



### Large Agency Application

Agency/named insured: \_\_\_\_\_ Policy number: \_\_\_\_\_

If additional space is required to respond to any questions please use a separate sheet of paper and reference the question number.

#### Part 1 - General information

1. What are your five largest **classes** of commercial business written (i.e., manufacturing, contractors, municipalities, etc.) and what is the premium volume for each?

	<b>Classes of Commercial Business</b>	<b>Premium Volume</b>
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____
5)	_____	_____

2. What are your five largest **accounts** by written premium? Include name, operation, premium, carrier, length of time written, and lines of business written.

	<b>Name of Account</b>	<b>Operation</b>	<b>Premium</b>	<b>Carrier</b>	<b>Length of Time Written</b>	<b>Lines of Business Written</b>
1)	_____	_____	_____	_____	_____	_____
2)	_____	_____	_____	_____	_____	_____
3)	_____	_____	_____	_____	_____	_____
4)	_____	_____	_____	_____	_____	_____
5)	_____	_____	_____	_____	_____	_____

3. Do you have any special programs or classes of business that you target? If yes, please list.

4. What is your average percentage of employee turnover the last three years?

5. How has your agency grown to its current size? Customer base growth? Acquisition? Other?

6. What are your growth objectives for the next three years? How do you plan on attaining them?

7. Have you, are you or do you anticipate being agent of record for, place business for or have any involvement in an Owner-Controlled Consolidated Insurance program (OCCIP) or Contractor Controlled Consolidated Insurance Program (CCCIP) or any similar arrangement (may also be referred to as a "wrap-up")?  Yes  No  
If yes, provide details as to your involvement, your experience with these types of insurance programs, the nature and location of the project and the type and amount of insurance handled by your agency.

## Part 2 - Procedures

The person responding to the following questions confirms that these are the recognized agency practices and procedures for all employees and producers and that new employees are trained accordingly.

8. Please describe your new business process to ensure that all/potential exposures have been analyzed/reviewed with the prospect/client. Include copies of standard forms utilized. (i.e., checklists, etc.)

9. Do you use a formal Agency Quote Presentation Package?  Yes  No  
If yes, how and when do you make sure that the policies and endorsements issued match the quote presentation package?

If a quote presentation package is not issued, do you check to make sure that the policies and endorsements issued match the coverage requested?  Yes  No

10. Do you require client sign-off for coverages offered but rejected?  Yes  No  
If not, why not?

11. Please provide details of how and when you confirm policy changes to your client after they were requested.

12. a. Describe procedures (including internal documentation requirements) that are in place to ensure that coverage is bound with the insurance company after your client requests binding.

b. Is the above procedure different when the coverage is placed differently than directly with an agency contracted insurance company, including surplus lines?  Yes  No  
If yes, describe.

13. Is a written disclaimer used during or after the quote presentation to avoid the assumption on your clients' part that coverage is bound simply because a quote was presented?  Yes  No

14. a. Is there a procedure in place to advise clients that their policy is cancelled for non-payment of premium on direct bill policies?  Yes  No  
If yes, explain this procedure.

b. Is there a procedure in place for notifying clients of policy cancellation or non renewal for other than non-payment of premium?  Yes  No  
If not, why not?  
  
If yes, explain procedure.

15. How do you verify that all additional insureds are added/identified as requested?

16. For certificates of insurance, do you:

- a. Verify coverage is in force before preparing a certificate?  Yes  No
- b. Check to make sure additional insureds are also on the policy if they are requested to be identified on the certificate?  Yes  No
- c. Verify that limits, deductibles, and all coverage match the coverage in force before releasing the certificate?  Yes  No
- d. Review the certificate by anyone other than the person who prepared it, in all cases, prior to release?  Yes  No

17. When accepting business by broker of record (BOR), do you perform an assessment of the clients' needs and exposures?  Yes  No

If yes, when:

- Prior to BOR  At the next renewal regardless of time
- Immediately after BOR

If not, why not?

18. When a client reports a loss or potential loss to you, do you: (Check all that apply.)

- Report it to the carrier without exception?
- Call the carrier or broker, explain the situation to get their opinion on whether it is covered or not, then act accordingly?  
If this is checked, do you secure a written response from the carrier or broker in all cases?  Yes  No
- Comply with your client's request not to report it yet?
- Check to make sure that all potentially exposed carriers, including excess or umbrella carriers, are notified?

19. How do you verify out of state exposures and ensure that all out of state exposures are properly covered? If they are not covered, how is that communicated to the client?
20. How do you go about understanding and obtaining coverage for risk types that you are not familiar with or are outside of your area of experience/expertise?
21. Do you have an internal audit program to confirm that employees and producers are complying with your procedures?  Yes  No  
 If yes:  
 a. How often is this performed? \_\_\_\_\_  
 b. How many files or transactions are reviewed for each employee? \_\_\_\_\_  
 c. After the audit, is a summary of findings communicated to all employees?  Yes  No  
 Attach a copy of any worksheets or checklists used to ensure consistency of items that are to be checked.  
 Attach a copy of the findings from your last audit.
22. Has your agency contracted with an independent resource to perform an external agency audit with respect to procedures with a focus on E&O loss prevention/ E&O risk management?  Yes  No  
 If yes:  
 a. Who performed this audit? \_\_\_\_\_  
 b. When was it done? \_\_\_\_\_  
 c. Where are you in the process of addressing the issues brought forth from the audit?
23. Do you contract with any outside resource to perform any office procedures that would otherwise be the responsibility or task performed by agency personnel?  Yes  No  
 If yes:  
 a. With whom and date they began. \_\_\_\_\_  
 b. What tasks are they performing? \_\_\_\_\_  
 c. What is the staff equivalent for this service? \_\_\_\_\_  
 d. Do they carry their own E&O coverage?  Yes  No  
 Attach a copy of your contract and schedule of services.

**FRAUD WARNINGS**

**FOR APPLICANTS IN THE FOLLOWING STATES:**

**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** – 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.

**FLORIDA** – 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.

**KANSAS** – Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. 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 it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**KENTUCKY and PENNSYLVANIA** – 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 and subjects such person to civil and criminal penalties.

**MARYLAND** – 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.

**OHIO** – Any person who, with intent to defraud or knowing that he/she 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.

**OKLAHOMA** – 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.

**OREGON** – Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information, information concerning any material fact, may have committed a fraudulent insurance act.

**PUERTO RICO** – Any person who knowingly and with intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

**FOR APPLICANTS IN ALL OTHER STATES EXCEPT NEW YORK:**

Any person who knowingly presents a false claim 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, and denial of insurance benefits.

**FOR APPLICANTS IN NEW YORK** – 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.

**This supplemental application must be signed by the owner (if the agency is a sole proprietorship), a duly authorized officer (if the agency is a corporation), or a partner (if the agency is a partnership). Carbon or stamped signatures are not acceptable.**

Applicant signature(s): \_\_\_\_\_

Print name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

*Required in Iowa:* Soliciting agent: \_\_\_\_\_ License number: \_\_\_\_\_

I/We HEREBY DECLARE that the above statements and particulars are true to the best of my/our knowledge and that I/we have not suppressed or misstated any facts, and I/we agree that this supplemental application shall be the basis of the coverage issued by the company providing this insurance, and shall be deemed attached to and part of the policy. It is also acknowledged that the applicant is obligated to report any changes in the information provided herein that occur after the date of signature but prior to the effective date of coverage.
--