CORY WASHINGTON & CO.

SMARTER RISK. STRONGER BUSINESS.

AUCTION HOUSE SUPPLEMENTAL

Covers auction companies and auction houses, including online and simulcast auctions and livestock sale barns. Each licensed individual auctioneer also completes CWCO-SUP-AUCTIONEER. Complete with ACORD 125, 126, and 140. Attach the standard consignment agreement and the terms and conditions of sale.

1 APPLICANT / BUSINESS INFORMATION

LEGAL BUSINESS NAME

DBA / AUCTION COMPANY NAME

FEIN

YEARS IN BUSINESS

FACILITY ADDRESS

CITY / STATE / ZIP

WEBSITE / ONLINE BIDDING PLATFORM

Entity type:

☐ Sole proprietor ☐ Partnership ☐ LLC ☐ Corporation

PRIMARY CONTACT / TITLE

PHONE

EMAIL

AUCTION FIRM LICENSE NO(S). / STATES

OTHER LICENSES (DEALER, REAL ESTATE, FFL, P&S REGISTRATION)

2 OPERATIONS

AUCTION CATEGORY	% OF GROSS SALES

Categories: estate and household; antiques, fine art, and jewelry; coins and collectibles; vehicles; equipment and machinery; real estate; livestock; firearms; storage units; charity / benefit; other.

Sale formats (check all that apply):

☐ Live at own facility ☐ Live at seller's property ☐ Online timed ☐ Simulcast (live + online) ☐ Sealed bid

SALES PER YEAR

AVERAGE SALE ATTENDANCE

LARGEST SALE ATTENDANCE

ANNUAL GROSS SALES / HAMMER ($)

2-1 Does the applicant auction real estate, vehicles, or firearms? ☐ Yes ☐ No

IF YES, EXPLAIN

2-2 If yes to 2-1, does the applicant hold every license those sales require (e.g., real estate broker, vehicle dealer, FFL)? ☐ Yes ☐ No

IF YES, EXPLAIN

2-3 Does the applicant operate a livestock sale barn or sell livestock on commission? ☐ Yes ☐ No

IF YES, EXPLAIN

2-4 Does the applicant buy goods outright for resale, in addition to selling on consignment? ☐ Yes ☐ No

IF YES, EXPLAIN

3 EXPOSURE & RISK QUESTIONS — CONSIGNED GOODS IN CARE, CUSTODY & CONTROL

Consigned goods belong to the consignor until sold, and sold goods belong to the buyer until picked up. Standard property forms often limit or exclude property of others, and damage in the house's care is a common claim.

CONSIGNED GOODS ON HAND, TYPICAL ($)	CONSIGNED GOODS ON HAND, PEAK ($)	HIGHEST-VALUE SINGLE LOT ($)	SOLD GOODS AWAITING PICKUP ($)

3-1 Does every consignment have a signed agreement covering who insures the goods, valuation, reserve, commission, and settlement timing? ☐ Yes ☐ No
IF YES, EXPLAIN

3-2 Is every item photographed, described, and logged with its condition when received? ☐ Yes ☐ No
IF YES, EXPLAIN

3-3 Are jewelry, coins, firearms, and other small high-value items kept in a safe or vault, with a central-station alarm on the building? ☐ Yes ☐ No
IF YES, EXPLAIN

3-4 Does the applicant pick up, pack, ship, or deliver consigned or sold goods? ☐ Yes ☐ No
IF YES, EXPLAIN

3-5 Do the terms of sale state when risk of loss passes to the buyer and how long buyers have to collect items? ☐ Yes ☐ No
IF YES, EXPLAIN

3-6 Has a consignor or buyer claimed goods were lost, stolen, or damaged while in the applicant's care? ☐ Yes ☐ No
IF YES, EXPLAIN

4 EXPOSURE & RISK QUESTIONS — SALE PROCEEDS, TRUST ACCOUNTS & PAYMENTS

The house holds buyers' money on behalf of consignors. Livestock markets must keep a federal custodial trust account under the Packers and Stockyards Act (9 CFR 201.42), and USDA audits it.

4-1 Are sale proceeds deposited into a separate trust or escrow account, never commingled with operating funds? ☐ Yes ☐ No
IF YES, EXPLAIN

AVERAGE FUNDS HELD FOR CONSIGNORS ($)	DAYS TO SETTLE WITH CONSIGNORS	SURETY BOND AMOUNT(S) ($)

4-2 Are trust accounts reconciled monthly by someone other than the person who writes checks? ☐ Yes ☐ No
IF YES, EXPLAIN

4-3 If livestock is sold on commission, is the market registered with USDA, bonded, and keeping a custodial account for shippers' proceeds? ☐ Yes ☐ No
IF YES, EXPLAIN

4-4 Has the applicant had buyer payment defaults, bad checks, chargebacks, or online payment fraud? ☐ Yes ☐ No
IF YES, EXPLAIN

4-5 Has an audit, regulator, or consignor ever found a shortfall or late payment of proceeds? ☐ Yes ☐ No
IF YES, EXPLAIN

5 EXPOSURE & RISK QUESTIONS — DESCRIPTIONS, AUTHENTICITY & CONDUCT OF SALE

Under UCC 2-328, a sale is "with reserve" unless stated otherwise, and a buyer can void a sale won against undisclosed seller bidding. Misdescription and authenticity disputes drive auction E&O claims.

5-1 Are catalog descriptions and condition reports reviewed before publication, with "as is" and limitation terms in the conditions of sale? ☐ Yes ☐ No
IF YES, EXPLAIN

5-2 Does the house offer any authenticity guarantee or warranty? ☐ Yes ☐ No
IF YES, EXPLAIN

5-3 If yes to 5-2, is the guarantee in writing with a stated time limit? ☐ Yes ☐ No
IF YES, EXPLAIN

5-4 Are buyer's premium, reserve or absolute status, and any seller bidding right disclosed before bidding opens? ☐ Yes ☐ No
IF YES, EXPLAIN

5-5 Is there a written policy forbidding employees, consignors, or agents from bidding without disclosure? ☐ Yes ☐ No
IF YES, EXPLAIN

5-6 Is there a written procedure for online platform outages and disputed bids, and are live sales recorded? ☐ Yes ☐ No
IF YES, EXPLAIN

5-7 Has any buyer or consignor claimed an item was misdescribed, forged, stolen, or improperly withdrawn or sold? ☐ Yes ☐ No
IF YES, EXPLAIN

6 EXPOSURE & RISK QUESTIONS — SALE-DAY PREMISES & CROWDS

6-1 Are preview and sale areas laid out with clear aisles, exits, and crowd limits, with staff directing traffic and parking? ☐ Yes ☐ No
IF YES, EXPLAIN

6-2 Do staff load heavy items for buyers? ☐ Yes ☐ No
IF YES, EXPLAIN

6-3 If yes to 6-2, is heavy loading done with forklifts or other equipment run by trained operators? ☐ Yes ☐ No
IF YES, EXPLAIN

6-4 At equipment sales, are machines demonstrated or started? ☐ Yes ☐ No
IF YES, EXPLAIN

6-5 If yes to 6-4, are bidders kept at a safe distance during every demonstration? ☐ Yes ☐ No
IF YES, EXPLAIN

6-6 Is food or alcohol served at sales? ☐ Yes ☐ No
IF YES, EXPLAIN

7 PAYROLL, SALES & REVENUE

TOTAL ANNUAL PAYROLL ($)	NUMBER OF W-2 EMPLOYEES	PAID TO CONTRACT AUCTIONEERS / RINGMEN ($)

ANNUAL COMMISSION + BUYER'S PREMIUM REVENUE ($)	PRIOR YEAR REVENUE ($)	ONLINE SHARE OF GROSS SALES (%)

8 PRIOR INSURANCE & LOSS HISTORY

Attach currently valued loss runs for the last 5 years.

CURRENT GL / PROPERTY CARRIER	AUCTIONEERS E&O CARRIER / LIMITS	CONSIGNMENT / BAILEE COVERAGE LIMIT

8-1 Has any carrier declined, cancelled, or non-renewed coverage for this operation in the last 5 years? ☐ Yes ☐ No
IF YES, EXPLAIN

8-2 Have there been any consigned-goods, E&O, crime, cyber, or sale-day injury claims? ☐ Yes ☐ No
IF YES, EXPLAIN

DATE OF LOSS	DESCRIPTION	TOTAL INCURRED ($)	OPEN / CLOSED

8-3 Is the applicant aware of any incident, complaint, or circumstance not yet resulting in a claim that could reasonably give rise to one? ☐ Yes ☐ No
IF YES, EXPLAIN

9 RISK MANAGEMENT & SAFETY

9-1 Are the bidding platform, payment systems, and bidder data protected with multi-factor authentication and backups? ☐ Yes ☐ No

IF YES, EXPLAIN

9-2 Are title, liens, and ownership checked for vehicles, equipment, and high-value consignments before sale? ☐ Yes ☐ No

IF YES, EXPLAIN

10 SIGNATURE & FRAUD WARNING

The undersigned declares that the statements and answers given in this supplemental are true, complete and correct to the best of their knowledge, and that no material fact has been withheld or misstated. The applicant agrees that this supplemental, together with all ACORD applications and attachments, forms the basis of any submission to insurers and may be relied upon by them. Signing this supplemental does not bind coverage. This supplemental is an intake document prepared by Cory Washington & Co. LLC to support carrier submission; it does not itself provide coverage.

FRAUD NOTICE: 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 and subjects such person to criminal and civil penalties. (State-specific fraud warnings apply; see state amendatory notice.)

APPLICANT / AUTHORIZED SIGNATURE (TYPE FULL NAME)	TITLE	DATE

PRODUCER — CORY WASHINGTON & CO. LLC	PRODUCER SIGNATURE (TYPE FULL NAME)	DATE