
ADMIRAL INSURANCE COMPANY

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Internet: <http://www.admiralins.com>**REAL ESTATE SERVICES
PROFESSIONAL LIABILITY
APPLICATION**

NOTE: COMPLETION AND SUBMISSION OF THIS APPLICATION IS FOR THE PURPOSE OF SECURING A PREMIUM QUOTATION ONLY. NO COVERAGE WILL BE EFFECTED UNTIL RECEIPT OF WRITTEN INSTRUCTION AND PREMIUM PAYMENT. ANY SUBSEQUENT CONTRACT ISSUED WILL BE IN FULL RELIANCE UPON THE STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION (AND ATTACHMENTS HERETO) AND THIS APPLICATION WILL BE MADE A PART OF THE POLICY.

IF A POLICY IS ISSUED, IT WILL BE ON A CLAIMS-MADE BASIS. THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE EXPENSES. AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE APPLICATION DEDUCTIBLE AMOUNT.

All questions must be fully completed. If there is insufficient space to complete an answer, continue on a separate sheet of the Applicant's letterhead. If a question is not applicable, state "N.A." This form must be completed, signed and dated by a Principal of the Applicant.

SECTION I — GENERAL INFORMATION

1. Full name of Applicant (include All firm names, trade names or dba's under which the applicant operates, including subsidiaries): _____

2. Address of Principal Office: _____
(street) (city/state) (zip)
3. List all states in which Applicant operates: _____

4. Does the Applicant have any other locations? If yes, list complete addresses on a separate. Yes No
5. Date Established: _____ / _____ / _____ Website Address: _____
6. Applicant is a: Sole Proprietor Corporation
 Partnership Joint Venture
 Independent Contractor Other: (specify): _____
7. Effective date desired: _____ / _____ / _____

8. Limits of Liability desired (inclusive of defense expenses): _____ Per Claim _____ Aggregate
 Deductible desired (inclusive of defense expenses): _____ Per Claim _____ Aggregate

9. Has the name of the Applicant ever changed or has there been any acquisition, consolidation, dissolution, merger or any other change in business organization during the past (5) years? ___Yes ___No. If yes, please provide full particulars on a separate sheet, including all Firm names, in chronological order. Additionally, provide claims information (as per SECTION XII) for all prior Firms.

10. During the coming twelve (12) months, does the Applicant contemplate offering any services not currently offered, or any mergers or acquisitions? ___Yes ___No. If yes, please explain on separate attachment to this application.

11. Indicate Staffing:

	<u>Employees</u>	<u>Independent Contractors</u>	<u>Number Licensed</u>
A. Principals, Partners, Officers, Directors	_____	_____	_____
B. Real Estate Sales Agents/Brokers	_____	_____	_____
C. Property Managers	_____	_____	_____
D. Real Estate Leasing Agents/Brokers	_____	_____	_____
E. Notaries	_____	_____	_____
F. Mortgage Brokers	_____	_____	_____
G. Construction Managers (Owner's Representatives)	_____	_____	_____
H. Title Agents	_____	_____	_____
I. Escrow Agents	_____	_____	_____
J. Real Estate Developers	_____	_____	_____
K. Real Estate Asset Managers/Investment Advisors	_____	_____	_____
L. Clerical	_____	_____	_____
M. Other: (specify): _____	_____	_____	_____

TOTAL STAFF:	_____	_____	_____

12. Complete the following for each partner, principal, officer and director of the Applicant (*DESIGNATION CODES: P=Partner, PR=Principal, O=Officer, D=Director*)

<u>Name</u>	<u>Designation</u>	<u>Date of Affiliation with Applicant</u>	<u>Professional Designations Received</u>	<u>Association Memberships</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

13. Specify gross income derived from the following services:

A. Residential Real Estate Sale Commissions	\$ _____
B. Non-Residential Real Estate Sales Commissions	\$ _____
C. Property Management Fees	\$ _____
D. Real Estate Leasing Commissions/Fees	\$ _____
E. Mortgage Brokerage Fees	\$ _____

F. Real Estate Appraisal	\$ _____
G. Real Estate Asset Management/Investment Advisory Commissions/Fees*	\$ _____
H. Title & Escrow Commissions/Fees	\$ _____
I. Insurance Brokerage Commissions/Fees (excluding title insurance)	\$ _____
J. Property Development Fees	\$ _____
K. Construction Management Fees	\$ _____
L. Other (specify): _____	\$ _____
TOTAL	\$ _____

(* Inclusive of information, promotion, syndication, offer or sale of general or limited partnership interest, Real Estate Investment Trusts, or any investments regulated by the SEC or NASD.)

SECTION II — REAL ESTATE ASSET MANAGEMENT/INVESTMENT ADVISORY SERVICES
If you do not provide these services please check here []

14. Does the Applicant manage or act as general partner of any limited partnership(s) ___Yes ___No
If yes, attach a schedule showing:

- A. Name(s) of limited partnership(s);
- B. Function and services performed by Applicant/subsidiary/affiliate;
- C. Number and type of properties comprising assets of each partnership;
- D. Market values of assets for tow most recent fiscal years;
- E. Number of limited partners of each partnerships,
- F. Applicant's ownership percentage of each limited partnership.

15. Does the Applicant recommend investments in mortgage loans or pools of such loans? ___Yes ___No
If yes, advise percentage which are:

- A. Short-term (1-3 years) _____
- B. Intermediate-term (3-10 years) _____
- C. Long-term (10-years or more) _____
- D. Commercial/Industrial _____
- E. Residential _____
- F. Other: _____

16. Does the Applicant recommend investments in new developments or in short-term construction & development loans? ___Yes ___No

17. How often do clients receive portfolio statements? _____
 How often are meetings held with clients _____
 Describe the procedure for timely notification to discretionary clients of transactions and changed in their portfolios:

18. Describe fee structure (e.g., flat fee, percentage of assets under management, commissions, other): _____

19. Submit the following materials:
- A. Sample investment advisory contracts;
 - B. Exhibit of information demonstrating changes in vacancy rates of client properties by region, over the past five (5) years,
 - C. Procedures used to identify and evaluate new investment and lending opportunities.

SECTION III — PROPERTY MANAGEMENT SERVICES

If you do not provide these services please check here []

20. List top five (5) properties managed, type of property (e.g., residential , office, commercial, retail, industrial, farm, vacant land) most recently appraised value, amount of Applicant’s ownership/equity interest therein:

<i>Location Address</i>	<i>Type of Property</i>	<i>Appraised Value</i>	<i>Ownership/ Equity Interest %</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

21. Is a credit report obtained on all respective tenants? ___Yes ___No

22. Is a budget prepared for each property managed? ___Yes ___No

23. Does the Applicant handle collections? ___Yes ___No

24. Does the Applicant maintain responsibility for maintaining insurance coverage on each property managed? ___Yes ___No

Are all managed properties insured to value? ___Yes ___No

Specify the minimum Commercial General Liability (“CGL”) coverage limit required on managed properties: _____

25. Briefly describe procedures for handling tenant complaints: _____

26. Attach a copy of the Applicant’s standard property management contract.

SECTION IV — REAL ESTATE APPRAISAL SERVICES

If you do not provide these services please check here []

27. Provide the following information for the most recent 12 months:

	<i>Number of Appraisals</i>	<i>Fee Income</i>	<i>Highest Value Past 12 Months</i>
Residential:	_____	_____	_____
Commercial:	_____	_____	_____
Other:	_____	_____	_____

28. Describe to appraisal clients (e.g., banks, individuals, investors, and other): _____

29. **Attach a copy of the Applicant's standard property appraisal contract.**

SECTION V — MORTGAGE SERVICES

If you do not provide these services please check here []

30. Year Applicant first began continuously offering mortgage brokerage services: _____

31. Applicant operates as (check):

- | | | | |
|-------|----------------------------|-------|-----------------------------|
| _____ | Federal Savings Bank | _____ | Independent Mortgage Broker |
| _____ | Life Insurance Company | _____ | Mortgage Company |
| _____ | Savings & Loan Association | _____ | Commercial Bank |
| _____ | Other (specify): _____ | | |
| | _____ | | |

32. Has the Applicant ever lost a lender's approval such that the Applicant could no longer submit client applications to that lender? ___Yes ___No. If yes, please provide specifics: _____

33. Describe pre-qualification procedures with respect to both residential and commercial borrowers: _____

34. Explain procedure for verifying the validity of documents received from borrowers and provided to lenders: _____

SECTION VI — TITLE & ESCROW SERVICES

If you do not provide these services please check here []

42. List states where the Applicant provides title and/or escrow services: _____

43. Does the Applicant provide U.C.C. reports? Yes No
Are such reports certified by the Applicant for accuracy? Yes No

44. List title insurance companies represented by the Applicant: _____

(Attach complete copies of Agency Agreements/Contracts between the Applicant and the companies listed above.)

45. Who performs title searches for title insurance policies issued by the Applicant? _____

46. List percentages of data compiled from the following sources (must equal 100%):
 Courthouse Records Computers/Databases (using in-house programs)
 Independent Abstractors/Searchers Non-Owned or Shared Computers/Databases
 Title Insurance Company Plant (specify): _____

47. Does the Applicant render title opinions? Yes No

48. Provide a percentage breakdown of title commissions/fees attributable to the following categories of real estate:
 Residential Commercial Agricultural
 Industrial Oil & Gas Minerals
 Other (specify): _____

49. Describe procedures for ensuring that commingling of escrow funds does not occur: _____

50. Does the Applicant maintain a fidelity bond? Yes No. If yes, please specify name of carrier, limits and effective/expiration dates: _____

SECTION VII — REAL ESTATE LEASING SERVICES

If you do not provide these services please check here []

51. Indicate total amount of financing handled by the Applicant during the past twelve (12) months. \$ _____

	<u>Residential</u>	<u>Commercial</u>	<u>Other</u>
A. Amount of principal	\$ _____	\$ _____	\$ _____
B. Number of leases	_____	_____	_____
C. Maximum value of any single lease	\$ _____	\$ _____	\$ _____

52. Does the Applicant handle assets other than real estate (e.g., heavy machinery, high-tech equipment, office equipment, and automobiles)? I yes, briefly describe:

53. Indicate percentage of: _____ Operating Leases _____ Capital Leases

54. Have any leasing structures arranged by the Applicant ever been dismissed by the IRS? ___Yes ___No. If yes, provide details: _____

55. Does the Applicant have discretionary authority to commit other's funds? ___Yes ___No? If yes, provide details:

SECTION VIII — REAL ESTATE SALES & BROKERAGE SERVICES

If you do not provide these services please check here []

56. List Board of Realtors memberships: _____

57. Does the Applicant participate in multiple listing services? ___Yes ___No

58. Is the Applicant a member or affiliate of any national franchise, referral or relocation organization? ___Yes ___No.

If yes, please list membership(s)/affiliation(s): _____

59. With respect to residential sales, does the Applicant use standard contract forms approved by a local Board of Realtors or State Association of Realtors? ___Yes ___No.

60. Does the Applicant participate in any home protection or warranty programs? ___Yes ___No. If yes, indicate percentage of properties sold during past twelve (12) months which were covered under such program(s) and briefly describe the programs(s): _____

61. Specify number of transactions by category for the past twelve (12) months:

_____ Residential (1-4 Family)	_____ Commercial	_____ Industrial/Warehouse
_____ Multi-family	_____ Office Buildings	_____ Hotel/Motel
_____ Condos/Co-ops	_____ Retail/Shopping	_____ Vacant Land/Agricultural
_____ Other (specify): _____		

62. List top three (3) transactions, by property value, for past twelve (12) months:

	<u>Description of Property/Location</u>	<u>Value</u>	<u>Commission/Fee Income</u>
A.	_____	\$ _____	\$ _____
B.	_____	\$ _____	\$ _____
C.	_____	\$ _____	\$ _____

63. During the past twelve (12) months, has the Applicant purchased or sold any properties in which the Applicant has held a direct or indirect beneficial ownership interest? ___Yes ___No. If yes, please attach complete details, including description and location of property, market value and percentage of equity interest.

SECTION IX — JOINT VENTURES

If you do not provide these services please check here []

64. Is the Applicant involved in any joint ventures? ___Yes ___No. If yes, please provide the following information in order to be evaluated for coverage.

<u>Name of Joint Venture</u>	<u>Name(s) of Other Partners</u>	<u>Applicant's Ownership Interest</u>	<u>Joint Venture Revenues</u>	<u>Nature of Professional Services Rendered</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

SECTION X — GENERAL PROCEDURES AND CLAIMS HISTORY

65. Does the Applicant have an in-house legal department? Yes No. If yes, briefly describe nature of legal services rendered by in-house counsel: _____

66. List firm name, contact person and address of outside legal counsel: _____

67. List firm name, contact person and address of outside CPA/accounting firm: _____

68. Has any claim ever been made against the firm? Yes No. If yes, please attach details stating:

- | | |
|---|--|
| 1. date when claim was made | 5. nature of the claim |
| 2. date the act giving rise to the claim was committed | 6. amount of alleged damages |
| 3. name of the claimant | 7. amount of reserves if claim is open |
| 4. final disposition (include paid indemnity amounts and expense amounts) | |

69. After inquiry, is the Applicant, any predecessors in business or any other person for whom coverage is requested aware of any act, error, omission or circumstance which may possibly result in a claim being made against them? Yes No. If yes, attach a statement giving full details.

70. Has the Applicant, any predecessors in business or any other person for whom coverage is requested ever reported a potential claim circumstance to a professional liability carrier? Yes No. If yes, attach a statement giving full details.

71. Coverage requested: Limit _____ Deductible _____

I/WE HEREBY DECLARE THAT THE ABOVE STATEMENTS AND REPRESENTATIONS ARE TRUE AND THAT I/WE HAVE NOT SUPPRESSED OR MISTATED ANY MATERIAL FACTS AND I/WE AGREE THAT THIS APPLICATION SHALL BE BASIS OF ANY SUBSEQUENT CONTRACT OF INSURANCE WITH THE COMPANY. SIGNATURE OF THE APPLICATION DOES NOT BIND THE APPLICANT OF THE COMPANY TO COMPEL THE INSURANCE AND THE COMPANY RETAINS THE RIGHT TO DETERMINE THE MINIMUM ACCEPTABLE LIMIT OF LIABILITY.

_____/_____/_____
Date

Signature of Applicant Title