

LEXINGTON INSURANCE COMPANY
(Wilmington, Delaware)
(A Stock Insurance Company herein called the "Company")
Administrative Offices: 200 State Street, Boston, MA 02109

Application for Real Estate Property Managers
EPL/E&O SelectSM

I. GENERAL INFORMATION

1. Name of Applicant: _____
2. Street Address: _____
3. State of Incorporation: _____
4. Date business established: _____
5. Business Structure
 Individual
 Joint Venture
 Partnership
 Corporation
 Organization
 (Other than Partnership or Joint Venture)
 Operations
 Real Estate Management
 Other
4. Number of locations: _____ (On an attachment, please list the following information for each location: address, nature of operation and annual revenues)
5. Is the applicant firm owned by, controlled by or associated with, or does the applicant own or control any other partnership, corporation or firm?
 Yes No If yes, please provide details _____

6. Is there any firm, individual or group of individuals which own 5% or more of the outstanding stock or share of the Applicant? _____ If yes, identify state and percentage of ownership. _____
7. State name of any subsidiary of Applicant for which coverage is desired, describe its activities, and furnish its latest annual revenues(if any).

8. Current/Prior Insurer(s):

Coverage	Carrier	Limits	Deductible	Premium
Professional Errors & Omissions				
Employment Practices Liability				

9. Loss History: Please include information for all losses in the past five years for your Professional Errors and Omissions and Employment Practices Liability coverages (for EPL please also include third party claims(Non -employee claimants):

Date Of Claim	Type: EPL, E&O	Claimant Name And Description of Claim	Indemnity Amounts Paid	Expense Amounts Paid	Amount Reserved	Claim Status (Open/Closed)

(Attach a separate piece of paper if more space is required. Please also attach loss runs if available.)

10. Requested Coverages

PROFESSIONAL ERRORS & OMISSIONS
LIMITS OF INSURANCE, AND DEDUCTIBLE

EMPLOYMENT PRACTICES LIABILITY
LIMITS OF INSURANCE AND DEDUCTIBLE

II. PROFESSIONAL ERRORS & OMISSIONS

1. Please describe the Professional Services you perform for your clients _____

2. Please identify any merger or acquisition activity in the past five years. Did you assume all liability past and present of the acquired companies?
___ Yes ___ No If yes, please provide details:

3. Are there any mergers or acquisitions anticipated within the next 12 months?
___ Yes ___ No If yes, please provide details:

4. Total Gross Revenues Last fiscal year _____ Total gross revenues projected next fiscal year _____?

5. Do any of your clients represent more than 10% of your gross revenues?
___ Yes ___ No How many?
What is the percentage for each _____%

6. Is Applicant or any subsidiary or affiliates engaged in the following Real Estate businesses:

	<u>Yes</u>	<u>No</u>	If "yes" Firm's Approximate Revenues
a. Registered Investment Advisors*	_____	_____	\$ _____
b. Construction management*	_____	_____	\$ _____
c. Real Estate Development or Construction	_____	_____	\$ _____
d. Syndication or Management of Limited or General Partnership for Investment	_____	_____	\$ _____
e. Real Estate Consulting for a fee*	_____	_____	\$ _____
f. Property/Casualty Insurance Sales	_____	_____	\$ _____
g. Home Inspection Services for a fee*	_____	_____	\$ _____
h. Mortgage Broker*	_____	_____	\$ _____
i. Mortgage Banker	_____	_____	\$ _____
j. Real Estate Agent or Broker*	_____	_____	\$ _____

7. a. Does the applicant have written contracts or agreements with each Property Management client?
___ Yes ___ No

b. If not, what percent of time are contracts not used? _____

c. Explain why contracts are not used in such instances.

Do the firms contracts contain:

d. Hold Harmless or indemnity agreements insuring to Applicants benefit?
___ Yes ___ No

e. Hold Harmless or indemnity agreements insuring to the benefit of the Applicant's clients?
___ Yes ___ No

f. Guarantees or Warranties
___ Yes ___ No

g. A specific description of the services Applicant will provide to client?
___ Yes ___ No

h. Clauses defining the responsibilities of each party?
___ Yes ___ No

i. Clauses limiting the liability of the Applicant?
___ Yes ___ No

8. Please describe the risk management practices and procedures in place with subcontractors, vendors and third party service providers? Please include commentary on hold harmless, additional insured requests and which insurance policies are required to be in place and what limit of liability is requested.

9. Breakdown of properties Managed for the past year	# of Units or Square Feet	Gross Property Mgt. Income
A. 1-4 Family Residential	_____	\$_____
B. Apartments	_____	\$_____
C. Office Buildings	_____	\$_____
D. Shopping Centers	_____	\$_____
E. Malls	_____	\$_____
F. Other Commercials	_____	\$_____
G. Other (describe)	_____	\$_____

10. Is the firm a Certified Property Manager? _____

11. Does the firm prepare a budget for each prospective tenant? _____

12. Is a credit report obtained for each prospective tenant? _____

13. Does the firm assume responsibility for maintaining insurance coverage on property managed? _____

14. Are all managed properties insured for comprehensive general liability with limits of at least \$1 million? _____
15. Are all certificates of insurance obtained on all properties as respects:
Owners _____ Tenants _____ Contractors _____ Service Providers
16. Describe procedures used for ascertaining amounts of insurance carried for fire, windstorm, earthquake, flood and other perils.

17. Is the firm responsible for security and safety precautions at managed properties?

18. As Property Manager, does the firm have procedures for reporting to the owners, complaints, alleged building code violations, legal proceedings, threats and claims against the owners? _____ Does the firm keep records of such matters? _____
19. As Property Manager, is the firm responsible on behalf of the owners, for enforcing lease agreements? _____ Paying tax bills? _____ Maintaining records and accounts of all transactions involving tenants and building Operations? _____
20. Do any of your officers, partners or directors serve on boards or hold an equity interest in any of your clients?
____ Yes ____ No If yes, please attach explanation.
21. Does applicant contract directly with governmental bodies?
____ Yes ____ No If yes, what fees are derived from governmental sources? \$ _____
22. Do you use any outside service providers for professional services?
____ Yes ____ No If yes, please describe

23. What percentage of your clients do you retain annually?
_____ %

III. EMPLOYMENT PRACTICES LIABILITY

Number of full-time employees: _____

Number of part-time employees: _____

List the five states with the greatest % number of employees (largest to smallest):

1. _____ %

2. _____ %

3. _____ %

4. _____ %

5. _____ %

6. Do you publish an employee handbook?
____ Yes ____ No

7. Do you distribute it to all employees?
____ Yes ____ No

8. Does the applicant have policies addressing the following (check below if yes):

In Employee Handbook Separate Written Policy

Sexual Harassment (Including complaint procedures)	_____	_____
Workplace Violence Discrimination	_____	_____
Code of Conduct	_____	_____
Grievance or Complaint Procedures	_____	_____
Substance Abuse/ Drug policy	_____	_____
AIDs Policy	_____	_____
ADA Policy	_____	_____
Affirmative Action Policy	_____	_____
Equal Employment Opportunity	_____	_____
Family and Medical Leave Act	_____	_____
Employee Discipline	_____	_____
Employee Termination	_____	_____

9. Does the applicant have written performance evaluations for its employees?
____ Yes ____ No

10. Does the applicant have a human resources or personnel department?
____ Yes ____ No If yes, how many employees in the department? If no, on a separate piece of paper, please provide details on how this function is handled.

11. How many terminations, with or without cause, over the last 12 months:

12. Does the applicant use written employment applications ?
____ Yes ____ No

13. Does the applicant require terminations to be reviewed by:

Its Human Resources department? ____ Yes ____ No

Its legal department? ____ Yes ____ No

Its outside counsel? Yes No
Other? Please explain: Yes No

14. Do you anticipate any layoffs within the next 12 months?
 Yes No

Have you had any layoffs in the last 12 months?
 Yes No If yes, please provide details on a separate page. Please include the date(s) of the layoffs, the number of employees laid off, job categories, the manner in which the layoffs were/will be conducted, details on outplacement assistance provided and the terms of severance.

Do you have a protocol for handling Sexual Harassment or Discrimination complaints made by Third Parties or Non-Employees?
If so please explain?

15. Does the applicant have a policy regarding accommodating the disabled now required under the Americans With Disabilities Act for properties it manages?
 Yes No (Please attach a copy)

Does the applicant have knowledge or information of any act, error, omission or circumstance which might reasonably be expected to give rise to a claim under the proposed policy against any proposed insurance?
 Yes No If Yes, please provide details:

It is agreed that with respect to the above question, that if such knowledge or information exists, any claim or action arising therefrom is excluded from the proposed coverage.
In order for us to efficiently process your application, please attach the following to your signed and dated application:

- *Advertising Materials
- *Copy of model contract

- *If the company has been in business for less than three years, please provide resumes of the senior professional staff

- *Most recent EEO-1 Report
- *Employee Disciplinary, Termination and Outplacement Procedures
- *Latest Annual Report
- *Procedure for handling Employee Complaints of Discrimination

- *Employee Handbook/Manual
- *Procedure for handling Employee Complaints of Sexual Harassment
- *Employment Application
- *Employee Performance Evaluations

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE COMPANY ACCEPTING THIS APPLICATION (HEREIN CALLED THE COMPANY) IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

THIS APPLICATION DOES NOT BIND THE APPLICANT TO BUY, OR THE COMPANY TO ISSUE THE INSURANCE, BUT IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND MADE A PART OF THE POLICY. THE UNDERSIGNED APPLICANT DECLARES THAT THE STATEMENTS SET FORTH IN THIS APPLICATION ARE TRUE. THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATION OR AGREEMENT TO BIND THE INSURANCE.

SIGNED BY AUTHORIZED OFFICER, PARTNER, OR PRINCIPAL

DATE