



Application for Lender Environmental Collateral Protection and Liability Insurance for Loan Portfolios

Instructions

- 1. All questions must be answered
- 2. If space is insufficient, attach additional sheets of paper
- 3. Please attach the following:
 - a. copy of any written environmental policies, procedures, or guidelines including environmental due diligence procedures
 - b. copy of specimen mortgage agreement
 - c. example of your current environmental questionnaire completed by potential borrower
 - d. annual reports or audited financial statements for the past two (2) years

Please indicate which coverage you are seeking

- Outstanding loan balance
- Lessor of, estimated cleanup costs or outstanding loan balance

I. General information

1. Named Insured

2. Mailing address

City State ZIP code

3. Street address

City State ZIP code

4. Telephone number 5. Fax number

6. Contact name and title

7. E-mail address 8. Proposed effective date of coverage

9. During the last three (3) years has any insurance been declined or canceled for the Named Insured? Yes No

If "Yes", provide details

II. Coverage options

10. Policy term: One year Three years Five years Ten years Other

years

11. Deductible: each claim

- \$10,000
- \$25,000
- \$50,000
- \$100,000
- Other

\$

Other

\$

12. Limit: each claim

- \$1,000,000
- \$2,000,000
- \$5,000,000
- \$10,000,000
- Other

\$

Other

\$

13. Limit: total of all claim

- \$5,000,000
- \$10,000,000
- \$25,000,000
- \$50,000,000
- Other

\$

Other

\$

III. Loan information

14. Are you requesting coverage for new loans?

Yes No

15. Are you requesting coverage for existing loans?

Yes No

If "Yes", please attach a schedule of locations by property type

16. Please provide the name of the proposed loan portfolio (e.g., commercial real estate, small business loan, etc.) approximate number of loans, average loan size, and average loan term in the table below.

Name of portfolio	Approximate number of loans	Average loan size (by dollar amount)	Average loan term
		\$ MM	years
		\$ MM	years
		\$ MM	years

17. Please provide break-out by property type for each loan portfolio:

a. Name of portfolio

Total outstanding dollars

\$

New loans

Existing loans

Average loan to value ratio

%

Average debt service coverage ratio

%

Maximum loan to value ratio

%

Minimum debt service coverage ratio

%

17. a. (continued)

Property type	Number of loans less than \$250K	Number of loans \$251K – \$500K	Number of loans \$501K – \$1M	Number of loans greater than \$1M
Industrial				
Warehouse/ Light industrial				
Office and/or hotel				
Retail				
Habitational				
Other				

Average annual number of loans anticipated to be insured under this insurance program

17. b. Name of portfolio

Total outstanding dollars

New loans Existing loans

Average loan to value ratio

Average debt service coverage ratio

 %

 %

Maximum loan to value ratio

Minimum debt service coverage ratio

 %

 %

Property type	Number of loans less than \$250K	Number of loans \$251K – \$500K	Number of loans \$501K – \$1M	Number of loans greater than \$1M
Industrial				
Warehouse/ Light industrial				
Office and/or hotel				
Retail				
Habitational				
Other				

Average annual number of loans anticipated to be insured under this insurance program

17. c. Name of portfolio

Total outstanding dollars

New loans Existing loans

Average loan to value ratio

Average debt service coverage ratio

 %

 %

Maximum loan to value ratio

Minimum debt service coverage ratio

 %

 %

17. c. (continued)

Property type	Number of loans less than \$250K	Number of loans \$251K – \$500K	Number of loans \$501K – \$1M	Number of loans greater than \$1M
Industrial				
Warehouse/ Light industrial				
Office and/or hotel				
Retail				
Habitational				
Other				

Average annual number of loans anticipated to be insured under this insurance program

18. Please provide the fiscal year-end rates for nonperforming loans, foreclosed assets, and accruing loans (greater than 89 days past due) for the past three (3) years in the table below

	Year _____	Year _____	Year _____
<u>Nonperforming loans</u> Total loans	%	%	%
<u>Foreclosed assets</u> Total loans	%	%	%
<u>Accruing loans (greater than 89 days past due)</u> Total loans	%	%	%

19. Does applicant purchase individual loans and/or loan portfolios from other lenders? Yes No

If “Yes”, please describe your process and include frequency of such transactions, property types, and details of the environmental due to diligence process when acquiring such loans

20. Are there circumstances where you would require your borrowers to purchase environmental insurance? Yes No

If “Yes”, please provide details

21. Do you plan any changes to your current lending practices/procedures? Yes No

If "Yes", please provide details

22. At any time of the signing of this application, do you know any facts or circumstances which may reasonably be expected to result in a claim or claims being asserted against your company for environmental cleanup costs, bodily injury, or property damage arising from the release of pollutants into the environment? Yes No

If "Yes", please provide details

23. Has your company had any environmental losses or incidents, including reserves or writedowns, over the past five (5) years? Yes No

If "Yes", please provide details

24. In the last five (5) years have you restructured any commercial real estate loans or refrained from foreclosing on any property due to the presence of an environmental condition? Yes No

If "Yes", please provide details

IV. Notice to applicant — State fraud warnings

The applicant represents that the above statements are true and correct to the best of their knowledge and that no material or relevant facts have been suppressed or misstated and agree that the policy, if issued, will be issued on the reliance of such representations.

Notice to Arkansas Applicant

"Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in any application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

Notice to Colorado Applicant

"It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the department of regulatory agencies."

Notice to Florida Applicant

"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."

Notice to Kentucky Applicant

"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."

Notice to Louisiana Applicant

"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."

Notice to Maine Applicant

"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."

Notice to Nebraska Applicant

"No misrepresentation or warranty made by the insured or on his behalf in the negotiation or application of this policy or contract of insurance shall defeat or void the policy or contract or effect the company's obligation under this policy or contract unless such misrepresentation or warranty:

1. was material;
2. was made knowingly with the intent to deceive;
3. was relied and acted upon by the company; and,
4. deceived the company to its injury.

The breach of a warranty or condition in any contract or policy of insurance shall not void the policy or allow the company to avoid liability unless such breach exists at the time of the loss and contributes to the loss."

Notice to New Jersey Applicant

"Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."

Notice to New Mexico Applicant

"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 civil and criminal penalties."

Notice to New York Applicant

"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 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."

Notice to Ohio Applicant

"Any person who with intent to defraud or knowing that he is facilitating a fraud against any insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud."

Notice to Oklahoma Applicant

"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."

Notice of Pennsylvania Applicant

"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."

Notice to Tennessee Applicant

"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 coverage."

Notice to Utah Applicant

"Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report of billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison."

Notice to Virginia Applicant

"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, fine and denial of insurance benefits."

Notice to Washington D.C. Applicant

"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 fine. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant."

Notice to All Other State Applicants

"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 false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime in certain jurisdictions."

Completion of this form does not bind coverage. The applicant's acceptance of the company's quotation is required prior to binding coverage and policy issuance. It is agreed that this application shall be the basis of the contract of insurance should a policy be issued, and it will be attached to the policy.

Applicant's signature

Applicant's name (please print)

Title

Date

Insurance representative

Name of firm

Address

City

State

ZIP code

Telephone number

Fax number

E-mail address

Surplus lines agent (SLA) (for the state where the named insured is domiciled)

Address

City

State

ZIP code

Surplus lines number

E-mail address