

# REPOSSESSOR'S PROGRAM

## APPLICATION FOR INSURANCE



**SierraSpecialty**

### Applicant's Instructions:

1. Answer all questions. If the answer to any question is NONE, please state NONE.  
Do not use N/A or Not Applicable.
2. Please read carefully the statement at the end of this application.
3. Please attach the following information:
  - A. Operating Procedures, Sample Customer Contract and Sample Letter of Assignment
  - B. Current MVRs for all employees who drive tow trucks or customer vehicles
  - C. Copy of Repossessors license if applicable

### 1. General Information

Proposed Effective Date: \_\_\_\_\_

- A. Name of Applicant: \_\_\_\_\_
- B. Form of Business:  Corporation  Partnership  Individual  Joint Venture  Other \_\_\_\_\_
- C. Website: \_\_\_\_\_ Years in Business: \_\_\_\_\_
- D. Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_ Telephone No. \_\_\_\_\_  
Email Address: \_\_\_\_\_ Fax No.: \_\_\_\_\_
- E. Mailing address: \_\_\_\_\_  
\_\_\_\_\_
- G. Locations:

Place an (X) in the appropriate box

#	Address	Office	Storage Lot	Storage Building

- H. List state, regional, or national trade associations of which the Applicant is a member:  
\_\_\_\_\_  
\_\_\_\_\_

- I. Prior Carrier Information:
1. Carrier: \_\_\_\_\_ Premium: \_\_\_\_\_
  2. Effective date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_
  3. Limits of Insurance: \_\_\_\_\_

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J. Are repossession agencies required to be licensed or registered in your State?  Yes  No

K. Are you in compliance with State requirements?  Yes  No

L. Explain all "Yes" responses?

1. Is the Applicant a subsidiary of another entity or does the Applicant have any subsidiaries?  Yes  No

2. Any policy or coverage declined, cancelled, or non-renewed during the prior three (3) years?  Yes  No

3. Has the Applicant ever been the subject of disciplinary action by a governmental bureau or agency?  Yes  No

Explanation(s):

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**2. Physical Characteristics:**

A. Premises Security:

1. Is storage lot chained?  Yes  No

2. Is open lot fenced?  Yes  No

3. Does fencing include barbed or razor wire at top?  Yes  No

4. Is lot completely lighted at night?  Yes  No

5. Are attendants or night watchman employed?  Yes  No

6. Are dogs on the premises?  Yes  No

7. Is an alarm system used?  Yes  No

If yes, explain (manufacturer, type, extent of protection, installment and servicing company, certificate number):

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B. Any exposure to flammables, explosives, or chemicals?  Yes  No

If yes, explain: \_\_\_\_\_

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C. Owned Vehicle Description:

#	Year	Make, Model, Body Type	Veh. I.D. #	GVW/GCW	Cost New	Garage Location

D. Do any owned vehicles have the following equipment?

**Unit #**

- |  |  |       |
|--|--|-------|
| 1. Transformer?                          | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |
| 2. The Dynamic?                          | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |
| 3. The Eagle Claw?                       | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |
| 4. Wheel Lift?                           | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |
| 5. Illusion package?                     | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |
| 6. Roll back style unit (a/k/a flatbed)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |
| 7. Fire Extinguishers?                   | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |
| 8. Babaco Alarms?                        | <input type="checkbox"/> Yes <input type="checkbox"/> No | _____ |

F. How many dealer plates does the agency have? \_\_\_\_\_ Repossessor Plates? \_\_\_\_\_

G. Is there a written vehicle maintenance program?  Yes  No

H. Are files maintained which document vehicle inspections, maintenance, and repairs?  Yes  No

### 3. Operations

A. In which states does the Applicant operate? \_\_\_\_\_

Provide the total recovery income percentage (%) derived in each state (the sum of must equal 100%):

\_\_\_\_\_

B. Estimated annual number of repossessions? \_\_\_\_\_

C. How much does Applicant charge for each Recovery? \_\_\_\_\_

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D. Total income from recovery operations in the last twelve (12) months: \_\_\_\_\_

E. Amount of total recovery income percentage (%) derived from repossession of (the sum must equal 100%):

- 1. Private passenger vehicles \_\_\_\_\_
- 2. Commercial units \_\_\_\_\_
- 3. Recreational Vehicles \_\_\_\_\_
- 4. Watercraft \_\_\_\_\_
- 5. Mobile equipment \_\_\_\_\_
- 6. All Other (please explain below) \_\_\_\_\_

\_\_\_\_\_

F. Amount of additional income from customer vehicle storage: \_\_\_\_\_

G. Number of units towed annually in non-repossession operations: \_\_\_\_\_

H. Total income from operations other than recovery and vehicle storage operations in the last twelve (12) months: \_\_\_\_\_

Amount of total recovery income percentage (%) derived from these operations (the sum must equal 100%):

- 1. Auction \_\_\_\_\_
- 2. Auto / truck repair and service \_\_\_\_\_
- 3. Used and / or new car sales \_\_\_\_\_
- 4. Other (please explain below) \_\_\_\_\_

\_\_\_\_\_

I. What percentage of recovery operations are (the sum for each line below must equal 100%):

- |                              |         |     |                         |         |
|------------------------------|---------|-----|-------------------------|---------|
| 1. Performed under contract? | _____ % | vs. | Individual Assignments? | _____ % |
| 2. Voluntary surrender?      | _____ % | vs. | Self help?              | _____ % |
| 3. Drive Away?               | _____ % | vs. | Towed?                  | _____ % |

J. Vehicle Storage:

	Location #1	Location #2	Location #3
1. Average number of units	_____	_____	_____
2. Maximum number of units	_____	_____	_____
3. Average total values	_____	_____	_____
4. Maximum total values	_____	_____	_____

K. Average number of days a vehicle is stored? \_\_\_\_\_

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L. How are recovered units disposed of (the sum must equal 100%)?

- |    |   |  |   |
|----|---|--|---|
| 1. | Returned directly to customer                       |  | % |
| 2. | Taken directly to auction lot                       |  | % |
| 3. | Taken to own storage lot for temporary storage      |  | % |
| 4. | Taken to own storage lot and sold by recovery agent |  | % |

M. If recovered units are sold by agency, are potential buyers allowed to test drive?  Yes  No

N. When towing, are safety chains always used?  Yes  No

O. Does the Application have ICC authority?  Yes  No

1. Docket number: \_\_\_\_\_
2. Authorized states: \_\_\_\_\_

P. Are any recoveries subcontracted?  Yes  No

If yes, what percentage (%) is subcontracted? \_\_\_\_\_

**4. Policies and Procedures**

A. Are tow trucks left loaded at night?  Yes  No

B. Are keys removed from recovered units and stored in a locked compartment in Applicant's office?  Yes  No

C. Is personal use of recovered vehicles permitted?  Yes  No

***Note: Coverage is excluded for personal use of customer vehicles.***

D. What are Applicant's procedures for relinquishing units?

1. To debtor? \_\_\_\_\_  
\_\_\_\_\_

2. To Customer? \_\_\_\_\_  
\_\_\_\_\_

E. Are formal written policies in place which address the following activities?  Yes  No

- |    |  |  |
|----|--|--|
| 1. | Verifying the identity of customers who place phone orders   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. | Confirming the bankruptcy status of specific debtors   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. | Identifying the subject unit in the field  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. | Proper disposal of firearms and illegal drugs found inside recovered units   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5. | Prompt and accurate completion of reports after a vehicle has been recovered   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6. | Professional handling of confrontations with debtors, spouses, third parties, and other potentially hostile situations | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 7. | Prohibitions against the carrying and use of firearms  | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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8. Notifications of the police or sheriff's department prior to and/or after accomplishing a recovery  Yes  No
9. Acceptable recovery techniques, including prohibitions against and definitions against "wrongful repossession"  Yes  No
- F. Do the Applicant's contracts with customers and/or assignments letter contain a "hold harmless" clause indemnifying the Applicant for wrongful acts committed based on inaccurate information provided by the customer?  Yes  No
- G. Is an accident review program in place?  Yes  No

**5. Record Keeping**

- A. Are assignment letters and notices of seizure retained in file for at least two (2) years?  Yes  No
- B. Are records kept on each business transaction which outlines:
1. date the assignment was received?  Yes  No
  2. date the unit was recovered and stored?  Yes  No
  3. date the unit was released to the customer or otherwise disposed of?  Yes  No
  4. final disposition of the account?  Yes  No
- C. Is a complete and accurate inventory made of personal effects left in recovered units, signed and witnessed by recovery agency employees?  Yes  No
- D. Is a copy of the personal property inventory given to the debtor within 48 hours of recovery?  Yes  No
- E. Are debtors required to sign the inventory form when retrieving personal property?  Yes  No

If "no", explain:

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- F. How are deadly weapons or illegal drugs found among personal effects disposed of?

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- G. Is a vehicle condition report completed immediately following each recovery?  Yes  No
- H. Is a repossession report used to document:
1. the date, time, and place the vehicle was recovered?  Yes  No
  2. method of repossession?  Yes  No
  3. the debtor's reaction?  Yes  No
  4. steps taken to locate the collateral and related expenses?  Yes  No
  5. confirmation that the police or sheriff's department was notified?  Yes  No

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### 6. Employee Selection and Training

A. How many employees does the Applicant have in each category?

	Full-Time	Part-Time
1. Field Adjusters	_____	_____
2. Skip tracers (inside)	_____	_____
3. Clerical	_____	_____
4. Dispatchers	_____	_____
5. Night Watchman	_____	_____
6. Investigators (outside)	_____	_____
7. Salespersons	_____	_____

- B. Does the Applicant have a certified locksmith on staff?  Yes  No
1. is a file kept on each employee which contains: employment application?  Yes  No
  2. documentation of prior employment and reference checks?  Yes  No
  3. motor vehicle reports and criminal record checks?  Yes  No
  4. new employee orientation checklist?  Yes  No

- C. Is an orientation checklist completed on each new employee which documents training on:
1. repossession procedures?  Yes  No
  2. debtor confrontation methods?  Yes  No
  3. surveillance techniques?  Yes  No
  4. industry legal requirements?  Yes  No
  5. vehicle hook-up and towing techniques?  Yes  No
  6. customer communication?  Yes  No
  7. acceptable driving practices?  Yes  No
  8. completion of reports?  Yes  No
  9. definition of "wrongful" recovery?  Yes  No

D. Are employees properly licensed for the type of vehicle(s) they must operate?  Yes  No

E. Are prospective employees given a road test?  Yes  No

F. List information on all employees who drive tow trucks or customer vehicles?

Name	Date of Birth	Driver License Number	State

G. Are all field adjusters issued pocket identification cards or business cards and required to carry same?  Yes  No

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H. How are field adjusters compensated? \_\_\_\_\_

J. What is the maximum number of hours employees are permitted to work in a 24-hour period? \_\_\_\_\_

### 7. Miscellaneous

A. Please list Additional Interests/Certificate Holders:

Place an (X) in the appropriate box and explain interest / relationship

Name and Address	Interests			Explain interest / relationship
	Additional Insured	Loss Payable	Other	

B. Please provide information on the Applicant's other insurance contracts:

Type	Carrier	Policy Number	Policy Term
Workers Compensation			
Automobile			
General Liability			

C. Please list your principal customers:

Company	Contact Name	Phone Number



## Repossession Operations

The Casualty Division offers specialized coverage for Repossession Operations. Coverage is available for the operations involved in the repossession of automobiles and other vehicles such as watercraft and mobile equipment.

### Coverage Offered

- > Commercial General Liability coverage
- > Garage Keepers Coverage—Options to provide coverage on a third party/legal liability basis, or first party/physical damage alternative
- > Additional Insured—Financial Institutions—Automatic status when required in a written contract or agreement
- > Personal Property of Others Legal Liability—Coverage for the property of others in a covered auto—\$5,000 limit applies
- > Assault and Battery exclusion (with option to delete)
- > Wrongful Repossession
- > On Hook Coverage for Reposed Automobiles and other vehicles—Coverage is provided while on the hook of the insured tow trucks
- > Operation of Reposed Automobiles and other vehicles up to a 100 mile radius from an insured location during the repossession process

### Limits Available

- > General Liability: \$1,000,000 per occurrence
- > Excess Liability: Up to \$5,000,000 in Excess limits available

### Minimum Premium

- > \$7,500



### Submission Requirements

- > General Star Repossessors Supplemental Application or equivalent
- > Driver list and current MVRs
- > Currently-valued carrier loss information for a minimum of five years and description of all claims

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