

APPLICATION FOR DEALERS OPEN LOT INSURANCE COVERAGE

DEALERSHIP INFORMATION:

Dealership Corporate Name: _____
DBA: _____
Mailing Address: _____
Phone No.: _____ Fax No.: _____
Dealership Insurance Contact: _____

LOCATIONS TO BE COVERED: List all locations where covered inventory is maintained or stored. A separate Security Checklist must be completed for each location. All lots or parcels which share a common boundary are considered a single location.

| | <u>Street</u> | <u>City</u> | <u>State</u> | <u>Zip</u> |
|----|---------------|-------------|--------------|------------|
| 1. | _____ | _____ | _____ | _____ |
| 2. | _____ | _____ | _____ | _____ |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |

SECURED INTERESTS: List all parties to be included as loss payees, showing the nature of each party's interest – i.e., floor planner, lien holder, lessor, consignee, etc.

| | <u>NAME/ADDRESS</u> | <u>INTEREST</u> |
|----|---------------------|-----------------|
| 1. | _____ | _____ |
| 2. | _____ | _____ |
| 3. | _____ | _____ |
| 4. | _____ | _____ |
| 5. | _____ | _____ |

If requested, the above interests will be provided with loss payee notification, in which case the Applicant agrees that any claim payments made to them is the same as payment to itself. The Applicant further agrees to authorize these interests to release to insurers any financial data that may be requested in connection with the insurance for which application is made hereunder.

COVERAGE REQUIREMENTS:

Coverage Effective Date: _____ 12:01 a.m. (Coverage is not in force unless written confirmation is provided by Stewart Smith Specialty Risks, Inc.)

Deductible Requested: \$ _____ Per Vehicle, not to exceed
\$ _____ Per Occurrence

COVERAGE REQUIREMENTS:CHECK [] COVERAGE DESIRED

| <u>VEHICLE TYPE</u> | <u>SECURED INTEREST</u> (Nos. from above schedule) | <u>COMPREHENSIVE</u> & <u>COLLISION</u> | <u>COLLISION</u> <u>ONLY</u> | <u>TRUCK</u> & <u>DEVICE</u> | <u>AVERAGE VALUES AT RISK</u> |
|---------------------|---|--|---------------------------------|---------------------------------|-------------------------------|
| New: | _____ | [] | [] | [] | \$ _____ |
| New: | _____ | [] | [] | [] | \$ _____ |
| New: | _____ | [] | [] | [] | \$ _____ |
| Used: | _____ | [] | [] | [] | \$ _____ |
| Used: | _____ | [] | [] | [] | \$ _____ |
| Demos: | _____ | [] | [] | [] | \$ _____ |
| Demos: | _____ | [] | [] | [] | \$ _____ |
| Other Road: | _____ | [] | [] | [] | \$ _____ |
| **Non-Owned: | _____ | [] | [] | [] | \$ _____ |

**** Include only vehicles which Applicant is contractually required to insure.**

GENERAL:**MANUFACTURER****% OF INVENTORY**

Franchise(s) Held: _____

Current Ownership dates from: _____

Name of current insurance company: _____

Name of current insurance agency/broker: _____

Has any company cancelled or declined to renew any insurance policy during the last ten years? _____

(If so, please give complete details:) _____

No. of body shop personnel: _____ Hourly labor rate charged for insurance repairs: _____

LOSS EXPERIENCE:**Weather related losses during the last ten years (i.e., windstorm, hail or flood)**

| <u>Date</u> | <u>Type</u> | <u>No. Units</u> | <u>Amount of Loss</u> |
|-------------|-------------|------------------|-----------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

All losses during the last three years: (ATTACH INSURANCE COMPANY LOSS RUNS)

SECURITY CHECKLIST: A separate checklist must be completed for each covered location.

Location No: _____ (from Schedule on page 1)

Nature of business conducted at this location: _____

Distance to nearest inland river/waterway: _____ distance to coastline: _____

Maximum values at risk at this location: \$ _____ any one vehicle;
 \$ _____ all vehicles - indoor storage
 \$ _____ all vehicles - outdoor storage

Note: If vehicle values stored indoors exceed \$1,000,000, please attach separate building schedule showing construction type, fire protection class and whether or not sprinklered.

[] Check where applicable:

- [] Guard dog(s)
- [] Camera surveillance covering all lots (manufacturer) _____
- [] Vehicle anti-theft systems (i.e., "lojack", window etchings, sirens, etc. – describe) _____
- [] Security Guard (describe type and hours) _____
- [] Exterior lights remain on all night
- [] Exterior lights eliminate dark shadows
- [] Location not situated in a 100 year flood plain (as designated by the U.S. Army Corps of Engineers or Federal Emergency Management Agency)
- [] Damage will not result from rain or melting snow and ice
- [] Flood emergency plans are in place
- [] Perimeter fencing/barricades equipped with central station alarm protecting all vehicles
- [] All storage areas at this location are secured in such a way that vehicles cannot be removed from premises during non-business hours without causing property destruction to perimeter fences, posts, chains, barricades and/or gates (if this item is not checked, please explain why exit of vehicles cannot be prevented; i.e., lack of fencing, gates, zoning restrictions, etc.).
- _____
- [] Public cannot access keys to inventoried vehicles
- [] Only designated individuals are authorized to dispense keys (please give names/positions of person(s) who have been assigned responsibility for key(s) _____
- _____
- [] Logs maintained to track key use
- [] Keys are not left in unattended vehicles
- [] Unattended vehicles are locked during non-business hours
- [] Automated key machines are used to dispense all keys. (manufacturer) _____
- [] Keys are secured after hours. Where? _____
- [] Keys are cut from codes, but only after identifying the requestor
- [] Removable key codes are stored with warranty documents
- [] Lockboxes (affixed to vehicles) are used for key storage (if lockboxes are used, please provide details – i.e., Manufacturer(s), on what vehicles, during what hours, etc.) _____
- _____
- _____

MANAGEMENT PROCEDURAL REQUIREMENTS: [] Check where applicable

- [] Sales staff accompanies prospects on test drives
- [] Salespersons are instructed not to exit any test vehicle without the key
- [] Customer driver's licenses are checked for validity and copied prior to release of keys and/or vehicles (**a policy requirement**)
- [] Written insurance verification is secured from customers before vehicles are spot delivered (**also a policy requirement**)
- [] Vehicles are sold through brokers
- [] Specialty vehicles are held in inventory. Please describe any antique or collector cars, or any valued in excess of \$75,000, and explain what additional precautions, if any, are taken to safeguard same _____
- [] Parts or accessories are not cannibalized from inventory units
- [] Factory deliveries are made only during business hours
- [] Vehicles are inspected carefully at delivery and discrepancies noted on the receipt
- [] Off site storage and sales are not normal. Exceptions are: _____
- [] A formalized loss prevention/safety program has been instituted. If checked, please attach copies of procedure manuals circulated to employees.

INVENTORY CONTROL:

| | Frequency of Audit | Performed by Whom | Date of Last Audit |
|--------------------|--------------------|-------------------|--------------------|
| New Car Inventory | _____ | _____ | _____ |
| Used Car Inventory | _____ | _____ | _____ |

- [] All units were located during last audit

DEMONSTRATORS:

| Demonstrators are provided to: | <u>No. of Vehicles</u> | |
|--------------------------------|------------------------|-------------|
| | <u>New</u> | <u>Used</u> |
| Owners and Managers | _____ | _____ |
| Employees | _____ | _____ |
| Family Members | _____ | _____ |
| Other Non-Employees | _____ | _____ |

- [] MVR's are checked on all persons with demo privileges.
- Checked by whom: [] dealership [] liability carrier [] insurance agent
- How often: _____

- [] Users are responsible for demo damage (check all that apply):
 - [] first \$ _____ of loss
 - [] collision damage only
 - [] only if user is at fault
 - [] all vehicle loss/damage

ATTEST:

All statements made herein and on the Dealer Operations Checklist are warranted to be true to the best Of my knowledge and belief; I understand that material misrepresentation may void this coverage.

Date _____ Signed _____ Title _____
(Must be officer of dealership)

Producer (if Applicable) _____
