

CID Insurance Programs Inc. DBA CID Insurance Services

Application for Business and Management (BAM) Indemnity Insurance

NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS BEING MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY CLAIM OR LOSS DISCOVERED (AS APPLICABLE IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE) MADE AGAINST ANY OF THE INSUREDS DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS COSTS, CHARGES AND EXPENSES (AS DEFINED IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE), AND COSTS, CHARGES AND EXPENSES SHALL BE APPLIED TO THE RETENTIONS.

General Instructions for Completing This Application

1. Please type or print in ink.
2. Please read carefully and answer all questions. If a question is not applicable, so state.
3. The Application must be signed by an executive officer.
4. This Application and all exhibits shall be held in confidence.
5. Please read the Policy for which application is made (the "Policy") prior to completing this Application.
6. The terms as used herein shall have the meanings as defined in the Policy.

I. General Information

1. Name of Parent Company: _____
 Address: _____
(Number) (Street)

(City) (State) (Zip Code)

2. Standard Industrial Classification Code (SIC): _____

3. Nature of Operations: _____

4. Has the Company been in business longer than three (3) years? Yes No
5. Is the Company public-held or a public reporting company under the Securities Exchange Act of 1934? Yes No
6. Does the Parent Company own more than three (3) subsidiaries? If yes, please provide details on a separate page. Yes No
7. Has the Company in the past 18 months been involved with any actual, negotiated or attempted merger, acquisition or divestment? If yes, please provide details on a separate page. Yes No
8. Does the Company contemplate transacting any mergers or acquisitions in the next 12 months where such merger or acquisition would involve more than 50% of the total assets of the Company? If yes, please provide details on a separate page. Yes No

II. Financial Information

1. Describe the following financial information of the Company for the most recent fiscal year-end.

a) Total Assets

___ \$0 to 5,000,000
 ___ \$5,000,001 to 25,000,000
 ___ \$25,000,001 to 100,000,000
 ___ \$100,000,001 to 250,000,000
 ___ over \$250,000,000

b) Gross Revenues

___ \$0 to 5,000,000
 ___ \$5,000,001 to 25,000,000
 ___ \$25,000,001 to 100,000,000
 ___ \$100,000,001 to 250,000,000
 ___ over \$250,000,000

c) Net income ___ or net loss ___ and applicable amount:

___ \$0 to 500,000
 ___ \$500,001 to 1,000,000
 ___ \$1,000,001 to 3,000,000
 ___ \$3,000,001 to 5,000,000
 ___ over \$5,000,000

d) Cashflow from operating activities positive ___ or negative ___ and applicable amount:

___ \$0 to 500,000
 ___ \$500,001 to 1,000,000
 ___ \$1,000,001 to 3,000,000
 ___ \$3,000,001 to 5,000,000
 ___ over \$5,000,000

2. Do the current liabilities exceed current assets? If yes, please provide details on a separate page. Yes No
3. Do long-term liabilities exceed 75% of total assets? If yes, please provide details on a separate page. Yes No
4. Will more than 50% of the total long-term liabilities mature within the next 18 months? If yes, please provide details on a separate page. Yes No
5. Does the Company anticipate in the next 12 months or has the Company transacted in the last 24 months any restructuring or legal or financial reorganization or filing for bankruptcy? If yes, please provide details on a separate page. Yes No

III. Prior Insurance Information

1. Describe any current insurance maintained. The Continuity Date below means the policy inception date for which the most recent main form application was attached.

<u>Coverage</u>	<u>Yes</u>	<u>No</u>	<u>Limits</u>	<u>Continuity Date</u>
Employment	___	___	_____	_____
Directors and Officers	___	___	_____	_____
Fiduciary	___	___	_____	_____
Crime	___	___	_____	_____
Technology Media, & Professional Services	___	___	_____	_____
Miscellaneous Prof. Services	___	___	_____	_____

2. Has any insurer made any payments, taken notice of claim or potential claim or non renewed any management liability or similar insurance any time in the last 24 months? If yes, please provide details on a separate page. Yes No

IV. Prior Activities Information

1. Within the last three years, has any person or entity proposed for this insurance been the subject of or involved in any litigation, administrative proceeding, demand letter or formal or informal governmental investigation or inquiry including any investigation by the Department of Labor or the Equal Employment Opportunity Commission. If yes, please provide details on a separate page. Yes No
2. Within the last three years, has any person or entity proposed for this insurance had any crime losses. If yes, please provide details on a separate page. Yes No

V. False Information

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent **Claim** for payment for 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.

NOTICE TO COLORADO APPLICANTS: 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, and 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.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: 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.

NOTICE TO FLORIDA APPLICANTS: 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.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent **Claim** for payment of a **Loss** or benefit is a crime punishable by fines or imprisonment, or both.

NOTICE TO KENTUCKY APPLICANTS: 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.

NOTICE TO LOUISIANA APPLICANTS: Any person who knowingly presents a false 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.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MINNESOTA APPLICANTS: A person who submits an application or files a **Claim** with intent to defraud or helps commit a fraud against an **Insurer** is guilty of a crime.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: Any person who knowingly presents a false 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 civil fines and criminal penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or a statement of **Claim** for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company 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 value of the subject motor vehicle or stated **Claim** for each violation.

NOTICE TO OHIO APPLICANTS: Any person who, with the intent to defraud or knowing that he 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.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: 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.

NOTICE TO PENNSYLVANIA APPLICANTS: 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.

NOTICE TO TENNESSEE & VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

VI. Other Information

1. The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this application will be attached to and become a part of such Policy, if issued. Insurer hereby are authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.
2. It is warranted that the particulars and statements contained in the Application for the proposed Policy and any materials submitted herewith (which shall be retained on files by Insurer and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
3. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the applicant will notify Insurer and, at the sole discretion of Insurer, any outstanding quotations may be modified or withdrawn.
4. It is agreed that in the event there is any misstatement or untruth in the answers to the questions contained herein, Insurer have the right to exclude from coverage any claim based upon, arising out of or in connection with such misstatement or untruth.

Signed: _____ Date: _____
(must be signed by an Executive Officer of the Company)

For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either facsimile or photocopy shall be the same force and effect as an original signature and that the original and any such copies shall be deemed on and the same document.

Please fully complete and attach the Information for the Coverage Section(s) being sought or bound.

Miscellaneous Professional Services Coverage Section Information

Is the Parent Company seeking Miscellaneous Professional Services coverage? If yes, please answer the following questions. Yes No

1. Describe in detail the professional services for which coverage is desired:

2. Date established: _____

3. Is the Applicant engaged in any business other than as described in question 1.? Yes No
 If yes, please attach an explanation and estimated receipts.

4. What percentage of the applicant’s business involves subcontracting work to others? _____%

5. List the total gross receipts for the past year, which were derived from the services, listed in question 1. In addition, please provide the projected receipts for the current and next year in which insurance coverage is desired.

Year	Gross Receipts
a. Next Year 20_____	\$ _____
b. Current Projected Year 20_____	\$ _____
c. Prior Year 20_____	\$ _____

6. What industries are the professional services described in question 1. provided to (e.g., government, banking, medical, aviation, etc.)?

7. Is the Applicant controlled or owned by, or associated or affiliated with, or does it own, any other firm business enterprise? If yes, please attach an explanation. Yes No

8. Are any significant changes in the nature or size of the Applicant’s business anticipated over the next 12 months? Or have there been any such changes in the past 12 months? If yes, please attach an explanation (change in size of less than 25% need not be explained.) Yes No

9. a. What is the number of all principals, partners, officers and professional employees directly engage in providing services to clients: _____

b. Average years of experience for the above mentioned for services requesting coverage: _____

c. Number of all non-professional employees (clerks, secretaries, etc.) _____

10. Are any staff members considered “Licensed Professionals” or do any staff members hold any professional designations or belong to any professional societies/Associations? If yes, attach individuals name and designated affiliation. Yes No

11. Describe Applicant's five (5) largest jobs or projects during the past three (3) years.

Client Name	Services Provided	Total Gross Billing
		\$
		\$
		\$
		\$
		\$

12. Does the Applicant have a written contract or agreement for every project? Yes No
 If yes, please attach a sample copy.

a. Provide the percentage of the Applicant's revenue where a written contract is not secured.
 _____%

b. Does the Applicant's contracts contain any of the following: (check all that apply).

- hold harmless or indemnification clauses in your favor?
- hold harmless or indemnification clause in your client's favor?
- guarantees or warranties?
- specific description of the services you will provide?
- payment terms?
- ownership of materials/products developed terms?

13. Describe steps taken to minimize/manage business risks: _____

14. Please provide the following information on Applicant's professional liability insurance for the past three (3) years:

Name of Insurer	Limits of Liability	Deductible	Policy Period	Premium	Retro Date

15. Please provide the following:

- a. Standard contract(s) used.
- b. Descriptive or promotional brochures.
- c. Website address: www_____

16. Have any principals, partners, officers or professional employees ever been the subject of reprimand or disciplinary or criminal actions by authorities as a result of their professional activities? If yes, please provide details on a separate page. Yes No

17. Does any person to be insured have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim against him or his predecessors in business? If yes, please provide details on a separate page. Yes No

18. Have any professional liability claims ever been made against any proposed insured(s)? If yes, please provide details on a separate page. Yes No

CID Insurance Programs Inc. DBA CID Insurance Services

Real Estate Agent/Broker & Property Manager Supplemental Application

Name: _____

Address: _____

1. During the past five years has the name of the Insured been changed, or has any other business been purchased, merged or consolidated with the applicant? If yes, please provide details. Yes ___ No ___

2. Staff (all principals and staff to be included only once. Please total across, then down for total staff.)

Description	Number of Licensed Agents/ Brokers	Years Licensed	Full Time	Part Time	Total
a. Principals (include all persons cited on Main application)					
b. Employed Salesman or brokers on salary or commission					
c. Independent Contractors on salary or commission					
d. Property Managers not including those listed in parts a., b. or c.					
e. Clerical					
f. Other Staff not listed before; describe:					
TOTAL:					

3. Gross Income from services: (Gross Income includes all fees and commissions before expenses)

a. Gross Income (projected) \$ _____
 b. Gross Income (current) \$ _____
 c. Gross Income (prior year) \$ _____

4. Services:

Description	Gross Income Last Year	Projected Gross Income	Number of Transactions
a. Residential Real Estate commissions			
b. Commercial Real Estate commissions			
c. Land and Lot Sales			
d. Residential Property Management fees and commissions			
e. Commercial Property Management fees and commissions			
f. Real Estate Appraisal fees			
g. Real Estate Leasing Fees (property not managed by applicant).			
h. Business Broker			
i. Auctioneering			
j. Mortgage Broker			
k. Mortgage Banker			
l. Other (describe)			
Total Gross Income:			

5. Does the firm or anyone in the firm sell, appraise, manage or lease properties constructed, developed or owned by the firm, anyone in that firm or a related firm? If yes, please provide details. Yes___ No___

6. Is the firm engaged in development, construction, or construction management? If yes, please provide details. Yes___ No___

7. Is the firm involved with the formation or management of group investments/syndications, trusts and/or partnerships? If yes, please provide details. Yes___ No___

8. During the past twelve (12) months, please indicate the percentage of transactions whereby the Applicant acted as a dual agent (representing both buyer and seller)?

9. Does the Applicant disclose to both parties that they are acting as the dual agent with the sale of the property? If no, please provide details Yes___ No___

Applicant hereby warrants and represents that the statements and answers made above are true and applicant has not omitted or misrepresented any information. This Supplemental Application will be attached to and made a part of the policy.

Signed: _____
Must Be Signed By an Executive Officer of the Parent Company

Dated: _____

Name: _____
Please Print or Type