

### Insurance Professionals Errors and Omissions Insurance Merger or Acquisition Supplemental Application

**WHEN SUBMITTING THIS SUPPLEMENT, PLEASE INCLUDE A COPY OF THE WRITTEN AGREEMENT BETWEEN YOUR AGENCY AND THE SELLER/MERGING ENTITY AND A COPY OF THE SELLER/MERGING ENTITY'S MOST RECENT E&O APPLICATION.**

**Named Insured:** \_\_\_\_\_ **Policy Number:** LP \_\_\_\_\_

1. Name of selling/merging agency: \_\_\_\_\_  
 Address: \_\_\_\_\_

2. Date transaction (to be) completed: \_\_\_/\_\_\_/\_\_\_

3. Transaction (to be) completed is a(n):

**Merger** - your agency is combining with another entity going forward as a new, single entity. Owners of both entities will share ownership interest of the combined entity.

**Acquisition** - the purchase of a seller's book of business (assets). Seller has no ownership interest in your agency.

4. Is there a written agreement between the merging entity/seller and your agency?  Yes  No  
**If Yes**, does it include any indemnity, hold harmless, or waiver of subrogation provisions?  Yes  No

5. What is the duration of the Extended Reporting Period (ERP) coverage being purchased by the seller or merged entities?  
 One year  Two Years  Three or more years  No ERP was purchased

6. What is the size of the acquired/merged book:

All New and Renewal Business	Current Year (Last 12 months)
P&C Written Premium Volume	\$
P&C Gross Commissions	\$
Life/Accident/Health Gross Commissions	\$

7. What is the estimated business mix of the acquired/merged book?

a. P&C placements by total written premium volume				b. L&A/H placements by total commission income			
PERSONAL LINES	%	COMMERCIAL LINES	%	Accident & Health	%	Life & Annuities	%
Standard		Prof. Liability - Med Mal		Disability - Individual		Individual	
Non-Standard		Other than Med Mal		Disability - Group		Group	
<b>COMMERCIAL LINES</b>		Workers Compensation		Group - Self-Insured		Annuities - Variable	
Aviation		Auto		Carrier - Insured		Non-Variable	
Ocean Marine		Crop		HMO/PPO		All Other	
Trucking		BOP/CGL/Package		Long Term Care		<b>Total All A &amp; H, Life &amp; Annuities = 100%</b>	
Bonds - Surety/Contract		All Other (specify)		All Other			
Bonds - Other							
D & O		<b>Total All P&amp;C Lines = 100%</b>					

8. Does the seller/merging entity conduct any additional services or activities that generated additional income/revenue?  
 Yes  No **If Yes**, please explain \_\_\_\_\_

**9. In the past 5 years:**

a. Has the seller/merging entity, its past or present personnel or any party associated with the seller/merging entity been subject to any complaints filed, disciplinary action and/or investigation by any regulatory authority or convicted of a criminal activity?

\*Yes  No

\*If Yes, please explain

b. Has any E&O policy and/or application for the seller/merging entity, its owners, officers, partners, employees or solicitors been declined, canceled, rescinded, non-renewed or otherwise refused? (Not applicable in Missouri)

\*Yes  No

\*If Yes, please explain

c. Have any errors and omissions claims been made against the seller/merging entity or any of its past or present owners, partners, officers, employees or independent contractors?

\*Yes  No

\*If Yes, please complete Supplemental Application A for each claim or circumstance.

10. After inquiry, does the seller/merging entity, its predecessors in business or any other person for whom coverage is requested have knowledge of any actual or alleged act, error, or omission or circumstance which may result in an errors and omissions claim being made?

\*Yes  No

\*If yes, please complete Supplemental Application A for each claim or circumstance.

**11. If this is an Acquisition:**

a. What was included in the transaction:  assets only  assets & liabilities  stock purchase

b. Did you purchase the seller's legal entity name?  Yes  No

c. Will you be using the seller's name going forward?  Yes  No

If yes, please list entity and/or trade name (DBA) to be used: \_\_\_\_\_

d. List any of the seller's carriers not currently contracted with your agency:  None

What is the estimated written premium volume with all of these carriers? \$\_\_\_\_\_

What are your plans for this business moving forward? \_\_\_\_\_

e. Are you retaining the seller's: Agency staff  Yes  No **If Yes, number of staff:** \_\_\_\_\_  
 Office locations(s)  Yes  No **If Yes, number of locations:** \_\_\_\_\_  
 Management team  Yes  No **If Yes, number of team members:** \_\_\_\_\_

**12. If this is a Merger:**

a. If a new entity is being formed, what is the ownership breakdown of each owner?  n/a

Entity Name	% of ownership	DBA/Trade Name

b. Will the individual names of merging entities be retained?  Yes  No

If Yes, what is the retroactive date on the merging entity's E&O policy? \_\_\_/\_\_\_/\_\_\_

c. Will the merged entities be combining/sharing: office space?  Yes  No personnel?  Yes  No

d. Will the merged entities be combining/sharing carrier appointments?  Yes  No

If Yes, have all carriers agreed to work with the merged entities?  Yes  No

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## FRAUD STATEMENTS

**Applicable in AL, AR, DC, LA, MD, NM, RI & WV:** 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. \*Applies in MD Only.

**Applicable in CO:** 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.

**Applicable in OK:** 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.

**Applicable in KS:** 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 commits a fraudulent insurance act.

**Applicable in KY, OH and PA:** 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 subjects such person to criminal and civil penalties.

**Applicable in ME, TN, VA and WA:** 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 denial of insurance benefits. \*Applies in ME only.

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

**Applicable in OR:** Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

**Applicable in all other states:** Any person who knowingly and with intent to defraud any insurance company or another 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 the person to criminal and civil penalties.

## SIGNATURE AND AGREEMENTS

The undersigned hereby represent that all statements and answers to the above questions and any information provided in the application process are, to the best of his/her knowledge are true, complete and accurate and that there has been no suppression or misstatement of fact. The undersigned agrees that any policy issued will rely on the truth of his/her statements and representations made and that misrepresentations that are fraudulent, or such that the Company would not have issued the policy, or agreed to the terms of the policy as issued, if the true facts had been known, may result in a denial of coverage for any claim which may be made under this insurance.

The undersigned agrees and is obligated to report to the Company any changes in the information provided herein, that occur subsequent to the signature date below but prior to the effective date of coverage.

### THIS APPLICATION MUST BE SIGNED AND DATED BY AN ACTIVE OWNER, OFFICER OR PARTNER

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

**SIGNING THIS FORM OR SENDING PREMIUM WITH THIS APPLICATION NEITHER BINDS COVERAGE NOR GUARANTEES A POLICY WILL BE ISSUED. ADDITIONAL INFORMATION MAY BE REQUESTED.**

Producing Agency: \_\_\_\_\_

Licensed Producer Name (Required in Iowa): \_\_\_\_\_