

*Real Estate Application – New Business*

*Underwritten by The Hanover Insurance Company*

**NOTICE: 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.**

**INSTRUCTIONS**

Whenever used in this Application, the term **Applicant** shall mean the **Named Insured** proposed for insurance, and **You** or **Your(s)** shall mean the persons, entities and subsidiaries, proposed for insurance unless otherwise stated.

**A. CONTACT INFORMATION**

1. Full Legal Name of **Applicant** (include all firm names, franchise affiliations, trading names and DBAs under which the Applicant operates): \_\_\_\_\_  
 Applicant is a: ☐ Sole Proprietor ☐ Partnership ☐ Corporation ☐ LLC ☐ LLP  
☐ Independent Contractor ☐ Other: \_\_\_\_\_
2. Mailing and Physical Address of **Applicant**/including contact information:  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
 Physical Address (if different): \_\_\_\_\_  
 Primary **Applicant** contact name: \_\_\_\_\_  
 Title: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Website: \_\_\_\_\_
3. Has the **Applicant** ever operated under any other name? ☐ Yes ☐ No  
 If "Yes", please explain: \_\_\_\_\_
4. Are **You** controlled, affiliated with or owned by any other firm or business enterprise? ☐ Yes ☐ No  
 If "Yes", please explain: \_\_\_\_\_

**B. GENERAL BUSINESS INFORMATION**

5. Date **Applicant** was established: <<mm/dd/yyyy>>
6. List all states where professional services are provided: \_\_\_\_\_
7. Does the **Applicant** have any subsidiaries for which coverage is requested? ☐ Yes ☐ No  
 If "Yes", please complete the schedule below.

Subsidiary Information

Full Legal Name	% Owned	Year Started	Description of Operations

**IMPORTANT:** It is understood and agreed that coverage is not provided for subsidiaries not fully disclosed in response to Question 7.

8. Does the **Applicant**, or any of **You**, 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: \_\_\_\_\_

### C. APPLICANT OPERATIONS

9. 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%)	First Year Licensed
		%	
		%	
		%	

10. How many owners, employees, and independent contractors are performing professional services for the **Applicant**?

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

11. 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)
Residential:	Sales		\$
	Leasing		\$
	Land and Lots		\$
	Vacation Rentals		\$
	Property Management		\$
	Appraising		\$
Commercial:	Auctioneering		\$
	Sales		\$
	Leasing		\$
	Land and Lots		\$
	Vacation Rentals		\$
	Property Management		\$
	Appraising		\$
	Auctioneering		\$
Broker Price Opinions			\$
Other: (Please Explain in Box Below)			\$
Other Services Explains:			\$
<b>TOTALS</b>			

- b. Total Gross Commissions & Fees Prior 12 Months: \$ \_\_\_\_\_
- c. Total Gross Commissions & Fees Projected Coming 12 Months: \$ \_\_\_\_\_
- d. Approximate % of Most Recent 12 Months Total Revenue derived from Foreclosures or Short Sales: \_\_\_\_\_ %
- e. Approximate % of **Your** Foreclosures or Short Sales where **You** represented the Seller: \_\_\_\_\_ %

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

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

13. Do any of **You** provide any of the following Services? If answers to all are “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		<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

14. Does the **Applicant** derive more than 10% of Total Commission from any one development, subdivision, or builder? ☐Yes ☐No

15. Approximate % of the **Applicant'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 the **Applicant** itself? \_\_\_\_\_ %

16. Do any of **You** sell properties Constructed/Developed by any of **Your** Agents, Brokers, Independent Contractors (“IC”), the **Applicant** itself, or Spouses of any Agents, Brokers, ICs? ☐Yes ☐No

17. For the most recent 12 months, what percentage of sales transactions included:

- a. A signed seller's disclosure statement \_\_\_\_\_ %  
b. A property inspection \_\_\_\_\_ %

18. 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 transactions? \_\_\_\_\_ %

19. Does the **Applicant**:

- 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

#### D. INSURANCE INFORMATION

20. Please provide the following information regarding the **Applicant's** most recent insurance policies. (**Please attach a copy of Your current policy Declarations Page with Your Application**). If no coverage is currently in-force please indicate with a N/A. ☐

Insurance Carrier	Expiration Date	Limit of Liability	Deductible	Premium
Current Year		\$<< >>/<< >>	\$	\$
Prior Year 1		\$<< >>/<< >>	\$	\$
Prior Year 2		\$<< >>/<< >>	\$	\$
Prior Year 3		\$<< >>/<< >>	\$	\$

Prior Year 4		\$<< >>/\$<< >>		
<b>Retroactive Date:</b>	(This is the date the Applicant first purchased claims made coverage that has been continuously in-force without interruption.)			

21. During the past 5 years, has any professional liability claim or suit ever been made against the **Applicant**, any subsidiary or any of the **Applicant's** current or former professional staff? ☐Yes ☐No  
 If "Yes", please indicate how many: \_\_\_\_\_ Please submit 5 year loss runs and complete a Supplemental Claim Form for each claim.
22. Does any of the **Applicant's** professional staff know of any incident, negligent act, error or omission, or other circumstance that could result in a claim or suit against the **Applicant** or any subsidiary or any of the **Applicant's** current or former professional staff? ☐Yes ☐No  
 If "Yes", indicate how many: \_\_\_\_\_ and complete a Supplemental Claim Form for each potential claim.
23. Has any of the **Applicant's** or any subsidiaries' professional staff ever had their license revoked or suspended or been formerly reprimanded or been the subject of a disciplinary action? ☐Yes ☐No  
**If "Yes", please provide complete details on a separate sheet.**

#### E. REQUESTED COVERAGE

24. Limit requested:  
☐\$500,000/\$500,000    ☐\$1,000,000/\$1,000,000    ☐\$2,000,000/\$2,000,000    ☐Other: \$ \_\_\_\_\_
25. Deductible requested:  
☐\$1,000    ☐\$2,500    ☐\$5,000    ☐\$10,000    ☐\$15,000    ☐\$25,000    ☐\$50,000    ☐Other: \$ \_\_\_\_\_

#### F. DECLARATIONS AND NOTICE

The undersigned, acting on behalf of the **Applicants**, represents that the statements set forth in this Application are true and correct and that thorough efforts were made to obtain requested information from all of **You** 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 of **You** 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**.

It is further agreed that:

- If any of **You** discover or become aware of any material change which would render the Application inaccurate or incomplete between the date of this application and the **Policy** inception date, 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; and
- The signing of this Application does not bind the **Applicant** to purchase insurance.

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**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 CALIFORNIA APPLICANTS:** For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state 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 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 KANSAS APPLICANTS:** Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means 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 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 or willfully presents a false or fraudulent claim for payment of a loss or benefit or 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 MICHIGAN APPLICANTS:** Any person who knowingly and with intent to defraud an insurance company or another 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 act, which is a crime and subjects the person 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 HAMPSHIRE 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.

**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.

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>>  
(mm/dd/yyyy)

\_\_\_\_\_  
(Chief Executive Officer, President, Chief Financial Officer, Managing Partner or Owner)

Agent's Signature: \_\_\_\_\_

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