



Property Managers' Errors & Omissions and Commercial Crime Application



NOTICE

WITH RESPECT TO ALL COVERAGE PARTS, THE POLICY YOU ARE APPLYING FOR IS A CLAIMS-MADE POLICY, AND SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD APPLIES.

DEFENSE COSTS, AS WELL AS ANY LOSSES AS DEFINED IN EACH APPLICABLE COVERAGE PART, REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

The applicant is applying for the following coverages: Property Managers' Errors & Omissions Crime

I. GENERAL INFORMATION

1. a. The Applicant to be named in Item 1 of the Declarations (the Named Insured):

b. Street Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Website Address: _____

2. Proposed effective date of coverage being applied for: _____

3. Limit Requested: _____ Deductible requested: _____

4. Officer designated to receive correspondence and notices from the Insurer:

Name: _____ Direct Phone: _____

Title: _____ Email: _____

5. Years in Business: _____

6. Does the Principal of the firm hold a real estate broker's license? Yes No

7. Number of Employees: _____

a. Number of employees on Client Premises (Coverage A1. only): _____

8. Nature of services provided by the applicant: _____

9. Subcontracted work:

a. Does the Applicant subcontract any professional services to fulfill contracts or engagements or clients? Yes No

b. What percentage of current projected gross revenues is attributable to subcontracted work? _____

10. Does the Applicant use a written contract or agreement with all clients? Yes No

a. Does an attorney review such contracts or agreements prior to use? Yes No

b. Does the standard contract or agreement contain a limitation of liability clause in favor of the applicant? Yes No

If "no" to questions 10, 10a, or 10b, please provide details: _____

11. During the last 18 months or over the next 12 months does the applicant expect to be in any of the following:

a. Merger, consolidation, acquisition, tender offer or divestment of stock? Yes No

b. Layoffs, staff reduction or facility closing? Yes No

c. Material changes in nature of operations? Yes No

d. Senior management changes? Yes No

If "yes" to questions 11a, 11b, 11c or 11d please provide details: _____

II. FINANCIAL INFORMATION

1. As of the most recent fiscal year-end, please provide the following Applicant information:

- a. Total Assets: _____
- b. Total Equity: _____
- c. Net Income: _____

d. Gross Revenues: _____

Current Year Projected	Projected Next Fiscal Year	Last Fiscal Year

2. Does the Applicant have audited/compiled/company prepared/reviewed financials? Yes No

If financials are audited, have the Applicant's outside auditors within the last 24 months:

- a. stated that there are any weaknesses in the Applicant's system of internal controls? Yes No
- b. rendered a "going concern"* opinion? Yes No

* "Going concern" means the Applicant functions without the threat of bankruptcy for the foreseeable future.

III. EXPIRING COVERAGE INFORMATION

1. Please complete the following for those coverages you currently have or previously had insurance coverage for:

COVERAGE	LIMIT	RETENTION	RETROACTIVE DATE	PREMIUM	CARRIER	EXPIRATION DATE
E&O						
GL*						
Crime						

* NOTE: GL insurance must be in-force during the policy period. See Warranty Part 5.

- 2. Has E&O insurance been in place since the above retroactive date? Yes No
- 3. Has the carrier under any of the coverages listed above indicated an intent not to offer renewal terms? Yes No
- 4. Within the last 3 years, has the Applicant, any subsidiary or any person associated with such entities for whom this insurance is being sought been the subject of disciplinary action by a regulatory agency or association? Yes No
- 5. Within the last 3 years, has the Applicant, any subsidiary or any person associated with such entities for whom this insurance is being sought been the subject of action where a license was revoked or suspended? Yes No
- 6. Within the last 3 years, has the Applicant, any subsidiary or any person associated with such entities for whom this insurance is being sought, been the subject of or involved in any claim, written demand, notice, proceeding or litigation alleging or involving professional services? Yes No

If "yes" to any of questions 3 to 5, please provide details: _____

If "yes" to question 6, please provide three year loss runs unless firm has been in operation less time or attach details of claims, etc.:

NOTICE: Providing information about a claim or potential claim in response to any question in any Part of this Application does not create coverage for such claim or potential claim. The Applicant's failure to report to its current insurance company any claim made against it during the current policy term, or to report any act, omission or circumstance which applicant is aware of which may give rise to a claim, before the expiration of the current policy may create a lack of coverage.

IV. PROPERTY MANAGER PROFESSIONAL LIABILITY INFORMATION

1. Information about property managed by the Applicant over the last 12 months:

TYPE OF PROPERTY	INCOME PERCENT (%) OF TOTAL GROSS	NUMBER OF UNITS	AVERAGE VALUE PER UNIT
Homeowners Association			
Condominium			
Cooperatives			
Vacation Properties			
Apartments			
Individual Residential			
Commercial Industrial			
Shopping Centers			
Other:			

2. Does anyone in the firm hold any of the following designations:

- Certified Manager of Community Associations Association Management Specialist
- Professional Community Association Manager Other: _____

3. What amount of authority (in dollars) does the Applicant have for capital improvement and repairs? _____

4. Please answer 4a to 4g. **If the answer is “yes” to any of these questions, attach detailed information.**

- a. Has the Applicant, or any predecessor firm, at any time engaged in any business venture outside the scope of property management, including but not limited to construction, property development or insurance? Yes No
If yes, complete the Construction/Development Questionnaire
- b. During the past 3 years, has any principal, partner, officer, director, employee or independent contractor of the Applicant had more than 20% equity interest in the property they manage? Yes No
- c. Does the Applicant prepare a budget for the property managed? Yes No
- d. Does the Applicant have check drafting authority and/or engage money management activities on behalf of the client? Yes No
- e. Does the Applicant collect delinquent assessments? Yes No
- f. Is the applicant owned by, controlled by, or affiliated with any other entity or does it maintain greater than 50% ownership in any other entity? Yes No
- g. Is the principal the only person with the authority to amend the stated contract or agreement for a particular engagement? Yes No

5. Please answer 5a to 5d if the applicant manages apartment buildings.

If the answer is “no” to any of these questions, attach detailed information.

- a. Does the Applicant obtain a credit report for each prospective tenant? Yes No
- b. Are all payments received in the form of certified checks? Yes No
- c. Does the applicant follow formal written procedures in processing tenant evictions? Yes No
- d. Are all properties in full compliance with statutory and regulatory requirements for persons with a physical handicap? Yes No

6. Please answer 6a to 6e. **If the answer is “yes” to any of these questions, complete the Supplemental Real Estate E&O application.**

- a. Does the Applicant engage in any real estate sales or real estate consulting/counseling? Yes No
If yes, what percentage of total sales are derived from real estate sales? _____%
- b. Does the Applicant provide auctioneering, real estate appraisal, mortgage broker and/or title services? Yes No

7. Does the applicant have the following quality controls in place:

- a. Client complaint resolution procedures? Yes No
- b. Applicant **does not** guarantee or warranty their services? Yes No

V. CRIME COVERAGE INFORMATION FOR PROPERTY MANAGERS

NOTE: Coverage is on a Loss Sustained basis. Payment of any loss does not decrease the limit available.

1. Coverage Requested	Limit	Deductible
a. Employee Theft:	_____	_____
a1. Client Property:	_____	_____
b. Forgery or Alteration:	_____	_____
c. Theft/Disappearance/Destruction:	_____	_____
d. Robbery & Safe Burglary:	_____	_____
e. Counterfeit MO & Currency:	_____	_____
f. Computer Fraud/Funds Transfer Fraud:	_____	_____

2. Collection Process:

a. Is there an established procedure for rent payments? Yes No
 Local Office to Bank Bank Lock Box Other: _____

b. Are there periodic audits to determine that the Manager's collection process is being followed? Yes No

c. If Manager collects rents, security deposits, etc., what is the maximum amount collected at any time?
 Cash: _____
 Checks: _____

d. Are pre-numbered receipts issued? Yes No

3. Check Issuance:

a. Does the Applicant issue checks? Yes No

b. Does any employee have sole check signing authority? Yes No
 In excess of: \$ _____
 If "yes" provide names and positions of individuals with unlimited check signing authority.

4. Is any employee, authorized to reconcile bank accounts, also authorized to make deposits or withdrawals? Yes No

5. Does Applicant require evidence of Employee Dishonesty Coverage from its subcontractors? Yes No
 If "yes" responses to questions 3 or 4, please provide details. _____

Please attach the following for the Applicant:

- Sample copy of contract/letter of engagement or work order
- Resumes if company is in business less than 3 years

VI. WARRANTY

To be completed by all applicants

No person proposed for coverage is aware of any facts, circumstances or situations which he or she has reason to suppose might give rise to a future claim that would fall within the scope of any of the proposed coverages except as follows (if none, so state):

None of the individuals to be insured under any coverage Part ("the Insured Persons") is responsible for or has knowledge of any wrongful act or fact circumstance or situation which(s) he has reason to suppose might result in a future claim, except as follows:

Check one box below:

- A. Exceptions to the Warranty:** Yes (Please attach details.)
- B. No exceptions:** Please check here if there are no exceptions to the Warranty:

1. The Applicant understands and agrees that if any of such facts, circumstances or situations exist, whether or not disclosed, any claim or action arising from them is excluded under any policy issued by the Company.
2. It is declared that this application and any materials submitted or required (which shall be maintained on file by the Insurer and be deemed attached as if physically attached to the proposed Policy) are true and are the basis of the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
3. The undersigned declares that to the best of his/her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from all of the insured Persons to facilitate the proper and accurate completion of this application for the proposed Policy. Signing of this application does not bind the undersigned to purchase the insurance, but it is agreed that this application shall be the basis of the contract should a Policy be issued, and this application will be attached to and become part of such Policy. The undersigned agrees that if after the date of this application and prior to the effective date of any based on this application, any occurrence, event or other circumstance should render any of the information contained in this application inaccurate or incomplete, then the undersigned shall notify the Insurer of such occurrence, event or circumstance and shall provide the Insurer with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the Insurer.
4. The information requested in this application is for underwriting purposes only and does not constitute notice to the Insurer under any Policy of a claim or potential claim. All such notices must be submitted to the Insurer pursuant to the terms of the Policy, if and when issued.
5. The Applicant agrees and warrants that Comprehensive General Liability insurance, including products/completed operations and premises/operation, covering bodily injury and property damage, in the amount of \$1,000,000 applying to the applicants operations shall be kept in force during the policy period of this policy.

The undersigned acknowledges that he or she is aware that defense costs reduce and may exhaust the applicable Limits of Liability. The Insurer is not liable for any loss (which includes defense costs) in excess of the applicable Limits of Liability.

FRAUD NOTICE – WHERE APPLICABLE UNDER THE LAW OF YOUR STATE

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 or incomplete information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES (For District of Columbia residents only: 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 fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.) (For Florida residents only: 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.) (For Louisiana residents only: 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.) (For Maine residents only: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.) (For New York residents only: 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.) (For Oklahoma residents Only: 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.) (For Pennsylvania residents only: 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.) (For Puerto Rico residents only: Any person who knowingly and with the intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years, or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.) (For Tennessee residents only: Penalties include imprisonment, fines and denial of insurance benefits.) (For Vermont residents only: 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 or incomplete information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which may be a crime and may be subject to civil fines and criminal penalties.) (For Washington residents only: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.)

This application must be signed by the Principal, Partner, Chairman of the Board or by the President.

Print Name: _____ **Title:** _____
Signature: _____ **Date:** _____
Submitting Broker: _____ **Contact:** _____
Address: _____
Phone: _____ **Fax:** _____ **Email:** _____

Please submit this application, when completed, signed and dated, to:
Ian H. Graham Insurance, a division of Affinity Insurance Services, Inc.
Property Manager – Professional Liability Program
15303 Ventura Blvd. 12th Floor • Sherman Oaks, CA 91403
Phone: (800) 621-2324 • www.ihginsurance.com • Fax: (866) 229-3754

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