



IS A DIVISION OF FINANCIAL AND PROFESSIONAL RISK SOLUTIONS, INC. TX LIC. # 15890  
 IN CA DBA: FPR INSURANCE SOLUTIONS, INC. LIC. #0G83953

# APPLICATION

## MORTGAGE BANKERS & BROKERS

### FIDELITY AND MORTGAGEE'S E&O / PL / D&O / PRIVACY LIABILITY

*Check the coverage(s) for which this Application is made for below*

**FIDELITY AND MORTGAGEE'S ERRORS & OMISSIONS (E&O) INSURANCE POLICY**

**PROFESSIONAL SERVICES LIABILITY (PL) INSURANCE POLICY**

**DIRECTORS' AND OFFICERS' (D&O) REIMBURSEMENT INDEMNIFICATION POLICY**

**PRIVACY LIABILITY WITH BREACH RESPONSE SERVICES (PRIVACY LIABILITY)**

NOTICE: IF A PROFESSIONAL SERVICES LIABILITY POLICY OR DIRECTORS AND OFFICERS POLICY IS ISSUED, THE POLICY FOR WHICH THIS APPLICATION IS MADE (THE "POLICY"), SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY THIRD PARTY CLAIM (AS SET FORTH IN THE POLICY) MADE AGAINST THE ASSURED (AS DEFINED IN THE POLICY) DURING THE POLICY PERIOD OR OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS WITHIN 30 DAYS AFTER THE EXPIRATION DATE OF THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE). THE LIMIT OF INDEMNITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS COURT COSTS AND ATTORNEYS' FEES AND COURT COSTS AND ATTORNEYS' FEES SHALL BE APPLIED TO THE DEDUCTIBLE.

**GENERAL INSTRUCTIONS**

- (1) Please read carefully and answer all questions. If a question is not applicable, so state. If space is insufficient to answer any question fully, attach a separate sheet.
- (2) This Application form and all exhibits shall be held in confidence. The following information must accompany this Application form and will be considered a part of the Application:
  - a. Most recent year end audit report, including auditor's comments on compliance and internal controls
  - b. If audit report is more than 6 months old, a current balance sheet and year-to-date income statement:
  - c. Current organizational chart and key management resumes;
  - d. List of all companies desiring this proposed insurance, date acquired and founded along with ownership interest held;
  - e. If coverage is currently with another insurance carrier, please attach the Declarations page of your current policies.
- (3) If you have any questions, please contact Bankers Insurance Service at:

**BANKERS INSURANCE SERVICE**  
 200 E RANDOLPH STREET  
 CHICAGO, IL 60601  
[www.bankersinsuranceservice.com](http://www.bankersinsuranceservice.com)  
**PHONE:** (800) 323-2743  
**FAX:** (312) 381-6195  
**E-MAIL:** [bis@bankersinsuranceservice.com](mailto:bis@bankersinsuranceservice.com)

**APPLICANT INFORMATION**

<b>COMPANY NAME</b>	
<b>ALL PREVIOUS COMPANY NAME(S) – (IF APPLICABLE)</b>	
<b>STREET ADDRESS</b>	
<b>CITY, (COUNTY OR PARISH), STATE, ZIP</b>	
<b>MAILING ADDRESS (IF DIFFERENT)</b>	
<b>E-MAIL ADDRESS</b>	
<b>WEB-SITE ADDRESS</b>	
<b>PHONE</b>	<b>CONTACT PERSON</b>
<b>STATE OF INCORPORATION OR CHARTER</b>	<b>DATE OF INCORPORATION</b>
<b>DATE SINCE WHICH YOU HAVE BEEN CONTINUOUSLY DOING BUSINESS</b>	
<b>IS THE COMPANY PUBLICLY TRADED?</b>	<b>HOW DID YOU HEAR ABOUT US?</b>

**C. COMPANY INFORMATION**

1 LIST, CHECK, (OR ATTACH A LISTING OF) ALL MORTGAGE ASSOCIATIONS THAT YOUR COMPANY IS A MEMBER OF:

MORTGAGE BANKERS ASSOCIATION

LENDERS ONE

IF "OTHER", PLEASE LIST BELOW

2. LIST (OR ATTACH A LISTING OF) ALL SUBSIDIARIES OR AFFILIATES, RETIREMENT AND PENSION PLANS AS REQUIRED BY ERISA (NO ADDITIONAL PREMIUMS ASSESSED FOR RETIREMENT AND PENSION PLANS, JOINT VENTURES, ETC.)

IF COVERAGE IS DESIRED, PLEASE CHECK THE APPROPRIATE BOX BELOW

ENTITY	COVERAGE DESIRED	
	YES	NO
_____	YES	NO
_____	YES	NO
_____	YES	NO
_____	YES	NO
_____	YES	NO

3. NAMES OF ALL INDIVIDUALS AND / OR ENTITIES THAT OWN 10% OR MORE OF THE COMPANY:

NAME	% OWNERSHIP
_____	_____
_____	_____
_____	_____

4. HAVE THERE BEEN ANY CHANGES IN OWNERSHIP (10% OR MORE), OR A CHANGE IN THE COMPANY'S FINANCIAL STRUCTURE IN THE PAST 3 YEARS?

YES NO

IF "YES" PLEASE EXPLAIN

5. LIST THE CURRENT NUMBER OF EMPLOYEES BY THE FOLLOWING ACTIVITIES:

BOARD OF DIRECTORS CORPORATE OFFICERS	# _____
LOAN PRODUCTION	# _____
LOAN SERVICING	# _____
INDEPENDENT CONTRACTORS	# _____
ALL OTHER EMPLOYEES	# _____
TOTAL EMPLOYEES	# _____

6. NUMBER OF LOCATIONS OTHER THAN MAIN OFFICE

- A. BRANCH OFFICES (THOSE THAT UNDERWRITE) # \_\_\_\_\_
- B. SATELITE OFFICES (THOSE THAT DO NOT UNDERWRITE) # \_\_\_\_\_

7. DOES THE COMPANY NOW HAVE, OR CONTEMPLATE HAVING, SELLER/SERVICER STATUS WITHIN THE NEXT 12 MONTHS WITH

FREDDIE MAC	YES	NO
FANNIE MAE	YES	NO
GINNIE MAE	YES	NO
HUD (AS A DIRECT ENDORSEMENT LENDER)	YES	NO

8. HAVE YOU AGREED TO, OR DO YOU CONTEMPLATE WITHIN THE NEXT 12 MONTHS, ANY SALE, DISTRIBUTION, MERGER, ACQUISITION OR CONSOLIDATION WITH ANOTHER ENTITY WHOSE CONSOLIDATED ASSETS EXCEED 20% OF THE COMPANY'S CONSOLIDATED ASSETS?

YES NO

ANY REGISTRATION FOR A PUBLIC OFFERING OR PRIVATE PLACEMENT OF SECURITIES?

YES NO

IF "YES", PLEASE DESCRIBE THE ESSENTIAL TERMS OF EACH SUCH TRANSACTION IN AN ATTACHMENT TO THIS APPLICATION

**LOAN ORIGINATION OR PURCHASE ACTIVITY (9-12)**

IF NO LOAN ORIGINATION OR PURCHASE ACTIVITY, CHECK BOX BELOW AND PROCEED TO QUESTIONS 13

NO LOAN ORIGINATION OR PURCHASE ACTIVITY

9. LOAN ORIGINATION OR PURCHASE ACTIVITIES FOR THE 12 MONTHS ENDING:

	NUMBER	VOLUME
1-4 FAMILY	# _____	\$ _____
SECOND MORTGAGE	# _____	\$ _____
REVERSE MORTGAGE	# _____	\$ _____
MULTIFAMILY/COMMERCIAL	# _____	\$ _____
<b>GRAND TOTAL</b>	# _____	\$ _____
<b>PROJECTED NEXT 12 MONTHS</b>	# _____	\$ _____

BY NUMBER OF LOANS, WHAT % OF THE ABOVE GRAND TOTAL OF ORIGINATED OR PURCHASED LOANS ARE, OR WILL BE:

RETAIL	_____ %
WHOLESALE	_____ %
TOTAL (SHOULD EQUAL 100%)	_____ %

FOR LOANS ORIGINATED ON WHOLESALE BASIS, DO YOU VERIFY EACH:

MORTGAGE BROKER'S LICENSE	YES	NO
DO YOU PERFORM BACKGROUND CHECKS		
ON MORTGAGE BROKERS:	YES	NO

BY NUMBER OF LOANS, WHAT % OF THE ABOVE GRAND TOTAL OF ORIGINATED OR PURCHASED LOANS ARE:

SOLD TO GSE's	_____ %
SOLD TO OTHER INSTITUTIONAL INVESTORS	_____ %
SOLD TO INDIVIDUALS	_____ %
HELD IN APPLICANT'S PORTFOLIO	_____ %
SECURITIZED BY APPLICANT	_____ %
TOTAL (SHOULD EQUAL 100%)	_____ %

10. BY NUMBER OF LOANS, WHAT PERCENTAGE OF THE 1-4 FAMILY LOANS ORIGINATED OR PURCHASED (IN QUESTION 9) ARE (NOTE: TOTAL MAY EXCEED 100%):

FANNIE/FREDDIE COMPLIANT (INCLUDE LOANS SOLD TO OTHER INVESTORS, IF COMPLIANT)	_____ %
JUMBO (OTHERWISE COMPLIANT)	_____ %
FHA/HUD	_____ %
OTHER ALT A / A-	_____ %
SUBPRIME (FICO SCORE BELOW 620)	_____ %

11. BY NUMBER OF LOANS, WHAT PERCENTAGE OF 1-4 FAMILY LOANS ORIGINATED OR PURCHASED (IN QUESTION 9) ARE, OR WILL BE:

	PAST 12 MONTHS	NEXT 12 MONTHS
QUALIFIED MORTGAGES (QM)	_____ %	_____ %
NON-QUALIFIED MORTGAGES (NON-QM)	_____ %	_____ %
QM LEGAL SAFE HARBOR	_____ %	_____ %
QM REBUTTABLE PRESUMPTION OF COMPLIANCE	_____ %	_____ %

12. DOES YOUR FIRM HAVE A WAREHOUSE LINE OF CREDIT?

YES NO

IF "NO" DO YO INTEND ON GETTING A WAREHOUSE LINE OF CREDIT IN THE NEXT SIX MONTHS:

YES NO

WAREHOUSE LENDERS YOUR FIRM USES OR HAS APPLIED TO

FIRM	CONTACT
FIRM	CONTACT
FIRM	CONTACT
FIRM	CONTACT

**REVENUES (13-14)**

13. GROSS ANNUAL REVENUES LAST FISCAL YEAR: \$ \_\_\_\_\_  
 GROSS ANNUAL REVENUES NEXT FISCAL YEAR: \$ \_\_\_\_\_

14. WHAT PROFESSIONAL SERVICE ACTIVITIES IS THE APPLICANT INTERESTED IN COVERING UNDER THIS POLICY? PLEASE INDICATE BELOW.

IF ADDITIONAL PROFESSIONAL SERVICES ARE REQUIRED, PLEASE ATTACH TO APPLICATION

PROFESSIONAL SERVICES	% OF LAST YEARS TOTAL REVENUES	% OF PROJECTED TOTAL REVENUES
MORTGAGE ORIGATION		
MORTGAGE SERVICING		
REAL ESTATE APPRAISAL		
REAL ESTATE SALES		
PROPERTY MANAGEMENT		
INSURANCE AGENCY		
OTHER		

\*SHOULD ONLY INCLUDE LOAN ORIGATION FEES, AND NOT, FOR EXAMPLE, SERVICING RIGHTS RELEASED OR WAREHOUSE LINE OF CREDIT INTEREST REVENUES.

**LOAN SERVICING PORTFOLIO (15-19)**

IF NO LOAN SERVICING ACTIVITY, CHECK BOX BELOW AND PROCEED TO QUESTION 20

NO LOAN SERVICING ACTIVITY

15. LOAN SERVICING PORTFOLIO AS OF:

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

	NUMBER	VOLUME
1-4 FAMILY	# _____	\$ _____
SECOND MORTGAGE	# _____	\$ _____
REVERSE MORTGAGE	# _____	\$ _____
MULTIFAMILY/COMMERCIAL	# _____	\$ _____
OTHER _____	# _____	\$ _____
<b>GRAND TOTAL</b>	# _____	\$ _____

FOR THE ABOVE LOAN SERVICING PORTFOLIO, THE DELINQUENCY SERVICING RATIOS ARE:

30 – 59 DAYS \_\_\_\_\_ %  
 60 – 89 DAYS \_\_\_\_\_ %  
 OVER 90 DAYS \_\_\_\_\_ %  
 REO OR IN FORECLOSURE \_\_\_\_\_ %  
**TOTAL** \_\_\_\_\_ %

FOR THE ABOVE LOAN SERVICING PORTFOLIO, HOW MANY LOANS WERE FORECLOSED UPON IN THE PAST 12 MONTHS

# \_\_\_\_\_

16. PRIMARY AND SUB-SERVICING ACTIVITIES (NOTE: ESTIMATE %):

A. BASED ON THE NUMBER OF LOANS, PLEASE ESTIMATE THE PERCENTAGE OF LOANS IN THE LOAN SERVICING PORTFOLIO WHERE THE APPLICANT ACTS AS THE PRIMARY SERVICER (I.E. APPLICANT OWNS THE SERVICING RIGHTS AND SERVICES THE LOAN):

\_\_\_\_\_ %

B. BASED ON THE NUMBER OF LOANS, PLEASE ESTIMATE THE PERCENTAGE OF LOANS IN THE LOAN SERVICING PORTFOLIO WHERE APPLICANT COMPANY ACTS AS SUB-SERVICER (I.E. APPLICANT DOES NOT OWN THE SERVICING RIGHTS AND SERVICES LOANS FOR OTHERS):

# \_\_\_\_\_ %

C. BASED ON THE NUMBER OF LOANS, PLEASE ESTIMATE THE PERCENTAGE OF LOANS IN THE LOAN SERVICING PORTFOLIO THAT ARE SUB-SERVICED BY OTHERS (I.E. APPLICANT OWNS THE SERVICING RIGHTS, BUT LOANS ARE SERVICED BY ANOTHER ENTITY

\_\_\_\_\_ %

17. ESTIMATED % OF CONDOMINIUM/PUD LOANS IN LOAN SERVICING PORTFOLIO:

\_\_\_\_\_ %

18. DOES THE APPLICANT OWN, ORIGINATE, OR SERVICE ANY LOANS FOR WHICH EARTHQUAKE INSURANCE IS REQUIRED?

YES NO

19. DOES THE APPLICANT CARRY A "FORCE PLACEMENT" PROGRAM WHICH AUTOMATICALLY PROVIDES COVERAGE ON PROPERTY FOR WHICH THE APPLICANT IS AWARE THERE IS NOT EXISTING INSURANCE OF THE TYPE THAT IS REQUIRED IN THE MORTGAGE CONTRACT?

YES NO

IF "YES", PLEASE PROVIDE THE FOLLOWING

FORCE PLACED CARRIER \_\_\_\_\_

EXPIRATION DATE \_\_\_\_\_

DOES FORCE PLACED PROGRAM GIVE THE APPLICANT THE ABILITY TO BACKDATE COVERAGE

YES NO

**TITLE & LOAN CLOSING (20-27)**

20. DO YOUR LOAN CLOSING / SETTLEMENT AGENTS' AND ATTORNEYS' AGREEMENTS INCLUDE LANGUAGE REQUIRING THAT THE CLOSING AGENT INFORM YOU OF RECENT ESCROWS, CLOSINGS, OR CHANGE OF TITLE?

YES NO

21. WHAT IS THE MAXIMUM DOLLAR AMOUNT OF FUNDS PERMITTED TO BE WIRED TO A LOAN CLOSING / SETTLEMENT AGENT OR ATTORNEY AT ANY GIVEN TIME?

\_\_\_\_\_

22. DO YOU (OR A THIRD PARTY) RUN A BACKGROUND CHECK ON THE LOAN CLOSING / SETTLEMENT AGENT OR ATTORNEY PERFORMING EACH LOAN CLOSING?

YES NO

23. WHAT EXCLUSIONARY LISTS DO YOU REVIEW PRIOR TO FORWARDING FUNDS TO LOAN CLOSING / SETTLEMENT AGENTS AND ATTORNEYS?

\_\_\_\_\_  
 \_\_\_\_\_

24. IF LOAN CLOSINGS ARE CONDUCTED BY ATTORNEYS, DO YOU CHECK THAT THEIR LAW LICENSE IS VALID AND IN GOOD STANDING WITH THE STATE?

YES NO

25. DO YOU REQUIRE ALL TITLE AGENTS AND LOAN CLOSING AGENTS TO BE REGISTERED IN THE AMERICAN LAND TITLE ASSOCIATION (ALTA) REGISTRY AND HAVE OBTAINED AN ALTA ID?

YES NO

26. PRIOR TO LOAN CLOSING, DO YOU SEARCH THE ALTA REGISTRY TO CONFIRM THE IDENTITY OF THE TITLE AGENT OR LOAN CLOSING AGENT?

YES NO

27. DO YOU OWN A TITLE COMPANY OR AGENCY OR ARE YOU AFFILIATED WITH A TITLE AND/OR ESCROW COMPANY?

YES NO

IF YES, COMPLETE TITLE COMPANY QUESTIONNAIRE

**APPRAISAL (28-29)**

28. DO ANY OF YOUR EMPLOYEES OR EMPLOYEES OF RELATED OR OWNED ENTITIES PERFORM PROPERTY APPRAISALS ON WHICH LENDING DECISIONS ARE BASED?

YES NO

29. ARE ALL APPRAISALS ORDERED USING APPRAISAL MANAGEMENT COMPANIES (AMC's)?

YES NO

**COMPUTER SYSTEMS/CYBER (30-35)**

30. IS ALL VALUABLE / SENSITIVE DATA BACKED UP BY THE COMPANY REGULARLY AND SUBSEQUENTLY ENCRYPTED (VIA BACK-UP TAPES, CLOUD, ETC.)

YES NO

31. DOES THE COMPANY ENCRYPT DATA STORED ON LAPTOP COMPUTERS AND OTHER PORTABLE MEDIA?

YES NO

32. DOES THE COMPANY MAINTAIN COMPUTER SECURITY THAT INCLUDES THE FOLLOWING:

FIREWALL YES NO

ANTI-VIRUS YES NO

SPYWARE / MALWARE PROTECTION YES NO

IF "YES", DOES THE SOFTWARE UPDATE AUTOMATICALLY FOR THE FOLLOWING

FIREWALL YES NO

ANTI-VIRUS YES NO

SPYWARE / MALWARE PROTECTION YES NO

33. DOES THE COMPANY HAVE A WRITTEN CORPORATE-WIDE PRIVACY POLICY THAT IS AVAILABLE FOR REVIEW BY CLIENTS?

YES NO

IF "YES", PLEASE ATTACH A COPY OF THE PRIVACY POLICY TO THIS APPLICATION

34. DOES THE COMPANY ACCEPT CREDIT CARDS FOR GOODS SOLD OR SERVICES RENDERED?

YES NO

IF "YES", IS THE COMPANY COMPLIANT WITH APPLICABLE DATA SECURITY STANDARDS ISSUED BY FINANCIAL INSTITUTIONS WITH WHOM THE COMPANY TRANSACTS BUSINESS (E.G. PCI STANDARDS)?

YES NO

35. HAS THE COMPANY EVER RECEIVED ANY CLAIMS OR COMPLAINTS WITH RESPECT TO ALLEGATIONS OF INVASION OF OR INJURY TO PRIVACY, IDENTITY THEFT, THEFT OF INFORMATION, BREACH OF INFORMATION, SOFTWARE COPYRIGHT INFRINGEMENT OR CONTENT INFRINGEMENT OR BEEN REQUIRED TO PROVIDE NOTIFICATION TO INDIVIDUALS DUE TO AN ACTUAL OR SUSPECTED DISCLOSURE OF PERSONAL INFORMATION?

YES NO

IF "YES", PLEASE PROVIDE DETAILS OF EACH SUCH CLAIM, ALLEGATION OR INCIDENT, INCLUDING COSTS, LOSSES OR DAMAGES INCURRED OR PAID, AND ANY AMOUNTS PAID UNDER ANY INSURANCE POLICY.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**CASH & ACCOUNTING (36-42)**

36. ARE BORROWER AND INVESTOR ESCROWS MAINTAINED IN SEGREGATED CUSTODIAL ACCOUNTS?

YES NO

37. DO THE COMPANY'S POLICIES PROHIBIT THE TRANSFER OF ESCROW FUNDS:

TO OR FROM OTHER ESCROW ACCOUNTS OR OTHER CUSTODIAL ACCOUNTS?

YES NO

TO OR FROM OPERATING ACCOUNTS?

YES NO

38. DESCRIBE CONTROLS ON INCOMING AND OUTGOING WIRE TRANSFERS OF MONEY.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

39. ARE DUTIES SEGREGATED SO THAT NO SINGLE INDIVIDUAL HAS BOTH CUSTODIAL FUNCTIONS AND ACCOUNTING AUTHORITY (I.E. CASH RECEIPTS AND DISBURSEMENTS) OVER THE COMPANY'S FUNDS AND SECURITIES?

YES NO

40. ARE ALL CASH BALANCES, BANK BALANCES, OR SIMILAR BALANCES RECONCILED MONTHLY?

YES NO

41. ARE RECONCILIATIONS PREPARED AND SUPERVISED BY AN INDIVIDUAL WITH NO RESPONSIBILITY FOR CASH RECEIPTS OR DISBURSEMENTS BY MEANS OF CHECKS OR WIRE TRANSFER?

YES NO

42. DOES AN OFFICER, WHO IS NOT RESPONSIBLE FOR THE RECEIPT OR DISBURSEMENT OF CASH, REVIEW ALL RECONCILIATIONS AND QUESTION UNUSUAL UNRECONCILED ITEMS?

YES NO

IF "NO" APPLIES TO QUESTIONS 37-43, PLEASE EXPLAIN HOW THE COMPANY HANDLES SUCH FUNCTION(S):

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**GENERAL QUALITY CONTROL (43-50)**

43. DO YOU USE REGULATORY COMPLIANCE SOFTWARE?

YES NO

44. HOW DOES THE COMPANY KEEP ABREAST OF APPLICABLE FEDERAL AND STATE REGULATIONS?

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

45. DO YOU UTILIZE A FRAUD DETECTION SERVICE?

YES NO

IF "YES", WHAT PERCENTAGE OF LOANS ARE TESTED? \_\_\_\_\_%

IF "YES", WHAT FIRM(S) ARE YOU USING FOR FRAUD DETECTION?

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

46. DO YOU HAVE CALL BACK PROCEDURES IN PLACE TO VERIFY VOE AND VOD INFORMATION PRIOR TO LOAN CLOSING?

YES NO

47. DESCRIBE THE STEPS IN TAKEN TO VERIFY BORROWER IDENTITIES:

\_\_\_\_\_  
\_\_\_\_\_

48. DO YOU RUN BACKGROUND CHECKS ON LOAN OFFICERS THAT ORIGINATE LOANS FOR THE COMPANY

YES NO

49. IN THE PAST 12 MONTHS, HOW MANY LOANS HAS THE APPLICANT BEEN REQUIRED TO REPURCHASE FROM, OR INDEMNIFY, A SECONDARY MARKET INVESTOR?

# OF LOANS \_\_\_\_\_

\$ VOLUME \_\_\_\_\_

50. DO LOAN UNDERWRITERS HAVE PRODUCTION GOALS BASED ON THE NUMBER OF LOANS CLOSED?

YES NO

**CLAIMS (51-57)**

51. WAS PRIOR COVERAGE EVER CANCELLED OR NON-RENEWED? (OTHER THAN BEING NON-RENEWED DUE TO THE CARRIER NO LONGER WRITING THIS TYPE OF COVERAGE) (OTHER THAN MISSOURI APPLICANTS)

YES NO

52. DOES THE APPLICANT KNOW OF ANY OR HAVE ANY REPORTED VIOLATIONS OF LAW IN ANY OF THE FOLLOWING:

- A. REAL ESTATE SETTLEMENT PROCEDURE ACT (RESPA) YES NO
- B. TRUTH LENDING LEGISLATION (TILA) YES NO
- C. EQUAL CREDIT OPPORTUNITY LEGISLATION YES NO

53. IN THE PAST 5 YEARS, HAS YOUR FIRM DISCOVERED OR INCURRED A LOSS OR POTENTIAL LOSS IN EXCESS OF \$5,000 IN ANY OF THE FOLLOWING AREAS?

- A. EMPLOYEE DISHONESTY/FIDELITY YES NO
- B. FORGED DOCUMENTS/CHECKS YES NO
- C. BURGLARY, ROBBERY OR THEFT YES NO
- D. OBTAINING/MAINTAINING MORTGAGOR'S INSURANCE YES NO
- E. REAL ESTATE TAX PAYMENTS YES NO
- F. OTHER YES NO

54. DURING THE PAST 5 YEARS, HAVE ANY SUITS, DEMANDS FOR ARBITRATION OR ADMINISTRATIVE OR REGULATORY ACTIONS BEEN FILED AGAINST THE APPLICANT COMPANY(IES) OR THEIR PREDECESSORS, OR ANY OF ITS PRESENT OR PAST DIRECTORS, OFFICERS, OR EMPLOYEES

YES NO

55. WITH RESPECT TO POLICIES INCEPTING FOR THE FIRST TIME WITH BANKERS INSURANCE SERVICE, HAS THE COMPANY ANY KNOWLEDGE OR INFORMATION, AFTER FULL INQUIRY OF THE CEO, CFO, COO OR GENERAL COUNSEL, OF ANY FACTS, CIRCUMSTANCES, OR EVENTS WHICH COULD GIVE RISE TO A LOSS (OR CLAIM BEING MADE AGAINST THE COMPANY OR ITS EMPLOYEES)?

YES NO

56. HAS ANY PRINCIPAL, DIRECTOR, OFFICER OR EMPLOYEE HAD A PROFESSIONAL LICENSE SUSPENDED OR REVOKED?

YES NO

57. DURING THE PAST FIVE YEARS, HAS THE APPLICANT OR ANY PREDECESSOR IN BUSINESS OR ANY OF THE PAST OR PRESENT PARTNERS, OFFICERS, DIRECTORS OR EMPLOYEES BEEN THE SUBJECT OF AN INVESTIGATION, REPRIMAND, DISCIPLINARY ACTION, CRITICISM, OR FILED COMPLAINT BY THE FHA, VA, PMI CARRIER, ANY INVESTOR, AUTHORITY, OR GOVERNMENTAL AGENCY?

YES NO

IF "YES" TO ANY OF THE ABOVE CLAIM QUESTIONS, PLEASE PROVIDE FULL DETAILS ON A SEPARATE PAGE AND ATTACH IT TO THIS APPLICATION.

**CURRENT COVERAGE (58)**

**IF YOUR CURRENT INSURANCE IS PLACED WITH BANKERS INSURANCE SERVICE, CHECK BOX BELOW AND PROCEED TO SIGNATURE PAGE**

INSURANCE COVERAGE IS CURRENTLY WITH BANKERS INSURANCE SERVICE

**58. CURRENT PROFESSIONAL SERVICES LIABILITY INSURANCE:**

INSURANCE COMPANY \_\_\_\_\_

LIMIT \$ \_\_\_\_\_

DEDUCTIBLE \$ \_\_\_\_\_

PREMIUM \$ \_\_\_\_\_

EXPIRATION DATE \_\_\_\_\_

RETROACTIVE DATE \_\_\_\_\_

**CURRENT FIDELITY BOND INSURANCE:**

INSURANCE COMPANY \_\_\_\_\_

LIMIT \$ \_\_\_\_\_

DEDUCTIBLE \$ \_\_\_\_\_

PREMIUM \$ \_\_\_\_\_

EXPIRATION DATE \_\_\_\_\_

**CURRENT DIRECTORS' & OFFICERS' LIABILITY INSURANCE:**

INSURANCE COMPANY \_\_\_\_\_

LIMIT \$ \_\_\_\_\_

DEDUCTIBLE \$ \_\_\_\_\_

PREMIUM \$ \_\_\_\_\_

EXPIRATION DATE \_\_\_\_\_

**CURRENT CYBER LIABILITY INSURANCE:**

INSURANCE COMPANY \_\_\_\_\_

LIMIT \$ \_\_\_\_\_

DEDUCTIBLE \$ \_\_\_\_\_

PREMIUM \$ \_\_\_\_\_

EXPIRATION DATE \_\_\_\_\_

# WARNING

**ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.**

Applicable in AL, AR, DC, LA, MD, NM, RI and WV

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 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 FL and OK

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)\*. \*Applies in FL Only.

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 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, NY, 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\* (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only.

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 PR

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NO FACT, CIRCUMSTANCE OR SITUATION INDICATING THE PROBABILITY OF A CLAIM OR ACTION AGAINST WHICH INDEMNIFICATION WOULD BE AFFORDED BY THE PROPOSED INSURANCE IS NOW KNOWN BY ANY COMPANY OR ANY OF IT'S PRESENT OR PAST DIRECTORS, OFFICERS OR ANY EMPLOYEES UNDER THIS PROPOSED INSURANCE OTHER THAN THAT WHICH IS DISCLOSED IN THIS APPLICATION.

IT IS AGREED BY ALL CONCERNED THAT IF THERE BE KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE, OR SITUATION, ANY CLAIM OR ACTION SUBSEQUENTLY EMANATING THEREFROM SHALL BE EXCLUDED FROM COVERAGE UNDER THIS PROPOSED INSURANCE.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT WARRANTS AFTER INQUIRY THAT TO THE BEST OF HIS KNOWLEDGE THE STATEMENTS SET FORTH IN THIS APPLICATION, AND THE MATERIALS SUBMITTED THEREWITH ARE TRUE, AND IT IS AGREED THAT THE APPLICATION FORM AND ALL MATERIALS SUBMITTED WITH THE APPLICATION FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND THE APPLICATION FORM INCLUDING ALL ATTACHMENTS WILL BE ATTACHED TO AND MADE PART OF THE POLICY.

**SIGNING OF THIS APPLICATION FORM DOES NOT BIND THE APPLICANT NOR THE INSURER TO COMPLETE THE INSURANCE.**

IT IS AGREED THAT IN THE EVENT THERE IS ANY MATERIAL CHANGE IN THE ANSWERS TO THE QUESTIONS HEREIN PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE UNDERWRITERS AND ANY OUTSTANDING QUOTATION MAY BE MODIFIED OR WITHDRAWN. IN ADDITION, NO INFORMATION PROVIDED BY THIS APPLICATION OR ALONG WITH THIS APPLICATION SHALL BE DEEMED TO REPORT A CLAIM SUCH NOTICE SHOULD BE MADE AS INSTRUCTED BY THE POLICY

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

(MUST BE SIGNED BY CHAIRMAN OF THE BOARD OR PRESIDENT)

\_\_\_\_\_  
APPLICANT COMPANY NAME

\_\_\_\_\_  
MONTH, DAY & YEAR SIGNED

# APPLICATION

## TITLE COMPANY SUPPLEMENT

**TITLE COMPANY SUPPLEMENT (1-15)**

- 1 ARE THE MORTGAGE AND TITLE COMPANIES REGISTERED AS SEPARATE ENTITIES WITH THE DEPARTMENT OF STATE?**
- YES NO
- 2 DO YOUR MORTGAGE COMPANY AND TITLE COMPANY OCCUPY SEPARATE OFFICES?**
- YES NO
- 3 DO YOUR MORTGAGE COMPANY AND TITLE COMPANY SHARE ANY STAFF OR EMPLOYEES?**
- YES NO
- 4 DOES THE TITLE COMPANY REQUIRE TWO SIGNATURES ON ALL CHECKS GENERATED FROM THE ESCROW/FUNDING ACCOUNTS?**
- YES NO
- WHO ARE THE PERSONS AUTHORIZED TO SIGN CHECKS?
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- 5 DOES THE MORTGAGE COMPANY UNDERGO AN ANNUAL AUDIT BY AN INDEPENDENT CPA?**
- YES NO
- 6 DOES THE TITLE COMPANY UNDERGO AN ANNUAL AUDIT BY AN INDEPENDENT CPA?**
- YES NO
- 7 IF THE ANSWERS TO QUESTIONS 5 AND 6 ARE "YES", ARE THESE AUDITS CONDUCTED SEPARATELY?**
- YES NO
- 8 DO YOUR MORTGAGE AND TITLE COMPANY HAVE SEPARATE AND DEDICATED PHONE LINES, FAX LINES, AND E-MAIL SERVERS?**
- YES NO
- 9 ARE CLIENT FILES FOR BOTH COMPANIES MAINTAINED AT THEIR OWN ON-SITE LOCATIONS?**
- YES NO
- 10 IS ALL COMMUNICATION BETWEEN THE TWO ENTITIES DONE EXCLUSIVELY THROUGH WRITTEN CORRESPONDENCE?**
- YES NO

**11 WHAT TITLE INSURANCE CARRIERS DOES YOUR TITLE COMPANY UTILIZE?**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**12 DO THESE TITLE CARRIERS AUDIT YOUR TITLE ENTITY?**

YES NO

IF "YES", PLEASE SEND A COPY OF THE MOST RECENT AUDIT(S) TO THIS APPLICATION

**13 WHAT DISCLOSURE PROCEDURES ARE IN PLACE TO ENSURE FULL DISCLOSURE OF THE RELATIONSHIP BETWEEN YOUR MORTGAGE COMPANY AND YOUR TITLE ENTITY?**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PLEASE ATTACH A COPY OF THIS DISCLOSURE INFORMATION TO THIS APPLICATION

**14 DOES THE BORROWER HAVE A CHOICE OF TITLE AGENT?**

YES NO

**15 WHAT PERCENTAGE OF YOUR MORTGAGE COMPANY'S BORROWERS USE YOUR TITLE AGENCY?**

\_\_\_\_\_ %

## Social Engineering Fraud Questionnaire

**\*Social Engineering Fraud** is intended to be a broad title which covers the various scenarios where an employee is deceived into transferring funds (or performing any other action which ultimately facilitates the transfer of funds) based on believing the sender of the request is a valid customer, client, vendor, counterparty or other member of staff. Such frauds are variously referred to as Social Engineering, Fake President, Business Email Compromise and CEO Fraud.

**SOCIAL ENGINEERING FRAUD SUPPLEMENT**

1. What procedures do you have in place to authenticate the validity of:

a. Requested changes to a third party vendor or customer bank account information held on record?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b. Customer/client instructions to direct funds to a third party bank account recipient?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Is a "call-back" required?	YES	NO
If yes, is this to a previously established number (i.e. one on record for the vendor or customer and not the contact information contained in the communication requesting a change to account details or a transfer)?		
	YES	NO

2. Are transfer requests or bank information changes ever accepted just via electronic communications?

	YES	NO
--	-----	----

3. Is there any system in place to flag and seek additional sign off or confirmation for fund transfers in respect of those which are

Out of the country	YES	NO
Over a certain value	YES	NO
If yes, what value are transactions subject to such control: \$ _____		
Unusual or Inconsistent with previous transfer funds behavior	YES	NO

4. How does the Assured check/audit that any required authentication process is happening in practice?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. What procedures are place to validate the authenticity of what appear to be internally generated fund transfer requests?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Would procedures set out in (5) above apply to requests purporting to have come from the 'Executive Management (CEO/CFO etc.)?'

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7. What education / awareness programs do you undertake to make employees aware of the risk of Social Engineering Fraud? Please provide brief details of the main areas of guidance given and those who received the training:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. Are there any additional measures not outlined above which are used to manage risk in respect of Social Engineering Fraud?

YES                      NO

If yes, please provide additional detail below:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9. Has your organization been the victim of a fraud where it has been deceived as to the identity of the person initiating a funds transfer request?

YES                      NO

If yes, please provide additional detail below:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10. Has your organization identified and prevented a fraud described above in the last 12 months? If yes, please provide details

YES                      NO

If yes, please provide additional detail below:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
(MUST BE SIGNED BY CHAIRMAN OF THE BOARD OR PRESIDENT)

\_\_\_\_\_  
APPLICANT COMPANY NAME

\_\_\_\_\_  
MONTH, DAY & YEAR SIGNED