus its operation on any specific industry? .....  Yes  No  
 If "Yes", please provide details. \_\_\_\_\_

**17. Broker/Dealer Exposure:**

- A. If you desire coverage as a registered representative, please indicate your commissions derived from each of the following, or check here:  Coverage not desired.

Variable Life \_\_\_\_\_ Stocks and Bonds \_\_\_\_\_ Variable Annuities \_\_\_\_\_  
 Pension Plans \_\_\_\_\_ Mutual Funds \_\_\_\_\_ 401-K Plans \_\_\_\_\_

- B. Name of Broker/Dealer with whom you are affiliated: \_\_\_\_\_  
 Years Affiliated: \_\_\_\_\_

- C. Please provide the number of employees requesting coverage who have the following licenses:  
 Series 6: \_\_\_\_\_ Series 7: \_\_\_\_\_

- D. Do you have coverage through the broker/dealer? .....Yes  No

- E. Have there been any U-4 or U-5 violations? .....Yes  No If "Yes", please attach details

**18. Please indicate if you provide the following services:**

	<u>Yes</u>	<u>No</u>
A. Claims Adjusting	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes", do you have the authority to deny claims?	<input type="checkbox"/>	<input type="checkbox"/>
B. Claims Draft Authority. If yes indicate maximum amount: _____	<input type="checkbox"/>	<input type="checkbox"/>
C. Inspections, Safety Engineering, Loss Control or Risk Management	<input type="checkbox"/>	<input type="checkbox"/>
D. Policy Issuance	<input type="checkbox"/>	<input type="checkbox"/>
E. TPA Services	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes", please provide details. _____ _____		
F. Reinsurance Placement	<input type="checkbox"/>	<input type="checkbox"/>
G. Actuarial Service	<input type="checkbox"/>	<input type="checkbox"/>
H. Underwriting	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes", please complete the MGA Supplemental Application.		

**19. Do you:**

	<u>Yes</u>	<u>No</u>
A. Have written standard operating procedures	<input type="checkbox"/>	<input type="checkbox"/>
B. Date stamp all incoming mail	<input type="checkbox"/>	<input type="checkbox"/>
C. Document client's refusal to accept coverage or limit recommendations	<input type="checkbox"/>	<input type="checkbox"/>
D. Does your agency use a diary, suspense and/or follow-up procedure? <input type="checkbox"/> Automated <input type="checkbox"/> Manual	<input type="checkbox"/>	<input type="checkbox"/>
E. If applicable, do all locations use a centralized agency management system? <input type="checkbox"/> n/a	<input type="checkbox"/>	<input type="checkbox"/>
F. If applicable, do all locations use the same workflow procedures? <input type="checkbox"/> n/a	<input type="checkbox"/>	<input type="checkbox"/>
G. Confirm verbal binders in writing	<input type="checkbox"/>	<input type="checkbox"/>
H. Appoint sub-agents	<input type="checkbox"/>	<input type="checkbox"/>
I. Have you or your staff attended an approved E&O Seminar in the last 24 months?	<input type="checkbox"/>	<input type="checkbox"/>
J. Does your agency perform internal audit/quality control reviews of your staffs work?	<input type="checkbox"/>	<input type="checkbox"/>
K. Is there a procedure for documenting phone, text or other social media?	<input type="checkbox"/>	<input type="checkbox"/>

**20. Computer Systems:**

- A. How often is your computer system backed up? \_\_\_\_\_  
 B. Are the backups kept on-site or off-site? \_\_\_\_\_  
 C. Can coverage be bound via your website and/or does your website link to any other website which provides the ability to bind coverage online? Yes  No  Do not have a website

21. In the past five years, have you:

If "yes" to any of the below, please attach an explanation

- A. Discontinued any program or classes of business you are not currently involved with that accounted for more than 10% of your volume?  Yes  No
- B. Placed coverage with or referred clients to any Self Insured/Captive; Professional Employer Organization (PEO); Multiple Employer Trust or Welfare Arrangement (MET or MEWA)?  Yes  No
- C. Been involved in the establishment or management of any Risk Retention Group (RRG); Risk Purchasing Group (RPG); Professional Employer Organization (PEO); Multiple Employer Trust or Welfare Arrangement (MET or MEWA); Insurance Company (including but not limited to any Captive) or any similar organization?  Yes  No
- D. Been involved in any structured settlement, viatical settlement, or the placement of any vanishing premium life insurance policy?  Yes  No
- E. Been involved with the establishment or management of any fronted program?  Yes  No

22. Cancellation:

- A. Have you had any agency contracts cancelled by any insurance carrier for reasons other than lack of production?  Yes  No If "Yes," please attach details.
- B. Has your professional liability insurance ever been declined, cancelled, or non-renewed?  Yes  No If "Yes," please attach details.

23. Do you currently have professional liability insurance in force?  Yes  No

If "Yes," please provide the following for your five most recent policies:

<u>Expiration Date</u>	<u>Name of Insurer</u>	<u>Limits of Liability</u>	<u>Deductible</u>	<u>Premium</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Retroactive date or length of time coverage has been continuously in force: \_\_\_\_\_

24. After inquiry, does any owner, director, officer, employee, independent contractor or partner of yours have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim?  Yes  No If "Yes," please attach details and advise whether or not the potential claim has been reported to any carrier.

25. After inquiry, have you or any of your owners, directors, officers, employees, independent contractors or partners ever been the subject of a disciplinary action, investigation or complaint as a result of any professional activities?  Yes  No If "Yes," please attach details.

26. After inquiry, have there been any claims, lawsuits, demands, or other forms of threat of legal action against your firm, any owners, directors, officers, employees, independent contractors or partners in the last five years?  Yes  No If "Yes," how many? \_\_\_\_\_ (Please attach details.)

27. What is the number of sensitive data records currently stored? # \_\_\_\_\_

28. Does your agency have a secure firewall and up-to-date anti-virus program?  Yes  No

29. Does the Applicant have a document retention and destruction policy?  Yes  No

30. Is encryption used when transmitting personal information?  Yes  No
31. Does the Applicant restrict access to private consumer information or customer files to employees on a business need to know basis?  Yes  No
32. Does any Applicant, director, officer, employee or other proposed Insured have knowledge or information of any fact, circumstance, situation, event, or issue which may give rise to a Claim against any Insured for invasion of or interference with any right of privacy, wrongful disclosure of personal information, or violation of any privacy related statute or regulation?  Yes  No If "Yes," please attach details and advise whether or not the potential claim has been reported to any carrier.
33. During the past three (3) years, has anyone made any Claim against the Applicant for invasion of or interference with any right of privacy, wrongful disclosure of personal information, or violation of any privacy related statute or regulation?  Yes  No If "Yes," please attach details.

All written statements and materials furnished in conjunction with this application including any supplements attachments made there to by or on behalf of the applicant are hereby incorporated into this application and made a part hereof.

This application does not bind you to buy, nor us to issue the insurance, but it is agreed that this application shall be the basis of the contract between us should a policy be issued, and it will be attached to and made a part of the policy. You declare that the statements set forth in this application are true. You agree that if the information supplied in this application changes between the date stated below and the time when the policy is issued, you will immediately notify us of such changes, and we may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance.

**FRAUD NOTICE - WHERE APPLICABLE UNDER THE LAW OF YOUR STATE**

**NOTICE TO APPLICANTS OF ALL STATES EXCEPT COLORADO, DISTRICT OF COLUMBIA, KANSAS, KENTUCKY, LOUISIANA, MAINE, NEW JERSEY, NEW MEXICO, NEW YORK, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, PUERTO RICO, TENNESSEE, VERMONT, VIRGINIA, WASHINGTON:** Any person who knowingly, and with the intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any material false information or conceals for the purposes of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties and denial of insurance benefits. **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 KANSAS APPLICANTS:** an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto. **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 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 may include imprisonment, fines or a denial of insurance benefits. **NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or 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 MINNESOTA APPLICANTS:** A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime. **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 is subject to a civil penalty not to exceed \$5,000.00 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 or makes a claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony. **NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: (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 TENNESSEE AND VIRGINIA 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 presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date (MM/DD/YYYY)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

\_\_\_\_\_  
**Name of Agent/Broker for Applicant**

\_\_\_\_\_  
**Name of Insurance Brokerage**

\_\_\_\_\_  
**Agent/Broker Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Agent/Broker Title**