

AUSTIN & AUSTIN

INSURANCE SERVICES, INCORPORATED

Toll Free - (800) 987-1475

Fax - (925) 416-1693

Attn: _____

California Insurance License #0C10853

Be certain to provide a comprehensive answer to **each** question. **Every question is important** and may have an impact on the coverage offered and/or the premium quoted. Including but not limited to: if a name, prior name (including dba's), changes in ownership, services provided or that may be provided are not accurately expressed on your application it/they may not be included for coverage. We have an extensive summary available regarding completing this application that is sent with all renewals and is available upon request.

1. **YOUR FULL NAME:** (including **all** firm names, trading names, franchise affiliation or DBA's under which you operate).

DBA: _____

ADDRESS (of principal office): _____

CITY _____ COUNTY _____ STATE _____ ZIP _____

TELEPHONE: _____ FAX: _____ E-mail _____

Does the applicant have multiple sales office locations? Yes No. If yes, How many? _____.

(Please list the names and addresses of all additional locations under the same ownership with the firm given in Question #1).

- 2a. Has the firm name ever changed or has there ever been any acquisition, consolidation, dissolution, merger or change in business organization? Yes No.

If yes, please explain on separate sheet. (Coverage is not provided for any predecessor firms or prior owners unless approved in writing by the insurance company).

- 2b. Are there any Additional Insured's needed? (Franchises, e. g.) _____

3. Month/Year firm established under current ownership? _____

Firm is: Individual (Sole Proprietorship) Partnership Corporation Other _____

4. Complete the following for each Owner, Partner, Director and Officer. If licensed less than three (3) years, please provide resumes.

Name and Title	Date First Licensed as Broker / Agent	License Status Active/In-active	Professional Designations	How Long with Firm
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- 5a. Are you controlled by or owned by or associated with, or do you control or own or affiliated with any other firm or business?
 Yes No? If yes please explain. _____

- 5b. Is your firm or any agent/broker/principal engaged in any business enterprise or professional practice other than real estate sales, leasing, property management, appraisal, or counseling? Yes No.
 If yes, please explain. _____

- 5c. If yes to 5a or 5b, Do they perform any services to the applicant or does the applicant provide services for them? Yes No
 If yes, please explain. _____

6a. STAFF: (indicate numbers, include those listed on #6)

Licensed Brokers - employed and independent contractors _____ (over \$20,000 commission _____ under \$20k _____)
 Licensed Agents - employed and independent contractors _____ (over \$20,000 commission _____ under \$20k _____)
 Property Management _____
 Appraisal employees _____
 Clerical employees _____
 Other: (fully describe) _____
 TOTAL STAFF: _____

6b. Number of licensees who have either a broker's license or a professional designation _____

6c. Number of licenses who have completed a DRE approved Continuing Education course within the last 12 mos. _____

7. Please indicate the percentage of licensed agents who have held their licenses more than two years? _____%.

8a. GROSS INCOME from real estate activities (gross income includes all fees and commissions before expenses and split with agents).

Description	Gross Income Last 12 Months	Number of Transactions	% Sold w/ Warranty	Projected Income Next 12 Months	Projected Transactions
Residential					
Commercial (including residential prop. over 5 units)					
Vacant Land Zoned for Residential Usage					
Vacant Land Zoned for Commercial Usage					
Mobile Home Sales-in mobile home parks					
Business Brokerage					
Property Management Fees (Residential)					
Property Management Fees (Commercial)					
Real Estate Leasing fees (Residential, not managed)					
Real Estate Leasing fees (Commercial, not managed)					
Real Estate Appraisal Fees					
Broker Price Opinions					
Referral Fees					
Real Estate Consulting					
Escrow Services					
Real Estate Mortgage Brokerage* see #8c below					
Other (Describe) _____					
Total					

8b. In the last five years, has the applicant engaged in any professional services or business other than those indicated in #8a above?
 Yes No. If yes, please describe _____

8c. If yes to mortgage brokering, Loan Volume _____ Largest Loan _____ % Residential _____

8d. Has any one client accounted for 25% or more of the applicant's gross revenues during the past 12 months? Yes No

8e. What percentage of sales is from new construction? _____% If any, are you the exclusive sales agent for a builder/developer?
 Yes No If yes, please describe _____

8f. What percentage of transactions involve dual agency? _____%

9. Please indicate the average sales price of the firms prior year closed residential transactions. _____

10a. During the last 12 months what percentage of transactions were REO's/Foreclosures/Short Sales? _____%

10b. Does the applicant form, manage or organize group investments/syndications (i.e., limited partnerships, general partnerships, real estate investment trusts or corporations) for the purpose of investing in real property? Yes No.
 If Yes, please provide applicant's income from this activity \$ _____. **No Coverage is provided.**

10c. Does the applicant have any involvement with real estate activities for which an applicant is a construction manager or property developer? Yes No. If Yes, is the construction manager or property developer a separate business entity? Yes No
 Provide the name of the entity _____. **No coverage is provided.**

11. a. Is the applicant involved in property management? Yes No
 If yes, please complete the following.
- b. Is a budget prepared for each piece of property managed? Yes No
 c. Is a credit report obtained on each prospective tenant? Yes No
 d. Do you use standard management and lease agreements? Yes No
 e. Number of units managed: _____ Res Units _____ Condos _____ 5+ Units Apartments
 _____ Office Bldgs _____ Warehouses _____ Shopping Centers
 f. Does the applicant (or anyone who may qualify as an insured) have a combined financial interest that exceeds 10% in any property managed? Yes No
 g. Do you provide property management services for HOA's? Yes No

12. a. Does the firm have an in-house procedures manual? Yes No
- b. Does the firm have in-house training sessions and/or encourage agents to take outside training courses? Yes No
 c. Does the principal broker have a specific training program for new sales associates? Yes No
 d. Has the firm's principal broker attended a risk reduction seminar in the last year? Yes No
 e. Are standard contract forms used? Yes No
 If yes, what percentage of transactions uses standard contract forms? _____ %
 f. Are property/seller disclosure forms used? Yes No
 If yes, what percentage of transactions uses disclosure forms? _____ %
 g. Does the firm require their agents to perform physical inspections of properties? Yes No

(No#13)

14. PRIOR INSURANCE HISTORY: (By year, please advise the following information on any and all Real Estate Errors and Omissions Insurance carried by the firm(s). Also, please note if you have invoked an "extended reporting period" for any contract).

List all insurance companies for the past five (5) years by name and year beginning with the most current. If none, state none.

Current Insurance Company _____ Incep/Exp Date _____
 Limits of Liability _____ Deductible _____ Retroactive Date _____ Premium _____

2nd Year Insurance Company _____ Incep/Exp Date _____
 Limits of Liability _____ Deductible _____ Retroactive Date _____ Premium _____

3rd Year Insurance Company _____ Incep/Exp Date _____
 Limits of Liability _____ Deductible _____ Retroactive Date _____ Premium _____

4th Year Insurance Company _____ Incep/Exp Date _____
 Limits of Liability _____ Deductible _____ Retroactive Date _____ Premium _____

5th Year Insurance Company _____ Incep/Exp Date _____
 Limits of Liability _____ Deductible _____ Retroactive Date _____ Premium _____

**YOU WILL NOT RECEIVE RETROACTIVE COVERAGE WITHOUT DATES GIVEN AND PROOF OF PRIOR INSURANCE.
 ANSWER QUESTIONS #37 THROUGH #3: , ONLY AFTER INQUIRY OF EACH MEMBER OF THE FIRM.**

15. Have any persons proposed for this coverage ever been subject to disciplinary action by any real estate association, state licensing board or other regulatory body as a result of real estate agents or brokers, property managers or real estate appraiser activities?
 Yes No. If yes, please attach a detailed explanation
16. Has any application or policy for similar Errors and Omissions insurance on behalf of the applicant, partners, owners or officers of the applicant or on behalf of the applicant's predecessors in business ever been declined, cancelled or refused renewal? (Other than due to loss of market.) Yes No. If yes, please attach a detailed explanation.
17. Have any claims been made during the past five years against the applicant or those indicated in Questions 6 or 8?
 Yes No. If yes, the SUPPLEMENTAL CLAIMS INFORMATION must be completed for each claim.
Please note: This policy will not apply to claims which any person proposed for this insurance is aware of prior to the effective date of the policy.
18. Is the applicant aware of any circumstance which may result in a claim being made against the applicant or those indicated in Questions 4 or 6? Yes No. If yes, the SUPPLEMENTAL CLAIMS INFORMATION must be completed for each circumstance.

Please note: This policy will not apply to circumstances which any person proposed for this insurance is aware of prior to the effective date of the policy.

19. List all professional organizations/boards the firm is a member of: _____

20. Does the firm have a General Liability/Business Owner policy? Yes No. If "Yes", please provide name of Insurer. _____

21. DESIRED LIMITS AND DEDUCTIBLE (Check all of those for which you wish to receive quotes)

LIMIT: \$250,000/\$250,000 \$300,000/\$1,000,000 \$500,000/\$500,000
\$500,000/\$1,000,000 \$1,000,000/\$1,000,000 Other _____

DEDUCTIBLE: \$1,000 \$2,500 \$5,000 \$10,000
\$15,000 \$25,000 Other _____

DESIRED EFFECTIVE DATE: _____

The undersigned declares that to the best of his/her knowledge and belief the foregoing statements and representations are complete and accurate. Signing this proposal does not bind the undersigned to purchase the insurance; but it is agreed that this form shall be the basis of the contract should a policy be issued, and this form will be attached and become part of the policy. Nor does submission of this proposal obligate the insurer or the agent to issue a policy.

It is further agreed that if, in the time between submission of the application and the requested date for coverage to be effective, the applicant becomes aware of any information which would change the answers furnished in response to Questions 30, 31, 32 & 33 of this application, such information shall be revealed immediately in writing to the Underwriter. I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my Professional Liability policy. I understand that all statements in this application are "considered" material facts and an incorrect statement can void my policy.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS, FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT.

Be certain that you have provided a comprehensive answer to **each** question. **Every question is important** and may have an impact on the coverage offered and/or the premium quoted. Including but not limited to: if a name, prior name (including dba's), changes in ownership, services provided or that may be provided are not accurately expressed on your application it/they may not be included for coverage. We have an extensive summary available regarding completing this application that is sent with all renewals and is available upon request.

Signature of Partner, Owner, Director of Named Insured Title Date

Please Type Name of signing applicant.

First Initial Last

FAX AND MAIL COMPLETE APPLICATION TO:
AUSTIN & AUSTIN INSURANCE SERVICES, INC.
5890 Stoneridge Drive, #209, Pleasanton, CA 94588
(800) 987-1475 FAX (925) 416-1693
CALIFORNIA INSURANCE LICENSE #0C10853

AUSTIN & AUSTIN

INSURANCE SERVICES, INCORPORATED

Corporate California State Insurance License #0C10853
 5890 Stoneridge Drive, Suite 209, Pleasanton, CA 94588 | Phone: 800-987-1475 / Fax: 925-416-1693 | www.a-ains.com

Additional Questions for Quotes from Various Carriers

1. Do you transact business in multiple states or outside of the Unites States?..... YES NO
 - a. If yes, provide details including the percentage (%) of total gross revenues from each state or country.

2. Does the applicant have documented procedures which include instructions on how to handle complaints in compliance with Federal, State and local statutes?..... YES NO

3. What percentage of transactions included a home inspection or written waiver? _____ %

4. Please list the three (3) largest sales in the past three (3) years: \$ _____ \$ _____ \$ _____

5. Are hotels, motels or mobile home/RV parks sold, leased or managed by the Applicant firm?..... YES NO
 - a. If yes, what is the percentage (%) of the gross commission income derived from these services..... _____ %

6. For any bank owned properties where you represent the buyer, do you advise the buyer in writing to have the property inspected by a licensed and insured home inspector prior to purchase? YES NO

7. During the past 3 years:
 - a. Has any member of the firm engaged in acquiring the properties or deeds of financially distressed homeowners, including sale – leaseback agreements?..... YES NO
 Regarding question#7:
 As long as the property is purchased from the institution that foreclosed on the property we have no issue. So property owner defaults on the mortgage + lender forecloses on the property and takes it at a sheriff's sale as an REO + agent purchases property from lender = ok. In other words, properties purchased after a judicial or non-judicial foreclosures process has already occurred are not the focus of question #8.

 - b. Has any member of the firm been involved in asset or property preservation services including any incidental repair work on bank owned properties?..... YES NO

 - c. Has any member of the firm been involved in property rehabilitation services on bank owned properties?..... YES NO
 If yes to questions b. or c. of this question, were all such repairs performed by a licensed contractor?..... YES NO

 - d. Has the any member of the firm engaged in any eviction services on pre-foreclosed or bank owned properties? YES NO
 If yes, was the preparation, filing and service of the eviction complaint and obtaining the eviction judgment handled by an attorney?..... YES NO

8. During the last 12 months:
 - a. What percentage of transactions involves property where an owner, agent or member of the applicant holds an ownership interest in the property being listed, sold or rented?..... _____ %

 - b. Prior fiscal year's revenue to applicant from such transactions..... \$ _____

 - c. What percentage of such transactions are residential (1-4 units)?..... _____ %

Print Name



Sign

Date