



**AUTO FINANCE SUPPLEMENT
BOND & PROFESSIONAL LIABILITY
THIS APPLICATION IS FOR A CLAIMS MADE INSURANCE POLICY**

1. Name of Applicant: _____

2. Type of firm applying for Insurance:

Auto Sales:

Auto Dealership _____

Used Auto Sales _____

Other Auto Sales (describe) _____

Lenders:

Finance Company _____

Bank _____

Credit Union _____

Online Lender _____

Other (describe) _____

3. Number of locations _____

4. Please describe in detail the auto finance process for the applicant apply for an auto loan:

5. Auto Finance Activities for the twelve (12) months ending 20__

Number of Loans Dollar Volume

a. Servicing: _____

b. Loan Origination: _____

6. Does the applicant make any:

a. Simple Loans _____Y _____N

b. Front Loaded Loans _____Y _____N

c. Pre-computed Loans _____Y _____N

d. Pre-payment fee Loans _____Y _____N

7. What percentage of auto loans is non-prime? _____

8. If servicing auto loans, does your firm repossess in the event of default? _____Y _____N

9. If yes above, how does your firm verify that the repossession process is being performed properly? _____

10. How does the applicant assure a vehicle is not wrongfully repossessed? _____

11. Does the applicant confirm, when carrying out repossession, that they verify VIN, license plate and car make prior to repossession? (if repossession service is performed by an outside vendor, please confirm this question for the outside vendor) _____

- 12. If not, please describe what precautions are taken to repossess the correct vehicle. _____
- 13. a. Does the Applicant operate in states which require an auto lender to be licensed? ____ Y ____ N
- b. If "Yes," please confirm all licenses are in force. ____ Y ____ N
- c. Has the Applicant had any investigations into licensing or are there any ongoing license investigations from any state agency or other authority? ____ Y ____ N
- If "Yes," please provide full details of investigation including the outcome and/or status: _____
- _____
- _____

FOR AUTO DEALERS, COMPLETE THE FOLLOWING QUESTIONS 14 THROUGH 23

- 14. Do you fund your own loans? ____ Y ____ N
- 15. Do you have Floor Plan Financing? ____ Y ____ N
- 16. Do you offer more than one option for lending ____ Y ____ N - if yes, how do you determine which financing package to offer to the customer? _____
- 17. Are loan requirements and mark-ups of interest rates applied consistently with no discriminatory practices? ____ Y ____ N
- 18. How does the applicant confirm compliance with Truth In Lending or similar state or local laws? _____
- _____
- 19. Is applicant taking appropriate means to comply with CFPB (Consumer Federal Protection Bureau), ECOA (Equal Credit Opportunity Act), Regulation B, etc.? _____
- 20. Explain the financial disclosure process when selling extended warranties, product improvements (such as rust proofing), maintenance plans, etc. _____
- 21. Also, is it clearly disclosed to the borrowers and borrowing applicants that the optional items in number 20. above are optional? _____
- 22. Do you offer GAP insurance? _____
- 23. When performing the loan application process, how is ID theft avoided, do you require picture ID? _____
- _____

FOR LENDERS OTHER THAN AUTO DEALERS, COMPLETE THE FOLLOWING QUESTIONS 24 THROUGH 28

- 24. What is the average FICO score? _____
- 25. Are loan requirements and mark-ups of interest rates applied consistently with no discriminatory practices? ____ Y ____ N
- 26. How does the applicant confirm compliance with Truth In Lending or similar state or local laws? _____
- _____
- 27. Is applicant taking appropriate means to comply with CFPB (Consumer Federal Protection Bureau), ECOA (Equal Credit Opportunity Act), Regulation B, etc.? _____
- 28. Does the applicant have any type of fraud monitoring or prevention system in place? ____ Y ____ N

The undersigned authorized person, on behalf of the Applicant, attest that all Professional Liability claims have been reported if the Applicant is aware of them. The Applicant further understands that any claim submitted after the completion of this application shall render any terms provided void and Underwriters shall have the right to re-underwrite the Applicant. In addition, no information provided by this application or along with this application shall be deemed to report a claim. Such notice should be made as instructed by the policy.

The undersigned authorized person, on behalf of the Applicant, attests that, to the best of his /her knowledge and belief, the statements set forth herein are true. Although the signing of this Application Form does not bind the undersigned to effect insurance, the undersigned agrees that this application and the said statements shall be the basis of the policy of insurance and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy.

The undersigned authorized person on behalf of the Applicant declares that the above statements are true, that neither the undersigned person nor the applicant has suppressed or misstated facts and that at the present time the applicant has no reason to anticipate any claims being brought against the applicant or any representative of the applicant or knowledge of any Professional Liability incident or claim, except as stated below, and agrees that this Application Form shall be the basis of the contract between the applicant and the Insurer and shall be deemed a part hereof.

The Applicant confirms by signing this application that the Applicant is not aware of any known or actual Professional Liability Losses. If such loss(es) exist, please provide details here:

The Applicant understands that this supplemental application is for Professional Liability Coverage. If other Professional Liability Coverage is in place, this policy, if issued, will be excess of any other valid professional liability insurance or indemnification.

DATE _____

APPLICANT COMPANY NAME: _____

NAME _____ TITLE _____
Signature Principle or Owner Only

Print Name