



# FLAG INSURANCE SERVICES

A Target Capital Company

Toll Free 800-748-3524  
Facsimile 954-724-7445



ZURICH®

Title Pac® Advantage

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

THIS APPLICATION IS FOR A CLAIMS MADE AND REPORTED POLICY.  
IF ISSUED, PLEASE READ YOUR POLICY CAREFULLY.

### INSTRUCTIONS:

Please type or print clearly in ink. Answer all questions. If the answer to any question is "Not Applicable", please state "N/A". If space is insufficient to answer any question fully, attach a separate sheet. This application must be signed and dated by Applicant's Principal, Partner or President. Older applications may have to be resigned and redated.

### GENERAL INFORMATION

1. Applicant: \_\_\_\_\_
2. Address: \_\_\_\_\_ City: \_\_\_\_\_ St: \_\_\_\_\_ Zip: \_\_\_\_\_
3. Telephone Number: \_\_\_\_\_ 4. Fax Number: \_\_\_\_\_

5. E-Mail Address: \_\_\_\_\_

6. Applicant is:  Individual  Partnership/Joint Venture  LLC  Corporation  Other \_\_\_\_\_

7. Year established: \_\_\_\_\_ 8. Contact person and title: \_\_\_\_\_

9. List all Officers and Owners and their titles:

| Name | Title | Ownership Percentage |
|------|-------|----------------------|
|      |       |                      |
|      |       |                      |
|      |       |                      |

10. Total number of employees: \_\_\_\_\_

11. Please list your professional employees and place an "X" under their job description (if "other" please describe). Make sure to write in the years of experience. If less than five (5) years experience in any of the below listed professions, please provide details of any experience related to the title industry on a separate sheet.

| NAME | SOCIAL SECURITY NUMBER | TITLE AGENT | ABSTRACT OR SEARCHER | ESCROW AGENT CLOSER | LAWYER | OTHER (PLEASE DESCRIBE) | YEARS EXPERIENCE |
|------|------------------------|-------------|----------------------|---------------------|--------|-------------------------|------------------|
|      |                        |             |                      |                     |        |                         |                  |
|      |                        |             |                      |                     |        |                         |                  |
|      |                        |             |                      |                     |        |                         |                  |
|      |                        |             |                      |                     |        |                         |                  |

\* Title Pac® Advantage is a registered mark of the Title Pac, Inc. This registered mark is used with the permission of Title Pac, Inc.

8345 NW 66TH STREET • #6291 • MIAMI, FL 33166-2626

12. Does Applicant have fidelity coverage currently in force?  Yes  No
13. a. Does Applicant have error and omission liability insurance currently in force?  Yes  No
- b. If "Yes", send a copy of your current policy declaration page or a certificate of insurance. Make sure we can recognize the expiration date and the retroactive (or prior acts) date.
14. Please indicate your choice by placing an "X" in the box for your desired Limit of Liability and Deductible:

|                             |                  |                  |                  |                    |                    |
|-----------------------------|------------------|------------------|------------------|--------------------|--------------------|
| <b>Limit of Liability</b>   | <b>\$100,000</b> | <b>\$250,000</b> | <b>\$500,000</b> | <b>\$1,000,000</b> | <b>\$2,000,000</b> |
| Each Claim                  |                  |                  |                  |                    |                    |
| Aggregate                   |                  |                  |                  |                    |                    |
|                             |                  |                  |                  |                    |                    |
| <b>Preferred Deductible</b> | <b>\$2,500</b>   | <b>\$5,000</b>   | <b>\$7,500</b>   | <b>\$10,000</b>    | <b>\$25,000</b>    |
|                             |                  |                  |                  |                    |                    |

**BUSINESS INFORMATION**

15. Gross Revenues (Annual):

*(If new, estimate income)*

| Prior fiscal year | Current fiscal year (est.) | Average Number of Monthly Transactions |
|-------------------|----------------------------|--|
| \$                | \$                         |  |

16. Revenue Categories:

*(Must total 100%)*

| Category                | Percentage of Total Revenue |
|-------------------------|-----------------------------|
| Agricultural / Raw Land |                             |
| Residential             |                             |
| Commercial              |                             |
| Construction            |                             |
| Oil & Gas               |                             |
| Metal & Mineral         |                             |
| Other                   |                             |

17. Revenue Breakdown:

*(Must total 100%)*

| Category            | Percentage of Total Revenue |
|---------------------|-----------------------------|
| Title Agent         |                             |
| Escrow Agent/Closer |                             |
| Abstracter/Searcher |                             |
| Other               |                             |

18. What is the average property value for each transaction? (Title Agents and Escrow Agent/Closers only) \$ \_\_\_\_\_

19. What is the estimated population of the area in which work is performed? \_\_\_\_\_

20. List the top two Title Insurance Companies you represent and the percentage of the Applicant's total revenue.

| Title Insurance Company | Percentage of Applicant's Total Revenue |
|-------------------------|---|
|                         | %                                       |
|                         | %                                       |

21. a. Does Applicant use independent contractors or leased workers?  Yes  No
- b. If "Yes" to 21.a., indicate the percentage of your business performed by independent contractors and/or leased workers in the following functions. IF NOT APPLICABLE, PLEASE INDICATE "NONE."
- (i) Title Agents \_\_\_\_\_ %
- (ii) Escrow Agent/Closers \_\_\_\_\_ %
- (iii) Abstractors/Searchers \_\_\_\_\_ %
- (iv) Other (describe): \_\_\_\_\_

22. a. Do you require independent contractors and/or leased workers to carry errors and omissions liability insurance?  Yes  No
- b. If "Yes", please provide proof of coverage (declarations page or certificate of insurance).
23. Is the Applicant affiliated with any organization (e.g., law firm, real estate agency, lender, etc.) through common ownership, operation or control including any controlled business arrangement?  Yes  No
24. Has the name or structure of the Applicant ever changed, or has there been an acquisition, consolidation, merger, dissolution, reconstitution or any other change?  Yes  No

**IMPORTANT:** IF "YES" TO EITHER QUESTION 23 OR 24, PLEASE PROVIDE DETAILS ON A SEPARATE SHEET.

FAILURE TO DISCLOSE OWNERSHIP, NAME CHANGES, OR D/B/A'S COULD AFFECT COVERAGE IN THE EVENT OF A CLAIM.

**ESCROWS/CLOSINGS/SETTLEMENTS** If not applicable, skip to Section IV

Complete The Following Only If Escrows/Closings/Settlements Are Conducted N/A

26. Does the Applicant:
- a. Require a written contract or instructions for each closing/settlement?  Yes  No
  - b. Require signatures on any changes to standard instructions?  Yes  No
  - c. Require each person's work to be checked by another?  Yes  No
  - d. Require "good funds" for each closing/settlement?  Yes  No
  - e. Have records audited by an outside auditor?  Yes  No
  - f. Have the records audited by the title underwriter?  Yes  No

27. Who performs your title searches?

| Category                  | Percentage of total business |
|---------------------------|------------------------------|
| Applicant Firm            | %                            |
| Independent Contractor    | %                            |
| Title Underwriter/Company | %                            |

28. Who performs your escrows/closings/settlements?

| Category                  | Percentage of total business |
|---------------------------|------------------------------|
| Applicant Firm            | %                            |
| Independent Contractor    | %                            |
| Title Underwriter/Company | %                            |

29. When providing escrows/closings/settlements services do you:

- a. Have a regular audit conducted by a CPA firm?  Yes  No
- b. Document and obtain signatures from all parties when making changes or deviation from original escrow contract?  Yes  No
- c. Require cashiers checks or "good funds" at or near escrow closing?  Yes  No
- d. Require physical receipt of funds prior to closing, including written verification of wire transfers?  Yes  No
- e. Ever allow another party to remit any closing proceeds to a lender or any other creditor on its behalf? If "Yes", provide details \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

30. Does the Applicant have written procedures that are required to be followed regarding calendaring, recording escrowing, closing, and internal file closing?  Yes  No

If "No", please explain how the Applicant tracks and verifies such activities. \_\_\_\_\_  
\_\_\_\_\_

31. Does the Applicant's finished or finalized file always contain physical evidence of the public's official record of the Applicant's filings and/or recordings?  Yes  No

32. Does the Applicant always perform a "post-closing" title search to assure that all filings and recordings made by the Applicant, relative to a particular property or closing/settlement, have been officially recorded and appear on the public record?  Yes  No

If "No", please advise how the Applicant assures his/her/its filings and/or recordings become part of the public record.  
\_\_\_\_\_  
\_\_\_\_\_

33. Does the Applicant review each and every closing file before it is finalized and/or stored to determine that all necessary documents are present and include evidence of proper recording?  Yes  No

If "No", please explain the Applicant's checks and balances to assure that all documents are accounted for and/or have been properly recorded. \_\_\_\_\_  
\_\_\_\_\_

**AUTOMATION**

34. Does the Applicant:

- a. Currently have and maintain an in-house proprietary title plant?  Not Applicable  Yes  No
- b. Currently use software for all escrow, closing and settlement activities?  Not Applicable  Yes  No
- c. Currently use reconciliation software to balance trust accounts?  Not Applicable  Yes  No

**LOSS HISTORY**

IF "YES" TO ANY OF THE FOUR FOLLOWING QUESTIONS, PLEASE COMPLETE THE CLAIMS ADDENDUM LOCATED ON THE LAST PAGE OF THE APPLICATION. ATTACH ADDITIONAL SHEETS AS NECESSARY.

- 35. Has the Applicant or any prospective Insured been involved in any civil or criminal action or litigation in the past five (5) years?  Yes  No
- 36. Has the 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?  Yes  No
- 37. 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.  Yes  No

IT IS AGREED THAT ANY CLAIM MENTIONED IN THE STATEMENT IMMEDIATELY ABOVE IS EXCLUDED FROM COVERAGE.

- 38. 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.  Yes  No

IT IS AGREED THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE OR SITUATION MENTIONED IN THE STATEMENT IMMEDIATELY ABOVE ARE EXCLUDED FROM COVERAGE.

- 39. Have any loss payments been made on behalf of any prospective Insured under any Title Agents Errors & Omissions Insurance Policy or similar insurance or endorsement, in the past five (5) years?  Yes  No

BY SIGNING THIS APPLICATION ON THE FOLLOWING PAGE THE APPLICANT AGREES THAT AFTER INQUIRY OF ALL PROSPECTIVE INSURED, 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.

**NOTICE TO APPLICANT - PLEASE READ CAREFULLY**

THE DISCOVERY OF ANY FRAUD, INTENTIONAL CONCEALMENT, OR MISREPRESENTATION OF MATERIAL FACT WILL RENDER THIS POLICY, IF ISSUED, VOID AT INCEPTION.

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 INSURED. IT IS FURTHER AGREED BY THE APPLICANT AND THE PROSPECTIVE INSURED 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 INSURED, THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT REPRESENTS THAT THE STATEMENTS SET FORTH IN THIS APPLICATION AND ITS ATTACHMENTS AND





CLAIMS ADDENDUM FOR  
TITLE AGENTS, ABSTRACTORS AND ESCROW AGENTS  
ERRORS AND OMISSIONS LIABILITY INSURANCE

INSTRUCTIONS:

This claims addendum is to be completed by the Applicant answering "Yes" to any of the application's Loss History questions. Please complete a separate claims addendum for each claim or incident. Answer all questions fully.

1. Applicant: \_\_\_\_\_

2. Describe the claim, the alleged wrongful act or omission and the event that led to the claim: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Provide:

a. Name of claimant(s): \_\_\_\_\_

b. Name of defendant(s): \_\_\_\_\_

c. Date of alleged wrongful act or omission: \_\_\_\_\_

d. Date of claim: \_\_\_\_\_

e. Date reported to Professional Liability insurer: \_\_\_\_\_

f. Name of Professional Liability insurer: \_\_\_\_\_

4. a. Present status of claim (check one):  Open  Closed

If Closed:

If Open

(i) Total loss, including Deductible \$ \_\_\_\_\_

(i) Claimant's demand \$ \_\_\_\_\_

(ii) Legal fees paid \$ \_\_\_\_\_

(ii) Deductible \$ \_\_\_\_\_

(iii) Legal fees charged to date \$ \_\_\_\_\_

5. If open, details of the current status: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. What loss prevention measures, if applicable, have been taken to prevent a similar claim from recurring?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IT IS AGREED THAT ANY CLAIM(S) ARISING FROM ANY FACTS, CIRCUMSTANCES OR SITUATIONS MENTIONED ABOVE ARE EXCLUDED FROM COVERAGE.

Please have this claims addendum signed and dated by the same individual who signed and dated the application.

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Return to TitlePac, Inc.  
P.O. Box 857, Muskogee, OK 74402

Fax 918-683-6842  
Phone 800-331-9759