

**CLAIMS ADDENDUM FOR
TITLE AGENTS, ABSTRACTERS 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

<u>If Closed:</u>	<u>If Open:</u>
(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.

Florida Fraud Warning: 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.

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:

FLAG INSURANCE SERVICES
A Target Capital Company

TOLL FREE 800-748-3524 • FACSIMILE 954-724-7445

Zurich American Insurance Company
**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 re-dated.

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 **ixi** under their job description (if not here 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

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 i Yesf, 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 iXi in th e box for your desired Limit of Liability and Deductible:

Limit of Liability	\$100,000	\$250,000	\$500,000	\$1,000,000	\$2,000,000
Each Claim					
Aggregate					
Preferred Deductible	\$2,500	\$5,000	\$7,500	\$10,000	\$25,000

BUSINESS INFORMATION

15. Gross Revenues (Annual): <i>(If new, estimate income)</i>	Prior fiscal year	Current fiscal year (est.)	Average Number of Monthly Transactions
	\$	\$	

16. Revenue Categories: <i>(Must total 100%)</i>	Category	Percentage of Total Revenue
	Agricultural / Raw Land	
	Residential	
	Commercial	
	Construction	
	Oil & Gas	
	Metal & Mineral	
	Other	

17. Revenue Breakdown: <i>(Must total 100%)</i>	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) Abstracters/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
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Complete the following only if Escrows/Closings/Settlements are conducted N/A

25. 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

26. Who performs your title searches?

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

27. Who performs your escrows/closings/settlements?

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

28. 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 i good fundsi 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 procceds to a lender or any other creditor on its behalf? If i Yesi, provide details _____

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

If i Noi, please explain how the Applicant tracks and verifies such activities. _____

30. 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

31. Does the Applicant always perform a ipost-closingi 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 iNoi, please advise how the Applicant assures his/her/its filings and/or recordings become part of the public record.

32. 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 iNoi, please explain the Applicant's checks and balances to assure that all documents are accounted for and/or have been properly recorded. _____

AUTOMATION

33. 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 FOLLOWING FOUR (4) QUESTIONS, PLEASE COMPLETE THE CLAIMS ADDENDUM LOCATED ON THE LAST PAGE OF THE APPLICATION. ATTACH ADDITIONAL SHEETS AS NECESSARY.

- 34. 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
- 35. 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
- 36. 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.

- 37. 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.

- 38. 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 OTHER MATERIALS SUBMITTED TO US ARE TRUE AND CORRECT. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER.

