

APPLICATION FOR TITLE AGENTS, ABSTRACTORS & ESCROW AGENTS ERRORS AND OMISSIONS LIABILITY INSURANCE

NOTICES: This is an application for claims-made and reported insurance provided through the Insurer. Except as otherwise provided in the proposed policy, the policy shall only apply to claims first made against the Insureds during the policy period and reported in writing to the Insurer in accordance with the provisions of the policy.

It is important that the Applicant report any currently known claims or circumstances that could result in a claim to the Applicant's current Insurer or purchase extended reporting period from the Applicant's current Insurer to cover such Claims or Incidents. The Insurer will not provide coverage for Claims arising from facts or circumstances which are known by an Insured prior to the Inception Date of the proposed Policy and which could reasonably be expected to give rise to a covered Claim under the proposed Policy. Please read this entire Application carefully before signing.

****Every question below must be answered. Respond "N/A" to any question that does not apply.****

General Information	
1.	Applicant Name: _____
2.	Has the name or structure of the Applicant ever changed, or has there been an acquisition, consolidation, merger, dissolution, reconstitution or any other change? <input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes", provide details: _____
IF YOU HAVE RETRO COVERAGE, ANY PAST NAME, DBA OR ENTITY MUST BE NAMED ON THE POLICY FOR COVERAGE.	
3.	Applicant Contact Name and Title: _____
a.	Physical Address: _____ City: _____ State: _____ Zip: _____
Please attached a listing of any additional Applicants and/or physical address of branch locations.	
b.	Mailing Address: _____ <i>(if different)</i>
c.	County: _____
d.	Website: _____
e.	Phone: _____
f.	Fax: _____
g.	E-Mail: _____
4.	Year Established: _____

Officers & Owners				
5. List Officers/Owners and complete table below. <i>Add additional page if more space is needed.</i>				
Name	Age	Title	Ownership Percentage	Active in daily business?
			%	<input type="checkbox"/> Yes <input type="checkbox"/> No
			%	<input type="checkbox"/> Yes <input type="checkbox"/> No
			%	<input type="checkbox"/> Yes <input type="checkbox"/> No

Current / Prior Insurance	
6.	Does Applicant have E&O liability insurance currently in force? <input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes", please complete the following:
Current Carrier:	_____ Expiration Date: _____
Current Limits: \$	_____ Expiring Premium: \$ _____
Deductible: \$	_____ Retro or Prior Acts Date: _____
Have you attached your current Declarations Page? <input type="checkbox"/> Yes	

Initials _____

Requested Limits & Deductible			
Limit of Liability:	<input type="checkbox"/> 250,000 / 250,000	<input type="checkbox"/> 1,000,000 / 2,000,000	Deductible: <input type="checkbox"/> 1,000 <input type="checkbox"/> 25,000
	<input type="checkbox"/> 500,000 / 500,000	<input type="checkbox"/> 1,000,000 / 3,000,000	<input type="checkbox"/> 2,500 <input type="checkbox"/> 50,000
	<input type="checkbox"/> 500,000 / 1,000,000	<input type="checkbox"/> 2,000,000 / 2,000,000	<input type="checkbox"/> 5,000 <input type="checkbox"/> 100,000
	<input type="checkbox"/> 1,000,000 / 1,000,000	<input type="checkbox"/> Other: _____	<input type="checkbox"/> 10,000

Revenues & Services			
7. a. 12-Month Gross Revenues: Your retained commission after premium is paid to underwriters plus revenue from closing, escrow or title searches.		\$ _____	
b. What % of Revenue is:		Residential / Farm / Vacant Lots	Commercial
		%	%
			Oil & Gas
			%
8. What Services Do You Perform In-House? (choose all that apply)			
<input type="checkbox"/> Title Agent		<input type="checkbox"/> Abstractor / Searcher	
<input type="checkbox"/> Escrow Agent / Closer		<input type="checkbox"/> Witness Closer / Signing Agent	
<input type="checkbox"/> Other (describe): _____			
9. Are Services Performed by Outside Party?		% by Subcontractor	% by Title Underwriter
Escrow Agent / Closer:		%	N/A
Abstractor / Searcher:		%	%
10. If subcontractors are shown in Question 9, are they required to carry their own E&O liability insurance? <input type="checkbox"/> Yes <input type="checkbox"/> No			
a. If "Yes", the Applicant warrants and/or certifies that it will continue to require subcontractors to obtain and maintain E&O insurance during the life of this policy.		<input type="checkbox"/> Yes	
Attach a current Declarations Page or Certificate of Insurance for each subcontractor. Number attached: _____			
b. If "No", what percent of your independent contractors carry E&O liability insurance?		_____ %	

Experience	
11. Total number of professional employees: _____	
12. Do all active Owners, Officers or Key Employees performing Professional Services have MORE than 3 years' experience? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Business Arrangements	
13. Is 20% or more of Applicant's work directly from builders during construction or development of property? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Title Agent - <input type="checkbox"/> N/A – No Title Agent Revenue or Services (skip to next section)		
14. Who provides the title search? (choose all that apply): <input type="checkbox"/> In-House <input type="checkbox"/> Subcontractor <input type="checkbox"/> Title Underwriter		
15. List the top two Title Underwriters Applicant issues title policies for and the percentage of the Applicant's title agent revenues.		
Title Underwriter	% of Title Agent Revenue	# of Yrs with Underwriter
	%	
	%	
16. During the last 10 years, other than lack of premium production, has Applicant's contract with any Title Underwriter been cancelled, non-renewed or terminated? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Abstractor / Searcher - <input type="checkbox"/> N/A – No Abstractor / Searcher Revenue or Services (skip to next section)	
17. Who provides the title abstract / search? (choose all that apply):	<input type="checkbox"/> In-House <input type="checkbox"/> Subcontractor <input type="checkbox"/> Title Underwriter
18. Is Applicant (including staff and ownership) or its subcontractors, physically located outside of the U.S.A.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
19. How many abstract / search transactions does Applicant perform? _____ Transactions	<input type="checkbox"/> Per Month or <input type="checkbox"/> Per Year
20. What does Applicant charge for an individual search on average?	\$ _____

Escrow Agent / Closer - <input type="checkbox"/> N/A – No Escrow Agent / Closer Revenue or Services (skip to next section)	
21. Does Applicant perform any transactions where the only service provided is closing and/or settlement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
22. When changes are made to funding instructions (method, bank account, etc.), does Applicant verify the new instructions by phone with the parties involved in the transaction before releasing any closing funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
23. Does Applicant hold and disburse escrow funds for construction projects?	<input type="checkbox"/> Yes <input type="checkbox"/> No
a. If "Yes", is a signed escrow agreement ALWAYS used to stipulate how and when construction funds will be paid from the escrow account?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b. If "Yes", when construction escrow funds are paid, are the appropriate signed lien waivers or releases ALWAYS obtained from the construction contractor and their sub-contractors prior to funding?	<input type="checkbox"/> Yes <input type="checkbox"/> No
24. Does Applicant obtain a "gap" or "date down" search on the chain of title for any liens on the subject property prior to recording applicable closing documents or disbursing closing funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
25. Does Applicant perform a "post-closing" title search and/or obtain original filed documents to assure filing was made?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Claims History	
IF "YES" TO ANY OF THE FOUR FOLLOWING QUESTIONS, PLEASE COMPLETE THE CLAIMS ADDENDUM INCLUDED WITH THIS APPLICATION. ATTACH ADDITIONAL SHEETS AS NECESSARY.	
26. During the past five (5) years, has Applicant or any prospective Insured been involved in or have knowledge of any inquiry, investigation, complaint or notice from any State or Federal Authority regarding the activities, procedures or practices of the Applicant or any proposed Insured? If "Yes", please provide a written narrative for each circumstance.	<input type="checkbox"/> Yes <input type="checkbox"/> No
27. During the past five (5) years, has any professional liability claim or suit ever been made against any Applicant or prospective Insured? If "Yes", you must complete the attached claims addendum for each claim or suit.	<input type="checkbox"/> Yes <input type="checkbox"/> No
28. Does the Applicant or any prospective Insured know of any circumstances, acts, errors or omissions that could result in a professional liability claim against the Applicant? If "Yes", you must complete the attached claims addendum for each circumstance.	<input type="checkbox"/> Yes <input type="checkbox"/> No
FOR NEW BUSINESS, IT IS AGREED THAT IF ANY OF THE RESPONSES TO QUESTIONS 22 THRU 24 ARE "YES", ANY CLAIM OR CIRCUMSTANCE THAT COULD RESULT IN A CLAIM WILL BE EXCLUDED FROM THE PROPOSED COVERAGE.	

Date _____ **Signature of Authorized Representative** _____ **Title** _____

By signing this application, the applicant agrees that after inquiry of all prospective insureds, no person proposed for coverage is aware of any fact or circumstance which reasonably might give rise to a future claim that would fall within the scope of the proposed coverage.

Initials _____

NOTICE TO APPLICANT - PLEASE READ CAREFULLY

Receipt and review of this application does not bind the Insurer to provide this insurance.

It is agreed by the **Applicant** and the Insurer that the particulars and statements made in this application, together with all attachments to this application and any other materials submitted to the Insurer (all of which attachments and materials shall be deemed attached to the policy as if physically attached thereto) shall be the representations of the **Applicant** and the prospective Insureds. It is further agreed by the **Applicant** and the prospective Insureds that this policy, if issued, is issued in reliance upon the truth of such representations that are incorporated into and made part of this policy. After inquiry of all prospective Insureds, the undersigned authorized officer of the **Applicant** represents that the statements set forth in this application and its attachments and other materials submitted to us are true and correct. Signing of the application does not bind the **Applicant** or the Insurer.

The undersigned further declares that any event taking place between the date this application was signed and the effective date of the insurance applied for which may render inaccurate, untrue or incomplete any information in the application, will immediately be reported in writing to us and we may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance.

General Fraud Statement

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 act, which is a crime and may subject such person to criminal and civil penalties.

COVERAGE MISCONCEPTIONS

1. “I’m covered for wire fraud under my E&O/Professional Liability policy.”
 - **INCORRECT** – Wire fraud or any other fraud is not an error or omission, it is an intentional Crime. E&O policies exclude fraud of any kind by any party from coverage. Plaintiff’s attorney’s will amend their complaints/suits to claim negligence for failure to detect or stop the fraud to access E&O limits.
 - E&O policies may have a sub-limit when negligence is alleged for failure to detect fraud. E&O and Cyber/Data Breach carriers use sub-limits to limit potential loss amount to the lower sub-limit instead of the full policy limit.
2. “I’m covered for wire fraud under my Cyber/Data Breach policy.”; or “My Cyber/Data Breach will cover lost money due to a hacker hitting our bank accounts.”
 - **INCORRECT** – Most Cyber policies cover risk from data breach, network security failure and data extortion...NOT loss of funds. Policies do not cover fraud or any loss of funds (your funds or escrow funds held for others).
 - Cyber policies may offer a crime endorsement with a sub-limit. Understanding this sub-limited endorsement will show whether or not wire fraud is covered and at what sub-limit and deductible.
3. “A Crime policy with endorsements for funds transfer fraud and fraudulent transfer request provides protection for loss of funds from theft and fraud.”
 - **CORRECT** – Crime coverage is the best way to protect your funds and the escrow funds you hold for others from theft or fraud (internal and third party threats).
 - Some Crime policies require verification (also called authentication or call back) of all wire instructions for coverage to apply;
 - This will not cover a real estate Buyer’s funds lost due to wire fraud since those funds are not under your (or your bank’s) control.
4. “When the Buyer on a real estate transaction loses their down payment or closing funds due to wire fraud, it is covered by E&O, Cyber and/or Crime.”
 - **INCORRECT** – Generally, there is no known coverage for a real estate buyer losing their funds due to a wire fraud scheme. Since the buyer initiated the transfer of funds, outside of you and your bank’s control, no coverage would be offered. If negligence on your part is alleged, the E&O policy will exclude it as fraud unless it provides extended coverage.

SUMMARY

Review Your Policies - Fraud Creates Risk

- Crime covers loss of funds due to theft or fraud by internal or third parties.
 - Risk of loss from theft or fraud is as significant as potential risk from errors and omissions.
- E&O covers your professional errors and omissions.
 - Title insurance covers the unknown, non-public liens not filed in the public record;
 - Title E&O covers the errors or omissions of public liens during title abstracting and title policy examination/issuance along with closing and escrow errors.
- Cyber/Data Breach covers risk from system breach or lost use of your data.