



Wesco Insurance Company  
 800 Superior Ave East  
 21<sup>st</sup> Floor  
 Cleveland, OH 44114

**NOTICE: THE POLICY FOR WHICH YOU ARE APPLYING PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND IS LIMITED TO ONLY THOSE CLAIMS WHICH ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.**

## WESCO INSURANCE COMPANY INSURANCE AGENTS AND BROKERS ERRORS AND OMISSIONS APPLICATION

**Section I**

1. Legal Entity / Agency Name: \_\_\_\_\_

DBA: (if applicable): \_\_\_\_\_

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

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

Phone No.: \_\_\_\_\_ Email Address: \_\_\_\_\_ Fax No.: \_\_\_\_\_

2. Is the Agency: A  Corporation  Partnership  Sole Proprietorship  LLC  Other

3. What percent (%) of your business is: **(TOTAL MUST EQUAL 100%)**

Retail (Business Sold Directly To Insureds) \_\_\_\_\_ %  
 Wholesale (Business Sold To Other Agents) \_\_\_\_\_ % \*\*Complete Section II  
 MGA (Business For Which You Have Underwriting Authority) \_\_\_\_\_ % \*\*Complete Section II

4. a.) Year Agency/Entity Established: \_\_\_\_\_ b.) Year Current Owner(s) Assumed Management \_\_\_\_\_

**\*Resumes for all agency officers/owners/brokers and agents must be provided if agency established within the past 3 years.**

c.) Number of Agency Personnel

**(only include each person in one category)**

|  | # of Persons | Avg. # of Years in Insurance |
|--|--------------|------------------------------|
| Owners, Principals, Partners, Members    |              |                              |
| Employed Licensed Brokers & Agents       |              |                              |
| Commission Only Producers/Solicitors     |              |                              |
| Number of Licensed Staff including CSR's |              |                              |
| Unlicensed Staff/ Clerical               |              |                              |

5. Percentage of Your Business Placed With Admitted Carriers: \_\_\_\_\_ % Non Admitted/Surplus Lines Carriers: \_\_\_\_\_ %

6. Percentage of Business Placed: Direct Through Carriers: \_\_\_\_\_ % Through MGAs: \_\_\_\_\_ % Through Wholesalers: \_\_\_\_\_ %

7. Percentage of Business Placed With Carriers Not Rated Or Rated Less Than B+ by A.M. Best \_\_\_\_\_ %

8. Please provide for last 12 months: (Enter as whole numbers only. 10,000 is entered as 10000. 1,000,000 is entered as 1000000.)

|  |    |   |    |
|--|----|---|----|
| Total Commercial Lines Premium Volume                  | \$ | Commercial Lines Gross Commission Income          | \$ |
| Total Personal Lines Premium Volume                    | \$ | Personal Lines Gross Commission Income            | \$ |
| TOTAL P & C PREMIUM VOLUME                             | \$ | TOTAL Life/ A & H COMMISSION                      | \$ |
| TOTAL FEE INCOME or OTHER INSURANCE RELATED ACTIVITIES | \$ | <b>TOTAL GROSS COMMISSION LAST 12 MONTHS</b>      | \$ |
|  |    | IF MGA/ MGU OR WHOLESALER - NET COMMISSION INCOME | \$ |

9. Breakdown of agency business:

(Totals should equal Gross Income for retailers or Net Income for MGA/Wholesale stated in Question 8 above).

|   | COMMERCIAL LINES                   |   |                             | PERSONAL LINES |                                |  | LIFE & HEALTH |  |
|---|------------------------------------|---|-----------------------------|----------------|--------------------------------|--|---------------|--|
| % | Workers Comp.                      | % | Automobile Standard         | %              | Life                           |  |               |  |
| % | Commercial Auto (except trucking)  | % | Automobile (Non Standard)   | %              | Health & Accident              |  |               |  |
| % | Trucking (Fleet and/or Long Haul)  | % | Umbrella                    | %              | Annuities & Pension            |  |               |  |
| % | Commercial Multi Peril             | % | Property & Dwelling         |                |                                |  |               |  |
| % | Bonds                              | % | Other (Specify)             |                |                                |  |               |  |
| % | Professional Liability             |   |                             |                |                                |  |               |  |
| % | Directors & Officers Liability     |   |                             |                |                                |  |               |  |
| % | Medical Malpractice                |   |                             |                |                                |  |               |  |
| % | Energy / Pollution / Environmental |   |                             |                |                                |  |               |  |
| % | Umbrella/Excess                    |   |                             |                |                                |  |               |  |
| % | Aviation                           |   |                             |                |                                |  |               |  |
| % | Wet Marine                         |   |                             |                |                                |  |               |  |
| % | Crop                               |   |                             |                |                                |  |               |  |
| % | Liquor Liability                   |   |                             |                |                                |  |               |  |
| % | Other (Specify)                    |   |                             |                |                                |  |               |  |
| % | <b>TOTAL COMMERCIAL LINES</b>      | % | <b>TOTAL PERSONAL LINES</b> | %              | <b>TOTAL LIFE &amp; HEALTH</b> |  | <b>= 100%</b> |  |

Please verify the Grand Total of ALL LINES combined equals 100%

**GRAND TOTAL**

10. Does the applicant or any agency owner, officer, partner/principal, member of solicitor or employee perform any of the following activities? If yes, attach resume, promotional material and sample contract. Coverage may be excluded under the policy

|                                | YES                      | NO                       | Income |                                    | YES                      | NO                       | Income |
|--------------------------------|--------------------------|--------------------------|--------|------------------------------------|--------------------------|--------------------------|--------|
| Reinsurance Intermediary       | <input type="checkbox"/> | <input type="checkbox"/> | \$     | Human Resources                    | <input type="checkbox"/> | <input type="checkbox"/> | \$     |
| Third Party Administrator      | <input type="checkbox"/> | <input type="checkbox"/> | \$     | Actuarial Services                 | <input type="checkbox"/> | <input type="checkbox"/> | \$     |
| Claim Adjustment Services      | <input type="checkbox"/> | <input type="checkbox"/> | \$     | Tax Advisor                        | <input type="checkbox"/> | <input type="checkbox"/> | \$     |
| Risk Management/Loss Control   | <input type="checkbox"/> | <input type="checkbox"/> | \$     | Premium Finance for Agency Clients | <input type="checkbox"/> | <input type="checkbox"/> | \$     |
| Investment, Securities Advisor | <input type="checkbox"/> | <input type="checkbox"/> | \$     | Real Estate                        | <input type="checkbox"/> | <input type="checkbox"/> | \$     |
| Prepaid Legal Services         | <input type="checkbox"/> | <input type="checkbox"/> | \$     | Other                              | <input type="checkbox"/> | <input type="checkbox"/> | \$     |

11. What is next 12 months estimated: Premium Volume: \$ \_\_\_\_\_  
 Gross Commission Income? \$ \_\_\_\_\_

12. Do you expect major changes in the lines of business written in the next 12 months?  Yes  No  
**If Yes, please provide details:**  See attached

**Section II**

Does the Applicant act as Managing General Agent, Wholesale Broker, Underwriting Manager and/or Program Administrator?  Yes  No **If NO, skip to Section III.**

**If Yes, please complete the following:**

1. Provide the following information for each company/carrier that you have represented

| Name of Companies /Carriers Represented with Binding Authority | Years Under Contracted (state as 19xx- 2xxx) | Annual Premium Volume | # of Audits Per Year | # of Producers Appointed as Sub-Agents |
|--|--|-----------------------|----------------------|--|
|  |  |                       |                      |  |
|  |  |                       |                      |  |
|  |  |                       |                      |  |
|  |  |                       |                      |  |

2. What is the Applicant's Maximum Authority for the following:  
 Binding Risks: \$ \_\_\_\_\_ Claims Adjusting: \$ \_\_\_\_\_  
 Loss Control: \$ \_\_\_\_\_ Reinsurance Placement: \$ \_\_\_\_\_

3. In the last five (5) years has a Program / Contract been cancelled or terminated?  Yes  No

4. Has a Company/Carrier added restrictions to the applicant's underwriting or claim handling authority?  
 Yes  No **If Yes to either question 3 or 4, please provide details:**  See attached

5. If you accept business from sub-agents, do you require evidence of Professional Liability coverage?  
 Yes  NO  N/A  
 If Yes, What limits are required? \_\_\_\_\_ How many sub-agents have binding authority? \_\_\_\_\_

**Section III**

1. Does the applicant have any subsidiaries or affiliated organizations?  Yes  No

2. a. Have you acquired any agencies in the past 12 months?  Yes  No

**If Yes, provide the following for each subsidiary and affiliated organization.**

Name: \_\_\_\_\_

Brief Description of Operations:  See attached

Date Acquired /Created /Merged/ Affiliated: \_\_\_\_\_ Your Percentage of Ownership: \_\_\_\_\_%

b. Is coverage requested for any of the above subsidiaries or affiliated organizations?  Yes  No

**If Yes provide endorsement(s) for additional named insureds from expiring coverage.**

**Please confirm all premium volume and income for all subsidiaries or affiliated organizations to be included in coverage are included in questions 8 and 9 above.**

3. Office Procedures:

|  | YES                      | NO                       | N/A                      |
|--|--------------------------|--------------------------|--------------------------|
| a. Does the agency utilize a computerized production and accounting system?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Is there a back-up procedure for computerized production?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Are written or electronic records maintained outlining details of all business conversations, including client's verbal instructions and oral agreements?                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Are all insured requests for changes, cancellation of coverage or rejection of coverage, required in writing, signed and dated?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. For all policies that are renewed with less coverage than on the expiring policy, are signed and dated reduced coverage statements acknowledging the reduction of coverage obtained?            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Does the agency always receive written declination from the client if they decline to purchase hurricane, flood and/or windstorm coverage? If not Yes, provide details.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Is a policy expiration list maintained?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Are all incoming documents date identified?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Does the agency have a written office procedures manual?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| j. Are all applications, policies and endorsements checked for accuracy?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| k. Do you use "Power of Attorney" to represent your insureds? If Yes, provide details  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| l. Are files marked to ensure certificate holders are notified of cancellation or material changes?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| m. Do you obtain written confirmation when reducing or eliminating coverage from your clients?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| n. Does your agency have a Commercial Crime Policy?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| o. Does your agency have a General Liability Policy?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| p. Does 20% or more of management, including Office Manager, annually attend a Risk Management Seminar sponsored or approved by Wesco Insurance Company, or State Program Loss Prevention Seminar? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4. In the past 5 years, please provide the number of E&O claims/incidents made against the applicant or any past or present owner, officer, director, partner, principal, employee, member, solicitor or independent contractor

0  1  2  3 or more

**Please complete a claim supplement for each claim / incident and provide current (within 60 days) loss runs.**

5. Has the applicant or any past or present owner, member, partner, principal, director, officer, employee or independent contractor been the subject of a disciplinary action, investigation, license suspension or fine as a result of professional services?  Yes  No **(If Yes, please provide details on a separate page)**

6. Does the applicant or any owner, partner, director, officer, member, employee or independent contractor 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 have you reported to your current E&O carrier?**  Yes  No

**(If Yes, please provide details on a separate page)**

7. Has the applicant ever had E&O coverage declined, canceled or refused renewal? (Not applicable for MO applicants)

Yes  No **If Yes provide explanation:**  See attached

8. Does the applicant have any additional named insureds or additional insureds endorsed on current coverage?

Yes  No **If Yes, please provide endorsement(s) from expiring coverage.**

9. Do you currently have Errors & Omissions Insurance in force?  Yes  No Expiration Date: \_\_\_\_\_  
 Name of Insurance Carrier: \_\_\_\_\_ Current Limits: \_\_\_\_\_ Deductible: \$ \_\_\_\_\_  
 Retro Date: \_\_\_\_\_ Premium \$: \_\_\_\_\_ (Attach a copy of Expiring Declaration page)

## Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or another 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 may be a crime and may subject the person to criminal penalties.

**ALABAMA, ARKANSAS, LOUISIANA, NEW MEXICO, RHODE ISLAND, VIRGINIA and WEST VIRGINIA:** 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. In Alabama, Arkansas, Louisiana, Rhode Island and West Virginia that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

**COLORADO:** 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.

**DISTRICT OF COLUMBIA, KENTUCKY and 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 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 District of Columbia, penalties include imprisonment and/or fines. In addition, the Insurer may deny insurance benefits if the Applicant provides false information materially related to a claim. In Pennsylvania, the person may also be subject to criminal and civil penalties.

**FLORIDA and OKLAHOMA:** Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

**KANSAS:** 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.

**MAINE:** 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.

**MARYLAND:** 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.

**NEW JERSEY:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal or civil penalties.

**OHIO:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an Application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OREGON:** 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 may be guilty of a crime and may be subject to fines and confinement in prison.

**TENNESSEE and WASHINGTON:** 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 and/or denial of insurance benefits.

NOTICE TO APPLICANT – PLEASE READ CAREFULLY BEFORE SIGNING

THE APPLICANT AND AGENCY ACCEPT NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" BASIS. The undersigned is authorized by and acting on behalf of the Applicant and represents that all statements and particulars herein are true, complete and accurate and that there has been no suppression or misstatements of fact and agrees that this application shall be the basis of coverage.

THE APPLICANT:

1. Understands and agrees this Application and any and all supplements, attachments and replies to underwriter inquiries are made a part of and incorporated into any policy issued, and any such policy will be issued in reliance upon the representation(s) made herein. Applicant further understands and agrees that failure to provide a true and accurate response to the foregoing questions may, at the option of the Company, result in the voiding of insurance issued in reliance on this Application and/or denial of claims under any policy issued;
2. Authorizes and consents to investigations of information bearing upon moral character, professional reputation and fitness to engage in the activities of Applicant's business including authorization to every person or entity, public or private, to release to the Company providing insurance coverage any documents, records or other information bearing upon the foregoing; and
3. Understands and agrees these investigations shall not be confined to information submitted in this application, but shall include any other sources of information deemed relevant by the Company as may be authorized by law.

THE APPLICANT AND FIRM ACCEPT NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE. THE APPLICATION MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, PRINCIPAL, OFFICER OR MEMBER OF THE APPLICANT.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name Signature

\_\_\_\_\_  
Title of Person Signing the Application

SIGNING THIS FORM OR TENDERING PREMIUM WITH THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE.