

**NEGLEY**  
**ASSOCIATES**  
UNDERWRITING MANAGERS

**SCOTTSDALE**  
SURPLUS LINES INSURANCE COMPANY

8877 North Gainey Center Drive • Scottsdale, Arizona 85258  
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**REAL ESTATE AND PROPERTY MANAGEMENT SUPPLEMENTAL APPLICATION  
FOR ERRORS AND OMISSIONS COVERAGE**

1. Gross income from real estate activities:

	Staff		Receipts	
	Full Time	Part Time	Current	Projected
Residential Real Estate Commissions				
Farm and/or Ranch Commissions				
Commercial/Industrial Commissions				
Real Estate Leasing Fees (Property NOT managed)				
Real Estate Consulting Fees				
Real Estate Appraisal Fees**				
Property Management Fees (Nonowned Properties)				
Property Management Fees (Owned Properties)				
Mortgage Brokerage (Not Mortgage Banking/Lending)**				
Auctioneering**				
Other (describe) _____				
<b>TOTALS</b>				

\*\*If over 25% of receipts, a separate supplemental application is required.

**NOTE:** Staff includes principals and partners. All staff personnel should be included only once.

**NOTE:** Receipts for real estate sales means the total gross sales commissions paid to your firm for the sale or listing of real estate before commissions to salespersons representing your firm but excluding commission fees to other listing brokers. Receipts for other activities listed above means all income and fees derived from these activities, before deduction of expenses. Do not include receipts for activities listed in question 2.

2. Does your firm, its owners, or principals engage in any of the following?

If yes, provide complete details, including receipts.

		Receipts
Real Estate Development/Construction.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
Mortgage Banking.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
Formation, Management, or Involvement as a Partner, Joint Venturer, Sponsor, Promoter, or Underwriter of Group In- vestments or Syndications (including limited partnerships, general partnerships, real estate investment trusts or corpo- rations.).....	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
Business Opportunity Brokerage.....	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____

**NOTE:** Some of these activities are excluded in your policy. If a policy is issued, read it carefully.

3. Do you or any member of your firm have any ownership or equity interest in any of the property that is:

- a. Sold by the firm? .....  Yes  No
- b. Managed by the firm? .....  Yes  No

If yes to either a. or b. above, attach a schedule of such property, including the type of service provided, the percent of interest in the property, and the total gross receipts derived from those services.

**NOTE:** This activity is excluded in the policy. If the applicant would like coverage for this activity, check this box  and provide details.

4. **COMMERCIAL/INDUSTRIAL BROKERAGE/LEASING SELECTION**

Breakdown of Commercial/Industrial Sales/ Leases (properties not managed) for the past fiscal year	Number of Sales/Leases	Gross Income Sales/Leases
Offices	/	\$ /\$
Shopping Centers	/	\$ /\$
Apartments/Condominiums	/	\$ /\$
Industrial/Manufacturing	/	\$ /\$
Warehouses	/	\$ /\$
Land	/	\$ /\$
Other (describe in detail on separate sheet)	/	\$ /\$

5. **PROPERTY MANAGEMENT SECTION**

Breakdown of Properties managed for past fiscal year	Number of Units Or Square Feet	Gross Property Management Income
1-4 Family Residential	units	\$
Apartments	units	\$
Condominiums/Cooperative	units	\$
Shopping Centers	sq. ft.	\$
Office Buildings	sq. ft.	\$
Commercial	sq. ft.	\$
Farm/Ranch Management		\$
Mobile Home Park Management		\$
Other (describe in detail on separate sheet)		\$

**NOTE:** Attach a copy of all contracts.

**COMPLETE QUESTIONS 6 – 11 IF INVOLVED IN REAL ESTATE SALES**

- 6. Do you offer any home warranty/protection plans? .....  Yes  No
- 7. Do you require all agents and brokers to interview clients to thoroughly determine needs and expectations and document these discussions in the client file? .....  Yes  No
- 8. Do you require all agents and brokers to determine and document the source of information from the seller regarding the description and condition of the property? .....  Yes  No
- 9. Do you allow agents and brokers to negotiate commissions? .....  Yes  No
- 10. Do you require all agents and brokers to disclose, on every transaction, that they are an agent of the seller? .....  Yes  No
- 11. Do you require all agents and brokers to refer clients to other professionals when necessary such as attorneys, inspectors, appraisers, lenders, and surveyors? .....  Yes  No

**COMPLETE QUESTIONS 12 – 16 IF INVOLVED IN PROPERTY MANAGEMENT**

- 12. Do you prepare a budget for each property managed? .....  Yes  No
- 13. Do you obtain a credit report for each prospective tenant? .....  Yes  No
- 14. Do you confirm that the owner of the property managed carries comprehensive general liability coverage with limits of at least \$1,000,000? .....  Yes  No  
Are certificates of insurance obtained on all properties?.....  Yes  No
- 15. Do you assume responsibility for maintaining insurance coverage on properties managed? .....  Yes  No  
If yes, explain: \_\_\_\_\_

16. Do you provide security services?.....  Yes  No

If yes, explain: \_\_\_\_\_

Provide a copy of property management agreement.

It is understood that this supplement becomes a part of the general application for Errors and Omissions Coverage.

**FRAUD WARNING:** 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.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title