GMI Insurance
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AUTO LEASE CONTINGENT APPLICATION

CONTINGENT COVERAGES AVAILABLE FOR AUTO LESSORS

LESSORS CONTINGENT LIABILITY

$100,000 per person, $300,000 per occurrence, Bodily Injury; and $50,000 per occurrence, Property Damage ($100/300/50).

As the Lessor and owner of a leased auto under written agreement of one year or more, the Lessor could be joined as an additional defendant in legal action if their lessee is involved in an accident and has failed to maintain liability insurance as required by the terms and conditions of his lease. Lessors Contingent Liability insurance protects their interest as Lessor if, for reasons beyond their control or knowledge, the insurance provided by the lessee is not the insurance required by the lease agreement or is not present.

LESSOR ONLY EXCESS LIABILITY

The difference to $1,000,000 CSL (or higher) per occurrence.

Minimum required underlying coverage is $100,000 per person, $300,000 per occurrence, Bodily Injury; and $50,000 per occurrence, Property Damage.

As the registered owner of a leased auto, this Owner Only Excess Liability policy protects the Lessor, not only under the circumstance of a contingent liability claim, but also extends coverage in the circumstance that the lessee's insurance is present, but is not sufficient to handle a catastrophic incident.

LESSORS CONTINGENT PHYSICAL DAMAGE

$1,000 deductible comprehensive / $1,000 deductible collision with a maximum limit of $50,000 per vehicle.

As the owner of a leased auto, the Lessor could face a financial loss if his leased car has a physical damage loss and the lessee has failed to maintain the physical damage insurance required by the terms and conditions of his lease. Lessors Contingent Physical Damage insurance protects the Lessor's interest in the auto if, for reasons beyond his control or knowledge, the lessee's insurance is no present.

INTERIM CAR COVERAGE

$100,000 per person, $300,000 per occurrence, Bodily Injury; and $50,000 per occurrence, Property Damage ($100/300/50) to include $1,000 ded comprehensive and collision coverages. There is a maximum physical damage limit of $50,000 per vehicle.

If purchased, the excess policy will provide excess liability over the Interim Liability at no additional charge.

"Interim Autos" means an auto that at the time of accident or loss the Lessor owns and intends to lease to others and is not assigned to a lessee under a written lease agreement, or an auto returned to the Lessor after the expiration or early termination of such an agreement while held for sale or reassignment under a new written lease agreement. Interim Auto does not mean an auto the Lessor owns that is assigned to a specific person, organization, company, employee, or family member for their day to day use.

AUTO LEASE CONTINGENT APPLICATION

UNDERWRITING INFORMATION

Proposed Effective Date of Coverage: _____

Please list all legal entities to which leased vehicles are titled.

1. Corporate Name(s):_____

   DBA:_____

2. Mailing Address: _____

   _____

   Telephone: _____ Fax: _____

   E-mail: _____ Website: _____

   FEIN: _____ Years in operation: _____

   Contact: _____ Contact title: _____

3. Type of Business (check all that applies):

   Individual _____ Partnership _____ LLC _____ Corporation _____ Other _____

4. Are there any business operations other than leasing at these locations? ☐ Yes (please list) ☐ No

   a. _____

   b. _____

5. Name(s) of principal(s):

   Name Years experience Position

   a. _____

   b. _____

   Has any principal ever been affiliated with any other auto/truck leasing company? ☐ Yes ☐ No

   If yes, explain in detail _____

6. Prior policy and loss experience (please attach loss run):

   Policy Period Carrier Avg # of units Total Losses

   a. _____

   b. _____

   c. _____

7. Has your commercial leasing insurance ever been canceled or non-renewed for any reason? ☐ Yes ☐ No

   (not applicable in Missouri)

   If yes please explain circumstances behind cancellation or non-renewal:_____

FLEET PROFILE

8. Please indicate the total number of "autos" you own under written lease agreement of one year or more where your lessee is required to provide primary insurance. Leased "Autos" you own include any vehicle titled and tagged for travel on public highways.

   Passenger Autos _____ Trucks over 12,500 GVW _____ Trailers _____

   5-7 Pass Vans _____ 8-15 Pass Vans _____ 16+ Pass Vans/Buses_____

   Motor homes/RVs _____ Motorcycles/ATVs _____ Other (specify)_____

9. Average age of vehicles leased (%): 0-5 years_____ 6-10 years_____ 11+ years_____

10. Leased vehicle values (%): under $25,000_____ $25,001-$50,000 _____

    $50,001-$75,000_____ $75,001-100,000 _____ over $100,000 _____

11. Please indicate the actual number of the following type leases in your portfolio:

    Race cars _____ Driver training school vehicles _____

    Professional or volunteer ambulances, emergency vehicles, police vehicles_____

12. Please indicate the number of vehicles garaged in each category:

ST	Autos/ Vans	Trucks > 12,500 lbs.	Trailers	ST	Autos/ Vans	Trucks > 12,500 lbs.	Trailers	ST	Autos/ Vans	Trucks > 12,500 lbs.	Trailers
AL				KY				ND			
AK				LA				OH			
AR				ME				OK			
AZ				MD				OR			
CA				MA				PA			
CO				MI				RI			
CT				MN				SC			
DE				MS				SD			
DC				MO				TN			
FL				MT				TX			
GA				NE				UT			
HI				NV				VT			
ID				NH				VA			
IL				NJ				WA			
IN				NM				WV			
IA				NY				WI			
KS				NC				WY			

13. Are there any states you currently do not do business that you plan to enter? ☐ Yes:_____ ☐ No

14. Do you have any leased vehicles garaged outside of the U.S.? ☐ Yes ☐ No

    If yes, where and how many:_____

LEASE QUALIFICATIONS/PROCEDURES

15. What is the term of lease? Minimum _____ months Maximum _____ months.
16. Do you understand that vehicles leased for less than one year are not covered by Lessors Contingent Liability?
    ☐ Yes ☐ No
17. Do you require lessee's insurer to give notice of cancellation or non-renewal?
    ☐ Yes How many days notice?_____ ☐ No
18. Do you understand that your lease agreement must require the lessee to provide a policy with limits of liability of not less than $100,000 per person and $300,000 per occurrence Bodily Injury and $50,000 per occurrence Property Damage and include your interest as an insured? ☐ Yes ☐ No
19. Is it your policy to promptly repossess a vehicle if the lessee fails to provide you with the insurance required by the lease agreement? ☐ Yes ☐ No
    Please explain._____
20. Do you understand that it is your responsibility (and a condition precedent to coverage) to maintain in your file a certificate of insurance from the lessee's insurer? ☐ Yes ☐ No
21. Do you deliver vehicles for lease prior to receipt of the certificate of insurance? ☐ Yes ☐ No
    If yes, please explain the follow-up procedure.
    _____
22. Do you understand you must track lessee coverage during the term of the lease and begin repossession proceedings if the lessee's insurance is cancelled, non-renewed, expired, or does not meet the insurance required by the lease agreement? ☐ Yes ☐ No If not, please explain _____
    _____
23. What percentage of your leasing book is currently in insurance default? _____%
24. Do you use the services of an independent insurance tracker? ☐ Yes ☐ No
    If yes, which company?_____
    If you do not use an independent insurance tracker, please attach a copy of your in-house tracking procedures.
25. Are leases generated in dealerships? ☐ Yes ☐ No
    If yes, is it your procedure to re-confirm the lessee's insurance prior to funding? ☐ Yes ☐ No
26. What percent of your leases are: personal leases: _____% corporate leases: _____%
27. How many different lease customers do you have? _____
28. How many leases do you anticipate over the next 12 months: new leases _____ lease terminations _____
29. What % of your lessees are rated:
    _____ % A credit _____ % B credit _____ % C credit _____ % D credit
30. Are vehicles leased to principal operators under 21 years of age? ☐ Yes ☐ No
31. Do you accept any self-insured lessee or governmental/postal lessee insured thru the Federal Tort Act? ☐ Yes ☐ No
32. Do you accept any other lessees that self-insure their liability and/or physical damage? ☐ Yes ☐ No
33. Do you offer a Primary Lease Program that includes insurance for the lessee? ☐ Yes ☐ No
    If yes, what carrier insures that primary program? _____

34. Do you permit any sub-leasing or lease assumptions? ☐ Yes ☐ No
35. Do you offer any vehicles for short-term rental (less than 12 months)? ☐ Yes ☐ No
36. Do you perform any maintenance or repairs on the vehicles to be insured? ☐ Yes ☐ No
    If yes, please describe:_____
37. Do you provide safety training or perform any safety inspections on leased vehicles? ☐ Yes ☐ No
38. Do you perform any modifications or installations on leased vehicles? ☐ Yes ☐ No

LIVERY (complete only if your portfolio includes livery units)

39. Total number of "livery" units in portfolio (a vehicle used to transport people whether for hire or not, i.e. limousines, van pool, airport shuttle, etc.).

    _____

40. Please provide number and type of livery units by state of garaging (i.e. # in NJ, # in PA, # in CA).

    _____

41. Do any of the livery units represent school vans or school buses used to transport children? ☐ Yes ☐ No
    If yes, please provide details (how many, what size, etc.).

    _____

42. Please provide information regarding the radius of travel on the livery units.

    _____

43. What limit of liability do you require the lessee to provide on the livery units?

    _____

44. How many lessees represent the total number of livery leases?

    _____

45. Please provide detailed description of use on the livery units.

    _____

TRUCKS (complete only if your portfolio includes trucks in excess of 12,500 lbs. GVW)

46. Describe the specific criteria used to qualify new lessees. Include detail on your requirements regarding financial strength, type of business and driver standards.

    _____

47. What circumstances would cause you to be unwilling to lease a truck to a customer?

    _____

48. Please comment on why you believe a prospective lessee would choose your company as their truck leasing source.

    _____

49. Please provide the actual number (#) of units in each weight category and radius groups:

A. WEIGHT		B. RADIUS	
_____	# of medium (12,500 - 20,000 lbs. GVW)	_____	# of Local (50 mi or less)
_____	# of heavy (20,001 - 45,000 lbs. GVW)	_____	# of Intermediate (51-300 mi)
_____	# of extra heavy (over 45,000 lbs. GVW)	_____	# of Long haul (over 300 mi)

50. Are any trucks leased to customers that will used to haul gasoline, diesel, hazardous materials, or other flammable materials?

☐ Yes ☐ No

If yes, please provide details (# of customers, # of autos, liability limits required, materials hauled).

_____

51. What types of cargo are hauled by your five (5) largest lease clients?

_____

52. What are the minimum limits of liability required from all truck lessees?

_____

COVERAGE REQUESTED

- ☐ Contingent Liability
- ☐ Contingent Excess Liability: Limit:_____
- ☐ Contingent Physical Damage: Limit per vehicle:_____
- ☐ Interim Car Coverage

INTERIM – complete only if interim car coverage is requested

53. Do any of the entities listed on this application have a Garage Liability policy in force? ☐ Yes ☐ No

If yes, who is the carrier and expiration date: _____

54. How many lease repossessions do you anticipate over the next 12 months? _____

55. How is vehicle disposal handled at lease termination? _____

_____

56. Do you store vehicles on your premises? ☐ Yes ☐ No

If yes, list all locations where vehicles are stored:_____

57. Are the vehicles driven by employees? ☐ Yes ☐ No

If yes, for what reasons? _____

58. Do you have any employees under 21 years of age? ☐ Yes ☐ No

59. Does anyone drive off-lease vehicles for personal use? ☐ Yes ☐ No

60. Do you retail used cars or off-lease cars from your premises? ☐ Yes ☐ No

61. What is the average # of days a vehicle would be held prior to disposal? _____ Maximum # of days?_____

62. How many dealer plates do you own? _____

63. Are any off-lease vehicles used as business vehicles until disposal? ☐ Yes ☐ No

ATTACHMENTS

Please include the following with this application:

A. Copy of all current lease agreements (front & back) and all addendums

B. Three (3) Years, Hard Copy loss runs valued within the past two (2) months

HAVE YOU OR A COMPANY YOU HAVE OWNED EVER FILED FOR BANKRUPTCY?

Yes _____ No _____ If yes, please explain circumstances:

This application may not be used to bind coverage and no coverage commences: Completion of this application by a prospective insurance buyer is for the purpose of transmitting information only. Any agreement or contract binding insurance coverage must be done on a separate document. Coverage will commence only upon the effective date of a separate contract binding insurance coverage issued by an agent authorized by the company.

Applicant's Statement: I hereby declare that the statements made in this application and the contents of the other documents supplied are true and correct and agree that any policy of insurance that may be issued now or in the future will be based on the warranties and representations contained therein.

Applicant Signature: _____ Date: _____

Applicant Name (please print):_____

Applicant Title: _____

Producer Signature: _____ Date: _____