



Title Industry Protector

PROFESSIONAL LIABILITY (E&O)

1. Name of Applicant: _____

Include Additional Named Insureds or DBAs _____

Contact _____ Title _____ Phone _____ E-mail _____
By providing an email, you agree to receive future emails from Merriam Insurance

Street Address _____ City _____ State ____ Zip _____

Web Site _____ Date Established ___/___/_____ Number of locations ____

Number of additional entities or DBAs ____ **If more than one location or entity please provide all details on a separate sheet.**

2. Has the name or ownership of the Applicant ever changed or has any other entity been acquired, merged or consolidated with the Applicant? Yes No

If yes, please provide complete details on a separate sheet listing each entity name.

3. Is the Applicant controlled, owned, affiliated or associated with any other organization or title agency? Yes No

If yes, please provide: Name of Organization _____ Type of business _____

Full details of the relationship _____

Use separate sheet for additional information (ownership, any services provided to this organization, and percentage of your business from this organization).

If no services are provided to this entity check here _____ **No services provided.**

4. Are any of the principals or key personnel actively involved in any business or profession other than Title Agent, Escrow Agent, Abstractor, etc. or is any other type of business or profession conducted? Yes No

If yes, please explain: _____

5. Staff (including owners) Number of employees _____

Please list names of staff, other than clerical and assign activity codes and years of experience to each.

Activity codes: Owner Partner Officer O; Title Agent T; Abstractor/ Searcher A; Escrow Agent E; Closer C.

Name	Activity Code	Years of experience	(Use Separate Sheet if Needed)
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	

6. **Carriers Represented – List ALL Title insurers with whom business has been placed in the last 5 years.**

All information must be completed.

Name of Company	Date first represented	Current Annual premium Volume	Is agreement still active?
_____	_____	\$ _____	Yes No
_____	_____	\$ _____	Yes No
_____	_____	\$ _____	Yes No
_____	_____	\$ _____	Yes No

7. Gross Revenue by Source	Prior Fiscal Year	Current Fiscal Year (estimate through year end)
a.) Title Insurance Commissions	\$ _____	\$ _____
b.) Abstract / Search Fees	\$ _____	\$ _____
c.) Escrow/ Closing Fees	\$ _____	\$ _____
d.) Other Revenue (describe)	\$ _____	\$ _____

Total Gross Revenue (all sources) \$ _____ \$ _____

8. Source of revenue by category (total must equal 100%)

Residential _____%	Commercial/Industrial _____%	Oil/Gas _____%
Other (Describe) _____%	_____	TOTAL 100 %

9. Does the Applicant perform 1031 tax deferred exchange services? Yes No

a. As Escrow/Closing Agent only? Yes No

b. As Intermediary/Accommodator? Yes No

10. Escrow/Closing Activities – Questions must be answered if Revenue was reported for Question 7c.

a. Do you require written instructions for every escrow/closing? Yes No

b. Do you require a cashier's check or "good funds" for each escrow/closing? Yes No

c. Do you require initials or signatures on any changes to an escrow/closing? Yes No

d. Do you ever close without title insurance or a title opinion? Yes No

e. Do you have audits performed by an independent accounting firm or your title underwriting company? Yes No

f. Who performs the Applicant's audit? _____

g. During the past two years, have you handled disbursement of funds as construction progressed, or have you handled any periodic disbursement-type escrows? Yes No

If yes, please provide explanation, including percentage of gross revenue emanating from these clients:

h. What is the average amount of money held in escrow? _____

i. What is the average amount of time money is held in escrow? _____

11. Does the Applicant require key employees to participate in Continuing Education classes annually? Yes No

12. Does the Applicant have a standard complaint procedure in place? Yes No

13. Does the Applicant use independent contractors? Yes No

a. Does the application require these independent contractors to carry their own E&O insurance? Yes No

If yes, please provide proof of their E&O coverage

***The Applicant certifies that it will continue to require independent contractors to obtain E&O insurance throughout the life of this policy or after the date of execution of this application.**

14. What percentage of your total annual gross revenues (question 7 on page 1) are attributable to independent contractor services? _____ %

15. What services do your independent contractors provide? Please describe in detail _____

16. Prior Coverage – List all title agents' professional liability insurance carried by the Applicant during the past five years. (If none please state – "none")

Insurance Company	Limit of Liability	Deductible	Premium	Policy period
_____	_____	_____	_____	____/____/____ thru ____/____/____
_____	_____	_____	_____	____/____/____ thru ____/____/____
_____	_____	_____	_____	____/____/____ thru ____/____/____
_____	_____	_____	_____	____/____/____ thru ____/____/____
_____	_____	_____	_____	____/____/____ thru ____/____/____

17. Please indicate the date on which you first purchased continuous Errors & Omissions coverage _____/_____/_____ (Prior acts/ retroactive date)

18. Has any application for title agents' errors & omissions insurance on behalf of the Applicant or any predecessor firm been declined, or has any policy been cancelled or non-renewed? Yes No
 If yes, explain, including specific reason for cancellation or non-renewal: _____

19. Has any person at the firm ever had any professional or business license of any kind suspended or revoked? Yes No
If yes, please provide full details explained on a separate sheet.

20. Have any claims or suits been made during the past five years against the Applicant, its predecessor firm or any of the officers or employees of the firm? Yes No
If yes, please provide full, specific details of each claim on attached supplemental form.

21. Is the Applicant, its predecessor firms or any officer or employee of the firm aware of any circumstances, act, error or omission which may result in a claim against them? Yes No
If yes, please provide full, specific details on a separate sheet.

22. Coverage Desired (Attach copy of expiring declaration page if available)

<u>Limits</u>	<u>Deductible</u>
\$500k Per Claim/ \$500k Per Aggregate	\$5,000
\$1 Million Per Claim/\$1 Million Per Aggregate	\$10,000
Higher (specify): _____	\$15,000
	\$20,000
	\$25,000

FIDELITY – (optional)

Insuring Agreement	Limit	Deductible	Limit	Deductible
Employee Theft	\$	\$	\$	\$
Forgery or Alteration	\$	\$	\$	\$
Inside Theft of Money & Securities	\$	\$	\$	\$
Inside Robbery of Other Property	\$	\$	\$	\$
Outside the Premises	\$	\$	\$	\$
Computer Fraud	\$	\$	\$	\$
Funds Transfer Fraud	\$	\$	\$	\$
Money Orders & Counterfeit	\$	\$	\$	\$
Other:	\$	\$	\$	\$

Expiring Annual Premium: _____ Expiration Date of Current Coverage: _____

Name of Current Carrier: _____

Underwriting Information

1. Description of Applicant's Operations: _____
2. What is the Applicant's Annual Gross Revenue? _____
3. Are all of your operations located in the U.S., its territories, or Canada? Yes No
4. Is the Applicant a subsidiary of a foreign parent company? Yes No
5. Has your operation experienced any crime related losses in the past 5 years? Yes No
6. Do you have access to your client's funds/property (including money, securities, inventory, high value property, banking systems, wire transfer systems, computer systems, sensitive computer data, etc.)? Yes No
7. Total number of employees _____
8. How many employees handle, have access to, or maintain records of money, securities, or other property (including, but not limited to, directors, officers, trustees, and any person handling or having access to employee welfare or benefit plan assets)? _____
9. Are bank accounts reconciled on a monthly basis? Yes No
10. Are the owners active in daily business operations? Yes No
11. Does someone *other than* the person responsible for reconciling bank accounts:
- | | | | | | | | | |
|----------------|-----|----|--------------|-----|----|--------------|-----|----|
| Make deposits? | Yes | No | Withdrawals? | Yes | No | Sign Checks? | Yes | No |
|----------------|-----|----|--------------|-----|----|--------------|-----|----|
12. Are dual signatures required for checks written from the operating account or is an owner required to sign checks? If No, explain how the Applicant protects their business against employee check writing fraud. Yes No
13. Is segregation of duties practiced in the following areas?
- | | | | | | | |
|-----------------------------------|-----|----|-------------------------------|-----|-----|----|
| Wire Transfer Receipts & Payments | Yes | No | Cash Receipts | N/A | Yes | No |
| Oversight of Blank Check Stock | Yes | No | Checks & Credit Card Receipts | N/A | Yes | No |
14. Are all incoming checks stamped "for deposit only" immediately upon receipt? N/A Yes No
15. Is there a formal, planned program requiring separation of duties so that single transactions cannot be fully controlled from initiation to recording by one person? Yes No
16. Do you perform any of the following on candidates for employment?
- | | | | | | |
|----------------------------------|-----|----|----------------|-----|----|
| Verification of Prior Employment | Yes | No | Drug Testing | Yes | No |
| Education Verification | Yes | No | Credit History | Yes | No |
| Criminal History | Yes | No | | | |
17. Are your financial statements prepared by an independent CPA at least annually? Yes No
18. Have the outside auditors stated there are material weaknesses in the Applicant's systems of internal controls? **If yes**, attach explanation. Yes No
19. Has the Applicant implemented all material recommendations of the auditor? **If no**, attach explanation. Yes No
20. Has the auditor issued a going concern opinion for the Applicant or any of its subsidiaries' financial statements during the past 3 years? **If yes**, attach explanation Yes No
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21. Have you changed outside auditors in the past 3 years? If yes, attach explanation. Yes No
22. Was your net worth or fund balance positive as of the last fiscal year end? Yes No
23. What is the maximum amount of cash, checks, money orders and credit card receipts on hand? _____
24. What is the maximum amount of cash, checks, money orders and credit card receipts that are brought off the premises? _____
25. What is the average number of monthly escrow transactions? _____
26. What is the average escrow transaction size? _____

27.

Please indicate the following as it relates to the applicants fiscal year end (FYE)	Most Recent FYE (Month/Year)	Prior FYE (Month/Year)
1. Current Assets		
2. Total Assets		
3. Current Liabilities		
4. Long Term Debt		
5. Retained Earnings/Fund Balance (Accumulated Deficit/Fund Deficit)		
6. Net Equity/New Assets (Deficit Equity)		
7. Revenues		
8. Net Income (Net Loss)		
9. Is the Applicant currently, or has it been in the past 24 months, in violation or has it amended any debt covenant? If yes, explain.	Yes	No

CYBER SECURITY – (Optional)

- What is the approximate number of **Personally Identifiable Information (PII)*** records stored on your network, database or system?

0-50,000	250,001 - 500,000	1,000,000+
50,001 - 250,000	500,001 – 999,999	
- Please advise exact number of PII records stored on your network, database or system _____
- If you store sensitive information or PII on laptops and portable media devices, please confirm the data is encrypted. Do you have access control procedures and hard drive encryption to prevent unauthorized access on your databases, servers and data files? Yes No
- Do you have a business continuity plan and data backup or recovery procedures in force to avoid business interruption due to system failure for all mission critical systems? Yes No
- Please confirm up to date compliance with relevant regulatory and industry frameworks (eg. Gramm-Leach Bliley Act, Health Insurance Portability & Accountability Act, Payment Card Industry (PCI) Data Security Standard. Yes No
- Do you have procedures in place to review media content prior to release on your website and take down any procedures in respect of any user generated content? N/A Yes No
- During the last three years have you:
 - Sustained any unscheduled network outages, intrusion, corruption or loss of data? Yes No
 - Received notice or become aware of any privacy violations or been subject to and disciplinary, regulatory actions, sanctions or penalties? Yes No
 - Been involved in a lawsuit, claim or settled any allegations of a suit? Yes No
 - Become aware of any circumstance or incident that could be reasonably anticipated to give rise to a claim against the type of insurance being requested in this application? Yes No
- What is the retroactive date on your current policy (if applicable)? _____
The dates and limits selected for retroactive coverage must match that of the expiring policy.
- What limit of liability is requested for the cyber coverage? \$250,000 \$500,000 \$1,000,000

FRAUD WARNING STATEMENT

Fraud Warning: 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 materially 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.

Notice to Arkansas Applicants: Any person who knowingly presents a false or fraudulent claim for payment for 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 insurance 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 Kansas Applicants: 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 will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written 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 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 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 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 the 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 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: 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.

Notice to Tennessee 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 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 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 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.

THE Applicant REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED. ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE COMPANY IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

Signed: _____
President, Vice-President, Owner or Partner only

Printed Name & Position: _____ Date: _____



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