

# AMERICAN INTERNATIONAL COMPANIES

Company to which Application is made (herein called the Company)

## SECURED CREDITOR IMPAIRED PROPERTY PORTFOLIO APPLICATION

Named Insured: \_\_\_\_\_

Post Office Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

The following information must accompany this application:

- Complete copy of your business plan (for specialized lenders and newly formed banks).
- Complete copy of your Commercial Real Estate guidelines, including your Loan Policy Manual to include other environmental policies, regarding new and refinanced loans secured by real estate.

1. Are you requesting coverage for existing loans? ( ) No ( ) Yes If Yes, complete the Existing Loan Portfolio matrix on page 3 of this application.
2. Are you requesting coverage for new loans? ( ) No ( ) Yes If Yes, please complete the Projected New Loan matrix on page 4 of this application.
3. Policy Options requested:

Deductible: Each Loss	Limit Each Loss	Limit Total all Losses	Policy Term
<input type="checkbox"/> \$10,000	<input type="checkbox"/> \$500,000	<input type="checkbox"/> \$5,000,000	<input type="checkbox"/> 5 Years
<input type="checkbox"/> \$25,000	<input type="checkbox"/> \$1,000,000	<input type="checkbox"/> \$10,000,000	<input type="checkbox"/> 10 Years
<input type="checkbox"/> \$50,000	<input type="checkbox"/> \$2,000,000	<input type="checkbox"/> \$20,000,000	<input type="checkbox"/> 15 Years
<input type="checkbox"/> \$100,000	<input type="checkbox"/> \$5,000,000	<input type="checkbox"/> \$35,000,000	<input type="checkbox"/> 20 Years
<input type="checkbox"/> Other - Specify	<input type="checkbox"/> Other - Specify:	<input type="checkbox"/> Other - Specify:	<input type="checkbox"/> Other:
_____	_____	_____	_____ (20 Max)

4. At the 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 or the Borrower(s) for environmental cleanup, or for bodily injury or property damage arising from the release of pollutants into the environment at or from the proposed Insured Properties? ( ) No ( ) Yes  
If "Yes", attach details to application.
5. Provide the five- (5) year historical default rate and foreclosure rate for all your commercial real estate loans. Please provide information in table below:

Year:					
Default Rate					
Foreclosure Rate					

6. Define default as it is used in your commercial real estate loan documents.

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7. Please attach environmental loss history for commercial real estate loans for the past five (5) years. If none, indicate here. ( ) No losses to report.

8. Are there circumstances where you will require your borrowers to purchase environmental impairment insurance? ( ) No ( ) Yes If "Yes" provide details.

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9. Are there circumstances where you would require your borrowers to provide an environmental indemnity agreement?

( ) No ( ) Yes If "Yes" provide details including a sample indemnity agreement.

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10. What environmental information is required of your borrowers? Include copy of any related questionnaire, etc.

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11. What percentage of your commercial real estate loans are balloon mortgages? \_\_\_\_\_%

12. What will be your current maximum loan to value ratio? \_\_\_\_\_

13. Do you acquire commercial real estate loans from other lenders? ( ) No ( ) Yes  
If "Yes", please describe your due diligence process when acquiring these loans.

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14. Do you plan any changes in your current lending practices/procedures? ( ) No ( ) Yes  
If "Yes", provide details including implementation plan/procedures schedule.

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15. Within the past five (5) years, have you received any Comprehensive Environmental Response, Compensation, Liability Act (CERCLA) information requests or information under analogous state law, have you been determined to be an owner and/or operator under the EPA's Lender Liability Rule under CERCLA? ( ) No ( ) Yes If "Yes", provide details.

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16. In the last (5) five years have you restructured any commercial real estate loan or refrained from foreclosing on any property due to the presence of an environmental condition? ( ) No ( ) Yes  
If "Yes", provide details.
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17. Complete the following tables for existing and/or new loans you are requesting insurance for.

COMPOSITION OF EXISTING LOAN PORTFOLIO

LV = Loan Value

<b>PROPERTY TYPE</b>	<b>LV &lt; \$500K # of Loans</b>	<b>LV = \$500K to \$1MM # of Loans</b>	<b>LV = \$1MM to \$5MM # of Loans</b>	<b>LV = \$5MM + # of Loans</b>
Warehouse & Light Industrial				
Retail				
Office and/or Hotel				
Habitational				
Other				

COMPOSITION OF PROJECTED NEW LOAN PORTFOLIO

LV = Loan Value

<b>PROPERTY TYPE</b>	<b>LV &lt; \$500K # of Loans</b>	<b>LV = \$500K to \$1MM # of Loans</b>	<b>LV = \$1MM to \$5MM # of Loans</b>	<b>LV = \$5MM + # of Loans</b>
Warehouse & Light Industrial				
Retail				
Office and/or Hotel				
Habitational				
Other				

**NOTICE TO ARKANSAS APPLICANTS:** “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 COLORADO APPLICANTS:** “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 AUTHORITIES.”

**NOTICE TO FLORIDA APPLICANTS:** “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 IN THE THIRD DEGREE.”

**NOTICE TO KENTUCKY APPLICANTS:** “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 MAINE APPLICANTS:** “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 NEW JERSEY APPLICANTS:** “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 APPLICANTS:** “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 FINES AND CRIMINAL PENALTIES.”

**NOTICE TO NEW YORK 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 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 APPLICANTS:** “ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.”

**NOTICE TO PENNSYLVANIA APPLICANTS:** “ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION OR CLAIM CONTAINING ANY FALSE INCOMPLETE OR MISLEADING INFORMATION SHALL UPON CONVICTION BE SUBJECT TO IMPRISONMENT FOR UP TO SEVEN YEARS AND PAYMENT OF A FINE OF UP TO \$15,000.”

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**The applicant represents that the above statements and facts are true and that no material facts have been suppressed or misstated.**

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. Applicant’s acceptance of Company’s quotation and Company’s written agreement to be bound are required to bind coverage and to issue policy. It is agreed that this form shall be the basis of the contract should a policy be issued, and will be attached to the policy.

All written statements and materials furnished to the Company in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in detail.

APPLICANT \_\_\_\_\_ DATE \_\_\_\_\_  
(signature of lender)

APPLICANT \_\_\_\_\_  
(print name & title)

BROKER \_\_\_\_\_ DATE \_\_\_\_\_  
(print name of firm)

\_\_\_\_\_  
(address of brokerage firm)

\_\_\_\_\_  
(contact person & telephone #)