

Travel Agents and Tour Operators Professional Liability Insurance




Berkely Agency

Application for Zurich American Insurance Company

| This section must be completed by Insurance Agent or Broker | |
|--|-------------------|
| | |
| (Agency Name) | |
| (Contact) | |
| (Street Address) | |
| (City, State) | |
| (Telephone Number) | |
| (Agency's P&C License Number) | (Expiration Date) |

Program Administrator:

 Berkely Agency
300 Jericho Quadrangle
P.O. Box 9022
Jericho, New York 11753

(800) 803-1213

Fax: (516) 294-1821

Berkely Agency is a division of Affinity
Insurance Services, Inc. in all states except:
AIS Affinity Insurance Agency, Inc. in
CA/MN/OK; and AIS Affinity Insurance Agency
in NH and NY. (CA License # 0795465)

FRAUD WARNINGS

- AR Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in any application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
- 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 insurance 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.
- DC *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 fine. In addition, an Insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.*
- FL 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.
- KY 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.
- LA *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.*
- ME *It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurance company. Penalties may include imprisonment, fines or a denial of insurance benefits.*
- NJ Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
- NM 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 AND CRIMINAL PENALTIES.
- NY 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 SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.
- OH Any person who, with 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.
- OK 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.
- OR Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.
- 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 persons to criminal and civil penalties.
- TN 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 coverage.
- VA *It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurance company. Penalties include imprisonment, fines and denial of insurance benefits.*

BOOKLET INSTRUCTIONS:

1. Completion of this application does not obligate you in anyway to purchase this insurance.
2. ***Section 1 is to be completed by all applicants.***
If you are a retail travel agent, do not operate or package tours and do not act as a meeting planner, then only Section 1 needs to be completed.
3. *Sections 2 & 3* are to be completed if you operate or package your own tours or act as a meeting planner.

Travel Agents and Tour Operators Professional Liability Insurance Application
ZURICH AMERICAN INSURANCE COMPANY
SECTION 1

Business type: Corporation Partnership Sole Proprietor Independent Contractor/Home-Based Agent Other _____

Company/Applicant Name: _____

Street Address: _____ City: _____ State: _____ Zip: _____

(Physical location of principal office, not a P.O. Box) Phone #: _____ Fax #: _____

1. List all entities to be insured, including all Trade Names. Attach a separate sheet if necessary. _____

2. List all branch locations (including a mailing address if different from above). Attach a separate sheet if necessary. _____

3. Check all applicable categories and their percentages of total gross volume. _____% Travel Agency _____% Tour Operator
 _____% Host Agency _____% Meeting Planner _____% Other (explain) _____
4. Type of Operation: _____% Retail _____% Wholesale (any business on which a commission is paid to another firm or agency)
5. On what date did present management assume control or ownership of the company? _____
6. Gross Volume (Not Commissions):
 - A. Total Gross Sales from the applicant's travel, tour, and/or meeting planning business last year: \$ _____
 - B. Gross Sales ONLY from the sale of air, rail, and bus transportation tickets last year: \$ _____
 - C. Gross Sales ONLY from the sale of cruises last year: \$ _____
 - D. Estimate of Total Gross Sales from your travel, tour, and/or meeting planning for the current year: \$ _____
 - E. Percentage of sales derived from corporate travel: _____%
 - F. Percentage of sales booked via the applicant's website: _____%
7. Number of Employees (other than owners): F/T _____ P/T _____
 Number of Independent Salespeople: F/T _____ P/T _____ Number of Active Owners: _____
8. Number of Certified:
 - A. Travel Counselors/Master Cruise Counselors on staff: _____
 - B. Tour Professionals on staff: _____
 - C. Meeting Planners on staff: _____
9.
 - A. Check all of following organizations in which the applicant holds an appointment: ARC IATAN CLIA
 - B. List all travel/tour associations, consortia, and/or franchises in which the applicant holds membership(s): _____

10. If the applicant is an independent contractor, list the name(s) of the applicant's host agencies: _____
11. Has any similar insurance been issued to applicant at any time? Yes No If renewal, list expiring Policy No. _____
 Insurance Co: _____ Exp. Date: _____ Limits: _____ Premium: _____
12. List desired effective date of coverage: _____
13. Does the applicant's agency currently offer Travel Insurance? Yes No
14. Does the applicant, or does the applicant's company, have an interest in any other business? Yes No If yes, please explain _____

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SECTION 1 Continued...

15. Does the applicant, or does the applicant's company, owner, partner, officer, or employee have knowledge or information of any occurrence, situation, act, error, or omission which might give rise to a claim or has already resulted in a claim? Yes No If yes, provide a detailed description of each claim or circumstance (including: nature of the claim, whether it is open or closed, the amount involved and results, the date when the claim was made and the date when the act was committed). Attach a separate sheet if necessary. _____

16. A. Does the applicant operate its own tours or sell tours to other travel agents or affinity and/or non-affinity groups? Yes No
B. Is the applicant a meeting planner? Yes No

If you answered yes to 16A and/or 16B please complete Sections 2 & 3.

If you answered No to BOTH 16A & 16B, disregard Sections 2 & 3 and return Section 1 only.

NOTICE TO APPLICANT - PLEASE READ CAREFULLY

The discovery of any fraud, intentional concealment, or misrepresentation of material fact will render this policy, if issued, void at inception.

Receipt and review of this application does not bind the Company to provide this insurance.

It is agreed by the applicant and the Company that the particulars and statements made in this application shall be the representations of the applicant and the prospective Insureds. It is further agreed by the applicant and the prospective Insureds that this policy, if issued, is issued in reliance upon the truth of such representations that are incorporated into and made part of this policy. After inquiry of all prospective Insureds, the undersigned authorized officer of the applicant represents that the statements set forth in this application and its attachments and other materials submitted to the Company are true and correct. Signing of this application does not bind the applicant or the Company.

The undersigned further declares that any event taking place between the date this application was signed and the effective date of the insurance applied for which may render inaccurate, untrue, or incomplete any information in this application, will immediately be reported in writing to the Company and the Company may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance.

Name of Applicant's Principal, Partner or President (please print):

Title: _____

Signature: _____ Date: _____

Tel: (____) _____ - _____ Fax: (____) _____ - _____

Email: _____

Website: _____

Program Administrator:

Berkely Agency

300 Jericho Quadrangle ♦ P.O. Box 9022
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www.berkely.com ♦ Email: info@berkely.com

In the box below, please list all Additional Insureds (i.e. Client, Association/Consortia Headquarters, Landlords, etc.) to be considered for inclusion on the policy.

Please be sure to include full names, address, and relationship to applicant. Attach a separate sheet if necessary.

- ♦ If you operate or package your own tours or act as a meeting planner, please proceed to the next page and complete **Sections 2 & 3**.
- ♦ If you are a retail travel agent, do not operate or package tours and do not act as a meeting planner disregard Sections 2 & 3 and return **Section 1** only.

Tour Operator or Meeting Planner Supplemental Questionnaire

SECTION 2

This form MUST be completed if the applicant operates or packages tours or if the applicant is a meeting planner.

SECTION 2A - TO BE COMPLETED BY ALL TOUR OPERATORS AND MEETING PLANNERS

1. What percentage of the applicant's total gross sales is derived from: 1. Operation of tours? _____% 2. Meeting planning? _____%
2. What percentage of the applicant's tours / meetings is derived from (total must equal 100%):
Domestic Tours/Meetings (United States & Canada): _____% International Tours/Meetings: _____%
3. What percentage of the applicant's domestic tours/meetings go to the following locations, if applicable, (total must equal 100%)
Boston, Chicago, Los Angeles, New York, Philadelphia, San Francisco, Seattle, and/or Washington DC: _____%
All other U.S./Canadian locations: _____%
4. What percentage of the applicant's international tours/meetings go to the following locations, if applicable, (total must equal 100%)
A. Caribbean _____% Western Europe _____%
B. Africa _____% Central America (excluding Mexico) _____% Mexico _____% South America _____%
Southeast Asia _____% Eastern Europe _____% Middle East _____%
C. Other _____% (explain) _____

5. Attach samples of tour brochures/itineraries or a detailed description of operations, including Sample Responsibility / Disclaimer provisions.
6. Risk Management - General

Please check which of the following loss control/risk management procedures are currently used by the applicant's organization.

Please provide at least one sample for all affirmative answers (when applicable).

- | | |
|---|--|
| <input type="checkbox"/> Use of Disclaimers/Responsibility Clauses on brochures or travel documents | <input type="checkbox"/> Operations Manual - written procedures |
| <input type="checkbox"/> Collection of Certificates of Insurance from Vendors | <input type="checkbox"/> Loss Control Manual - written procedures |
| <input type="checkbox"/> Emergency Hot-Lines | <input type="checkbox"/> Continuing Education requirements and/or Certification Programs |
| <input type="checkbox"/> Sale of Travel Insurance | |
| <input type="checkbox"/> Use of Preferred Suppliers and percentage of total volume this represents _____% | |

SECTION 2B - TO BE COMPLETED BY ALL TOUR OPERATORS

1. A. Is applicant actively involved in the sale of: Student Tours? Yes No Adventure Tours? (skiing, river rafting, etc.) Yes No
B. Does applicant operate such tours? Yes No
C. If "Yes" to either 1A or 1B, what percentage of the applicant's total gross sales are derived from these tours: _____%
2. If 25% or more of the applicant's volume involves student tours, please complete the following:
A. Percentage of sales that are: Domestic Tours: _____% International Tours: _____%
B. Number of students handled annually: Domestic: _____ International Tours: _____
C. What percentage of the applicant's Student Tours are: Educational: _____% Leisure: _____%
(Note - Educational Tours also includes music/performance groups/festivals.)
D. What percentage of the applicant's Student Tours are: Camps: _____% Teen Tours: _____%
Homestays: _____% Adventure: _____%
E. What percentage of the applicant's Student Tours represent the following age groups: Elementary: _____%
Middle/High School: _____% College: _____%
F. What percentage of the applicant's Student Tours are: School Sponsored: _____% Non School Sponsored: _____%
G. What percentage of the applicant's Student Tours are: Day Trips: _____% Overnight Stays: _____%

SECTION 2C - TO BE COMPLETED BY ALL MEETING PLANNERS

1. Does the applicant offer its services to other meeting planners? Yes No
If yes, what percentage of the applicant's total gross sales can be attributed to these operations? _____%
2. What percentage of the applicant's services is represented by the activities listed below? (This list does not include all of the services provided by a meeting planner. Activities such as site selection, contract negotiations, meet and greet, registration, etc. are common to all.)
Booking of Transportation arrangements (air, ground, cruises, transfers) _____%
Consultation Service, Marketing Strategy, Theme Development _____%
Hotel Bookings _____%
Customized Tours / Excursions _____%
Wedding, Bar/Bat Mitzvahs, Sweet 16's, etc. _____%
Catering, Floral Arrangements, Video & Still Photography _____%
Print & Promotional Material _____%
Booking of Entertainment _____%
Meeting Facilitation _____%
Tradeshaw/Exhibition _____%
Special Events (i.e. Golf Outings, Grand Openings, Holiday Parties, Product Launches, etc.) _____%
Destination Management Services _____%
Other _____%

Name of Applicant: _____ City: _____ State: _____ Date: _____

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Non-Owned and/or Hired Transportation (Motorcoach, Auto, Air, and/or Vessel) Supplement

SECTION 3

**This form MUST be completed if the applicant operates or packages tours or if the applicant is a meeting planner.
Please check if any of the following characteristics apply to the applicant's operations.
If none apply, please show N/A on the lines provided.**

1. What percentage of the applicant's transportation services are provided by:
Owned Conveyances (motorcoach, auto, air, vessel)? _____% Non-Owned Conveyances? _____%

2. A. Transportation Services - Motorcoach Tours / Excursions
i. Percentage of the applicant's total gross sales for: Domestic Motorcoach Tours / Excursions: _____%
International Motorcoach Tours / Excursions: _____%

ii. Please complete the following table regarding the applicant's top 3 destinations:

| Top 3 Destinations | % of Total Sales | Total Passengers | Average Trip Cost Per Passenger | Average# of Days Per Tour |
|--------------------|------------------|------------------|---------------------------------|---------------------------|
| | | | | |
| | | | | |
| | | | | |

iii. Check the miles traveled per day for your average Tour / Excursion:
 Up to 50 miles Up to 100 miles Up to 200 miles Over 200 miles

iv. Check the average seating capacity of the vehicles used to transport your clients: Fewer than 16 16 or over

B. Transportation Services - All other auto (i.e. airport transfers, etc.)
What percent of tours involve transfers? Domestic _____% International _____%

C. Transportation Services - Aircraft or Vessel Charters
i. Does the applicant's company ever enter into any charter agreements with any: Cruise/Vessel Companies? Yes No
Aviation Companies? Yes No *If "Yes" to either of the above, please forward sample agreements.*
ii. What percentage of the applicant's Cruise/Vessel and/or Aviation Charters are: Domestic _____% International _____%
If any percentage is listed in International, please indicate all countries in which these charters are operating: _____

3. Vendor Selection - For all Motorcoach, Auto, Air, and/or Vessel Providers and/or Destination Management Companies
A. *Please attach* the applicant's standard operating procedures for the selection of vendors for the applicant's domestic and international tours.
B. Does the applicant's company or any of its owners or principals or any affiliated company have any ownership interest in any of these vendors, including any Destination Management Companies? Yes No If yes, please list: _____

4. Vendor Agreements - For all Motorcoach, Auto, Air, and/or Vessel Providers and/or Destination Management Companies
Attach a sample of the applicant's typical vendor agreement including hold harmless and/or additional insured provisions.
If none is used, please check here _____.

5. Risk Management/Loss Control
A. Disclaimer/Responsibility Clauses
♦ *Please attach* a copy of the applicant's responsibility/disclaimer language that appears in any of the applicant's materials/brochures.
♦ For internet sales (on-line bookings), please explain how this responsibility clause/disclaimer is communicated to the buyer and how can the applicant document its acceptance of its terms and conditions? _____

B. Certificates of Insurance
♦ What are the applicant's standard operating procedures for the collection of certificates of insurance (evidence of liability coverage) from its vendors? Does the applicant require minimum limits? If so, how much and under what circumstances would these limits vary? *Attach a separate sheet if necessary.* _____

C. Loss Control Programs
♦ Are written loss control guidelines in place? Yes No *If yes, please attach samples.*
♦ Does the applicant you ever attend Risk Management Seminars? Yes No If yes, please explain. _____

D. Crisis Management
♦ If the applicant operates or packages international tours, or plans international meetings *please attach a copy of the applicant's crisis management plan.*

Name of Applicant: _____ City: _____ State: _____ Date: _____