



APPRAISERS APPLICATION CHECKLIST

To assure that your FREA application and insurance binder are processed and issued without delay, please be sure to include the following items. **If any of the applicable items below are not included, your application WILL NOT be processed.**

- ANSWER ALL OF THE INSURANCE INFORMATION QUESTIONS ON PAGE 4.** If you answer "yes" to any of these questions, you must provide a detailed explanation. (If you have had a claim, you must provide details such as: date of the suit, the stated reason for the action, the amount you were sued for and the current status of the suit.)
- COPY OF LICENSE** - Please include a copy of your current state issued appraisal license
- LOSS-RUN REPORT** - If you are currently insured, you must obtain an up-to-date loss/run report from your existing carrier and submit it with this application. A loss run report is a report of your claims history and is required even if you have not had any claims to date.
- PROOF OF RETRO-ACTIVE COVERAGE** – If you desire retro-active coverage, please include proof of continuous coverage back to the retroactive date requested. Requested retro date must have an exact start date (MM/DD/YYYY).
- CORPORATE NAME** – Corporate coverage is optional. If you desire your corporation to be named as co-insured you must include the corporation name on the application along with your individual name (a company cannot be named solely). Please indicate coverage on page 4. Please note coverage will only apply if box is checked.
- TRAINEES** – If you are an appraiser trainee and your supervising appraiser does not have E&O insurance through FREA, you must submit proof of their current E&O coverage.
- GENERAL LIABILITY OR BOND** - If you desire general liability coverage or bond coverage, please check the appropriate box on page 4.
- PAYMENT** - payment must be received before an insurance binder can be issued. If you are paying by credit card (VISA / Mastercard / Discover / AMEX) you must include the card number, expiration date and you must sign the credit card agreement. Credit cards will not be charged until the application is approved by underwriting.
- SIGNED INSTALLMENT PLAN AGREEMENT** - If you would like to be on the installment plan, the Installment plan agreement on page 6 must be signed.
- ADDITIONAL INSURED REQUEST** – If you require an additional insured be added to your policy, a separate form is required. Please call 800-882-4410 to receive the additional insured request form.
- FAX NUMBER OR EMAIL ADDRESS ON PAGE 4** – Once your application is approved, it will be processed and proof of coverage will be sent via fax or email. Your original binder along with a copy of the policy will then be mailed to you in 2-4 weeks time.

FREA
4907 Morena Blvd. #1415
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Phone: (800) 882-4410 Fax: (858) 273-8026 www.frea.com

ERRORS & OMISSIONS INSURANCE DEFINITIONS

Please read the following definitions carefully. If you still have questions about any of the coverage, please contact your FREA representative.

Errors & Omissions Insurance - E&O Insurance, also known as Professional Liability Insurance, covers professionals for negligent acts which stem from the professional services offered during their daily business activities. Professional liability policies offer broader coverage than Commercial General Liability policies in that they are not limited to personal injury and property damage.

Claims-Made Policy- A “claims-made” policy protects the policyholder against claims or incidents that are reported while the policy is in force, or during an “extended reporting period”. The negligent act, error or omission must have also occurred during the specific timeframe set by the policy. Once the policy lapses or is cancelled, coverage will no longer apply to any past inspections, unless you obtain tail coverage.

Tail Coverage- If you are not renewing your E&O policy you may want to purchase tail coverage. Tail coverage protects appraisals you have performed prior to the expiration date of your current policy and is only available at the time of renewal. Tail coverage can be purchased for 75% of last years rates. If you are planning on purchasing this coverage, please call our office to inquire of the total cost due. Please note that a tail coverage policy must be paid in full at time of renewal.

Agent/Broker Referral Indemnity - Agent/Broker Referring coverage is included in all levels. It covers any real estate agent and/or broker who may hire or refer you for the purpose of performing an appraisal. In the event the referring party is named or enjoined in any claim against you, a defense will be provided and any damages up to your aggregate limit of liability will be paid.

Corporate Coverage - If you operate under a business name other than yourself, such as a Corporation, LLC, Sole Proprietorship, etc.; corporate coverage is available. If you want your business to be named as co-insured you must include the business name along with your individual name (a company cannot be named solely). This coverage is suggested if you employ any appraisers, trainees or subcontractors. *Please note that it will only provide coverage as long as the person preparing the report has coverage in place the time the claim is made.*

General Liability - The general liability policy covers bodily injury, property damage, personal injury and advertising injury to others.

Fidelity Bond - Purchasing a bond (aka honesty bond) protects your clients against possible theft while you are at the residence/site. It offers the client peace of mind and provides the appraiser with a valuable marketing tool.

BENEFITS PACKAGE (Included with all levels of coverage)

- Use of FREA Logo
- Up to a 30% discount on continuing education courses (through approved providers)
- National Credit Systems- Low cost collections
- Market Hardware- \$200 Discount on website and logo design
- 5-25% Discount through AVIS/Budget rental car
- Health, Life, Disability, Homeowners, and Auto insurance available depending on state of residency

*For a complete list of membership benefits visit our website: www.frea.com



Professional Liability (E&O) Application Real Estate Appraisers

Appraiser's Name (First): _____ (MI) _____ (Last) _____

Address: _____

City: _____ State _____ Zip _____

Business: () _____ Home Phone: () _____ Cell: () _____

Fax () _____ E-mail _____ Date of Birth: ____ / ____ / ____

Please indicate how you would like your proof of coverage sent (Circle one) FAX EMAIL

1a) Do you want corporation coverage? () No () Yes

NOTE: Adding corporate coverage does NOT cover other appraisers or trainees whether employed by you directly or hired as subcontractors. Please refer to the coverage definitions on page 3. Additional premium required.

1b) If yes, what is the name of the corporation? _____

2) Years of appraisal experience: _____

3) Do you currently have Errors & Omissions insurance? () No () Yes

If yes, what is policy expiration date? _____ Name of insurance carrier: _____

(If you are currently insured you must obtain an up-to-date loss/run report from your existing carrier and submit it with this application.)

4a). Appraisers License #: _____ License Level and Expiration Date: _____

4b). Are you a: () Licensed/Certified appraiser () Appraiser Trainee (please answer 4c)
(Please enclose a copy of your state license or proof of licensing.)

4c). TRAINEES - Please list the name of your supervising appraiser: _____
(If NOT insured through FREA, YOU MUST enclose a copy of your supervising appraiser's current E&O coverage. Coverage will not apply to the trainee if their supervising appraiser does not have E&O coverage).

5). Have you had a FREA membership anytime within the past 5 years? () No () Yes

6). Please list your current data sources. **DISCOUNTED RATES FOR NDC USERS. CALL FOR QUOTE.**

MEMBERSHIP / ERRORS & OMISSIONS INSURANCE

X	Membership Level	E & O Policy Limits	Deductible	Annual Fee
	Class A	\$1,000,000	\$1,000	\$895.00
	Class B	\$500,000	\$1,000	\$875.00
	Class C	\$300,000	\$1,000	\$850.00

CORPORATE COVERAGE (optional)

X		Annual Fee
	Corp Coverage A	\$90.00
	Corp Coverage B	\$88.00
	Corp Coverage C	\$85.00

ADDITIONAL COVERAGE (optional)

X	Coverage	Policy Limits	Deductible	Annual Fee
	General Liability	\$1,000,000	\$500	\$450.00
	\$5K Fidelity Bond	\$5,000	\$100	\$75.00
	\$10K Fidelity Bond	\$10,000	\$100	\$135.00

NDC DISCOUNT CODE: _____

INSURANCE INFORMATION

****IMPORTANT** You must answer ALL of the following questions:**

- 1). What is desired effective date of insurance coverage? (MM/DD/YYYY) ___/___/_____
(Date must be no earlier than the date the application is POSTMARKED. If a date is not specified, the date the application is received by FREA will be the effective start date of the policy.)
- 2a). Do you require retro active coverage? () No () Yes *
*If yes, you must include proof of continuous coverage back to the date requested (Retro active coverage is provided subject to underwriters approval)
- 2b). What is the desired retro active date of insurance coverage? (MM/DD/YYYY) ___/___/_____

- 3). Has any claim or suit alleging a negligent act, error or breach of duty been brought against the applicant within the past five (5) years?
() No () Yes If yes, you must furnish complete details on a separate sheet.
- 4). Does applicant have knowledge of any circumstances which could result in a claim or suit?
() No () Yes If yes, you must furnish complete details on a separate sheet.
- 5). Has applicant ever been criticized, censored, reprimanded or had any license suspended or revoked by any professional organization, regulatory agency or court?
() No () Yes If yes, you must furnish complete details on a separate sheet.
- 6). How many appraisers work for your firm (including yourself)? _____
Please Note: E&O and general liability policies are individual and do not cover other appraisers or trainees.

The Coverage which applies to individual members is provided by a "Claims Made" master policy issued to the Foundation of Real Estate Appraisers. If applicant has added corporate name on policy, coverage applies ONLY for you as corporate principal. Your personal and corporate assets will be covered under this policy. **This policy does not cover other appraisers or trainees, whether employed by you directly or hired as subcontractors.** Additional appraisers and/or trainees must apply for coverage separately.

Coverage will apply only when:

1. You are engaged in the appraisal of real estate. There is no coverage for any other activity.
2. You are in strict compliance with the standards set by the Uniform Standards Boards of the Appraisal Foundation and the Appraisal Institute. Coverage is excluded when performing appraisals on residential tract developments of seventy-five (75) units or more. *If you do not have a current set of standards set by the Uniforms Standards Board of the Appraisal Foundation, we urge you to contact the appropriate regulator or the Appraisal Standards Board of the Appraisal Foundation at (202) 347-7722.

A "claims-made" policy protects the policyholder against claims or incidents that are reported while the policy is in force, or during an "extended reporting period". The negligent act, error or omission must have also occurred during the specific timeframe set by the policy. Once the policy lapses or is cancelled, coverage will no longer apply to any past appraisals/inspections, unless tail coverage has been obtained.

I certify that all the statements and information set forth in this Membership Application and any attachment submitted herewith are true and that no material facts have been suppressed or misstated. I understand that signing this Membership Application does not obligate FREA to grant membership or in the insurance company contracted by FREA to provide any membership insurance benefit. I do agree that the statements and information contained in and submitted with this Membership Application will be relied upon by FREA and its contracted insurance company should this application be approved. I further understand that the underwriters reserve the right to amend the terms, conditions, limitations and coverage of any policy that is issued pursuant to this application, if subsequent to the date of this application, but prior to the inception of such a policy, there are any material alterations to the information contained herein. In the event of such material alteration the Applicant agrees to give immediate written notice to Underwriters and such notice shall attach to and form part of this application.

Printed Name _____

Signature _____ Date _____

Collection by FREA of membership fee is a condition precedent to the effectuation and continuation of membership. In the event of the termination of membership for any reason, a Member will receive a pro rate return of the fee applicable to the unused portion of the Membership Term, excluding the \$195.00 non refundable membership fee.

Payment Information
Appraisers Membership Application

I. PAYMENT OPTIONS

() **Option 1: Payment in Full** – I will pay for all membership fees / coverage in full by either check or credit card.

() **Option 2: Quarterly Installment Plan** - Installment plan requires an additional fee of \$100. An initial payment of \$295.00 is due with the application. This includes the \$195 membership fee and the additional fee of \$100.00 (non-refundable). The balance is to be billed in 3 payments, due every 90 days subject to a \$25 late fee if not received within 10 days of due date. If payment is not received within 20 days of the scheduled due date, then FREA or its assign may cancel Membership and benefits.

() **Quarterly Billing** - Please mail me an invoice each quarter

() **Automatic Debit or ACH** – please debit my quarterly installment each quarter from the credit card listed or from my bank account below.

I Agree to the Above Terms _____ Date _____

II. PAYMENT METHOD

CHECK

() I have enclosed a check payable to FREA for the amount of \$_____.

CREDIT CARD

If paying by credit card, the agreement below must be signed in order for your membership and insurance to be processed. Visa, MasterCard and Discover accepted. American Express accepted ONLY if paying in full.

() I approve FREA to deduct the amount due of \$_____ from the credit card listed below.

Credit Card #: _____ Expiration: _____ CVV# _____

Cardholder Name: _____

Cardholder Billing Address: _____

City: _____ State: _____ Zip Code: _____

Signature: _____ Date: _____

ACH (Automated Clearing House)

() I authorize FREA to deduct the amount due of \$_____ from the bank account on my voided check.

Bank Account: () Checking () Savings

Please attach the following:
Voided check

Signature: _____ Date: _____

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