

ADMIRAL INSURANCE COMPANY
1000 Howard Boulevard, Suite 300
Mount Laurel New Jersey 08054
Phone: 856-429-9200 Fax: 856-429-8611
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 JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE EXPENSES. AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE APPLICABLE 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 office locations? Yes No
If YES, list complete addresses on a separate sheet.
5. Year Established: _____ Website Address: _____
6. Applicant is a: Sole Proprietor Corporation
 Partnership Independent Contractor Joint Venture
 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 five (5) years? Yes No
If YES, 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) (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/Abstractor:	_____	_____	_____
(i.) Escrow Agents/Closings Agent:	_____	_____	_____
(j.) Real Estate Developers:	_____	_____	_____
(k.) Real Estate Asset Managers/Investment Advisors:	_____	_____	_____
(l.) Clerical:	_____	_____	_____
(m.) Other (specify): _____	_____	_____	_____
<hr/>			
TOTAL STAFF:	_____	_____	_____

B) Has any person listed above ever had a professional or business license suspended or revoked?
 Yes No **If YES, please provide details on a separate attachment.**

12. Complete the following for each partner, principal, officer and director of the
 (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:

	<u>Estimate for This Year</u>	<u>Estimate for Previous Year</u>
(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 Fees	\$ _____	\$ _____
(g.) Real Estate Asset Management/Investment Advisory Commissions	\$ _____	\$ _____
(h.) Title/Abstractors Commissions/Fees	\$ _____	\$ _____
(i.) Escrow/Closings Fees	\$ _____	\$ _____
(j.) Insurance Brokerage Commissions/Fees (excluding title insurance)	\$ _____	\$ _____
(k.) Property Development Fees:	\$ _____	\$ _____
(l.) Other (specify): _____	\$ _____	\$ _____
TOTALS:	\$ _____	\$ _____

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

14. Does your firm provide direct access to any of the following services without obtaining fees:

Mortgage Broker Yes No Name of Company _____
 Real Estate Appraiser Yes No Name of Company _____

SECTION II- REAL ESTATE SALES & BROKERAGE SERVICES

If you do not provide these services please check here. If no, continue to Section III

15. List Board of Realtors memberships:

16.

- a. What percentage of transactions involved acting dual agent, intermediary or transactional broker? _____ %
- b. Do you use a standard disclosure statement for dual agent transactions? Yes No
If Yes, please attach a copy of same.
- c. Does the Applicant participate in Multiple Listing Services? Yes No

17. Is the Applicant a member or affiliate of any national franchise, referral or relocation organization? Yes No
 If YES, list membership affiliations: _____

18. 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

19. Does the Applicant participate in any home protection or warranty program? Yes No
 If YES, indicate the percentage of properties sold during the past twelve (12) months which were covered under such program(s) and briefly describe the program(s): _____ % _____

20. Specify the 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)	_____	_____

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

	<i>Description of Property/Location</i>	<i>Value</i>	<i>Commission/Fee Income</i>
A)	_____	_____	_____
B)	_____	_____	_____
C)	_____	_____	_____

22. During the past twenty-four (24) months, has the Applicant sold any properties in which the Applicant has held a direct or indirect beneficial ownership interest? Yes No
If YES, submit complete details, including description and location of property, market value and percentage of equity interest.

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

	Residential	Commercial	Other
A) Amount of Principal	_____	_____	_____
B) Number of Leases	_____	_____	_____
C) Maximum Value of any Single Lease	_____	_____	_____

24. Does the Applicant handle assets other than real estate (e.g. heavy machinery, high-tech equipment, office equipment, automobiles)? Yes No
If YES, briefly describe: _____

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

26. Have any leasing structures arranged by the Applicant ever been dismissed by the IRS? Yes No
If YES, provide details: _____

27. Does the Applicant have discretionary authority to commit others' funds? Yes No
If YES, provide details: _____

SECTION III - TITLE, ABSTRACTOR AND ESCROW SERVICES

If you do not provide these services please check here. If no, continue to Section IV

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

Is the Applicant required by such states to be licensed as a title insurance, title abstractor/searcher or escrow closing agent?
 Yes No

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

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

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

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

33. Does the Applicant render title opinions? Yes No
(a.) Based on your own Abstracts or Title searches _____
(b.) On Abstracts or Title Searches of others? _____
(c.) Do licensed attorneys provide these title opinions? _____

**The policy will exclude professional services as an attorney.

34. Has any person listed above ever had a professional or business license suspended or revoked? Yes No
If YES, please provide details on a separate attachment.

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

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

37. Does the applicant maintain a fidelity bond? Yes No
If YES, specify name of carrier, limits and effective/expiration dates.

38. Have you handled disbursement of funds as construction progressed or period disbursement type escrows? Yes No
If YES, please provide details and include % of any gross revenue generated from these type escrows.

39. Please show the total for the last fiscal year:

Escrows Opened	_____	Escrows Cancelled	_____
Escrows Closed	_____	Escrows Active	_____
Total Amount of Escrows	_____	Average Amount	_____

SECTION IV – MORTGAGE SERVICES

If you do not provide these services please check here. If no, continue to Section V

40. Year Applicant first began continuously offering mortgage brokerage services. _____

41. Applicant operates as (check):

- | | |
|---|--|
| <input type="checkbox"/> Federal Savings Bank | <input type="checkbox"/> Independent Mortgage Broker |
| <input type="checkbox"/> Life Insurance Company | <input type="checkbox"/> Mortgage Company |
| <input type="checkbox"/> Savings & Loan Association | <input type="checkbox"/> Commercial Bank |
| <input type="checkbox"/> Other (specify) _____ | |

42. 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:

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

44. Explain procedure for verifying the validity of documents received from borrows and provided to lenders:

45. List the three (3) lenders, by loan volume, to which the Applicant most frequently submits applications:

- A) _____
- B) _____
- C) _____

46. Applicant is involved in which of the following (specify percentages):

- | | |
|--|--|
| <input type="checkbox"/> Warehousing _____ % | <input type="checkbox"/> Wholesale _____ % |
|--|--|

59. Have you ever closed a loan that went into bankruptcy or is no longer in business? Yes No

If Yes, provide the following information:

Name of Defunct Lender

of Loans

\$ Value of Loans

SECTION V – PROPERTY MANAGEMENT SERVICES

If you do not provide these services please check here If no, continue to Section VI

60. 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>
-------------------------	-------------------------	------------------------	----------------------------------

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

61. Is a credit report obtained on all respective tenants? Yes No

62. Is a budget prepared for each property managed? Yes No

63. Does the Applicant handle collections? Yes No

64. 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:

65. Briefly describe procedures for handling tenant complaints.

66. Does the Applicant understand there is **NO** coverage under the proposed policy for damages or claims expenses in connection with Property Management Services provided on properties where you have any ownership interest? Yes No

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

SECTION VI – REAL ESTATE APPRAISAL SERVICES

If you do not provide these services please check here If no, continue to Section VII

68. A. 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:	_____	_____	\$

B. Describe top appraisal clients (e.g. banks, individuals, investors, other):

69. Is more than 50% of your income derived from 1 client or mortgage company? Yes No
If Yes: _____

70. Please advise the number of properties appraised over \$500k. _____

71. Number of licensed appraisers: _____

72. Please provide % of your income from:

(a.) Appraisals of proposed developments:	_____	%
(b.) FHA Appraisals:	_____	%
(c.) Ad Valorem or tax appraisals:	_____	%
(d.) Right of Way or Eminent Domain Appraisals:	_____	%

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

SECTION VII - REAL ESTATE ASSET MANAGEMENT/INVESTMENT ADVISORY SERVICES

If you do not provide these services please check here If no, continue to Section VIII

74. 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 two most recent fiscal years;
- E) Number of limited partners of each partnership;
- F) Applicant's ownership percentage of each limited partnership.

75. Does the Applicant recommend investments in mortgage loans or pools of such loans? Yes No
IF YES, please advise percentage which are:

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

76. Does the Applicant recommend investments in new developments or in short-term construction & development loans?
 Yes No

77. 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 changes in their portfolios: _____

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

79. Submit the following materials:

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

SECTION VIII – JOINT VENTURES

If you do not provide these services please check here. If no, continue to Section IX

80. Is the Applicant involved in any joint ventures? Yes No If YES, complete the following information in order to be evaluated for coverage.

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

SECTION IX – GENERAL PROCEDURES, CLAIMS HISTORY AND INSURANCE HISTORY

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

82. List firm name, contact name and address of outside legal counsel:

83. List firm name, contact name and address of outside CPA/accounting firm:

84. Has any claim ever been made against the firm in the past 5 years? Yes No

If YES, please attach details stating:

- 1. Date when Claim was made.
- 2. Date the act giving rise to the claim was committed
- 3. Name of the claimant.
- 4. Final disposition (include paid indemnity amounts and expense amounts),
- 5. Nature of the claim.
- 6. Amount of alleged damages.
- 7. Amount of reserves if claim is open.

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.

85. 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.

86. Please provide the following information as respects the last five years of professional liability coverage beginning with the most current coverage:

Carrier	Limit	Deductible	Premium	Policy Term	Retroactive Date

I/WE HEREBY DECLARE that the above statements and representations are true and the I/we have not suppressed or misstated any material facts and I/we agree that this application shall not be basis of any subsequent contract of insurance with the Company. Signature of the application does not bind the Applicant or the Company to complete the insurance and the Company retains the right to determine the minimum acceptable Limit of Liability.

Date	Signature of Applicant	Title
------	------------------------	-------

ADMIRAL INSURANCE COMPANY

1000 Howard Boulevard, Suite 300
Mount Laurel New Jersey 08054
Phone: 856-429-9200 Fax: 856-429-8611
Internet: <http://www.admiralins.com>

**Title Insurance Agents/
Abstractors/Escrow Agents/Closings Agents
Supplement**

1. NAME OF APPLICANT: _____

2. Does any person or entity with any equity ownership interest in the title agency also own, control, manage or operate any construction business, real estate investment or development company, financial institution or title insurance carrier? Yes No If Yes, provide details on separate attachment.

3. Are any of the principals/key employees actively involved in any business or profession other than title agent, escrow agent, abstractor or is any other type of business or profession conducted? Yes No
If Yes, please provide details: _____

4. <u>Professional staff</u>	<u>No. of</u>	<u>Yrs. Experience</u>
Title Agents	_____	_____
Abstractors/Searchers	_____	_____
Escrow Agents	_____	_____
Closings	_____	_____

Has any person listed above ever had a professional or business licensed suspended or revoked?
 Yes No If Yes, please provide details on a separate attachment.

Do the abstractors and searchers listed above meet all state or local qualifications? Yes No

5. Carrier Represented:

List all the title insurance companies with whom business is or has been placed for the last 5 years.

Name of Company	Date first represented	Current year premium volume	Underwriting Authority
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

6. List your five largest clients and % of gross revenue for each:

Client Name	%
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%

7. Services breakdown and gross revenue:

<u>Services</u>	Current Fiscal Yr. _____	Estimate Next Fiscal Yr. _____
Title Agent commissions/Abstracting/Search fees	\$ _____	\$ _____
Escrow Services	\$ _____	\$ _____
Closings Services	\$ _____	\$ _____
Other (describe): _____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Gross Revenue:	\$ _____	\$ _____

8. Please advise breakdown by %, the types of Real Estate Properties you provide services for:

Residential	_____%
Commercial/Industrial	_____%
Agricultural	_____%
Oil/Gas	_____%
Precious Metals/Minerals	_____%
Other – _____	_____%

9. For the last fiscal year please show the total number of:

- (a) Abstracts or title searched performed: _____
- (b) Title opinions rendered: _____
- (c) Title insurance policies issued _____

10. List percentages of data compiled from the following sources (must equal 100%):

Courthouse Records _____	Computers/Database (using in-house programs) _____
Independent Abstracters/Searchers _____	Non-Owned or Shared Computers/Databases _____
Title Insurance Company Plant _____ (specify): _____	

11. Do you render title opinions? Yes No

- (a) based on your own Abstracts or Title searches? Yes No
- (b) on Abstracts or Title Searches of others? Yes No
- (c) do licensed attorneys provide these title opinions? Yes No

**The policy will exclude professional services as an attorney

12. Are you required to hold harmless any individual or entity for whom you provide abstract or title search services? Yes No If Yes, please attach copy.

13. Have you handled disbursement of funds as construction progressed or period disbursement type escrows? Yes No If Yes, please provide details and include % of any gross revenue generated from these type escrows.

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

15. Please show the total for the last fiscal year:

Escrows Opened _____ Escrows Cancelled _____

Escrows Closed _____ Escrows Active _____

Total Amount of Escrows _____ Average Amount _____

16. Does the applicant maintain a fidelity bond? Yes No If YES, specify name of carrier, limits and effective/expiration dates:

Carrier Limits Eff. Date Exp. Date

17. Have you ever performed any services on properties located outside of the United States? Yes No
If Yes, explain:

18. List states where you provide services: _____

I/WE HEREBY DECLARE that the above statements and representations are true and that I/we have not suppressed or misstated 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 or the Company to complete the insurance and the Company retains the right to determine the minimum acceptable Limit of Liability.

Applicant: _____ Title: _____

Date: _____