

BEST'S HAZARD INDEX

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RELATED CLASSIFICATIONS

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RISK DESCRIPTION

Ownership is the primary difference between apartments, cooperatives, and condominiums.

An apartment building is a structure containing three or more dwelling units, each with its own cooking and bathroom facilities. It may be owned by an individual, partnership, or corporation. Apartments are rented to tenants by the month or year, on a lease, or no-lease basis, with or without household furnishings. However, in places such as New York City, some apartments are available for purchase.

In cooperative or "co-op" ownership, the residents are the owners of the property, but not of their individual units. Instead, they own shares in a cooperative corporation, which gives them the sole right to their living space, but it does not give them ownership of it. The cooperation owns the land, building, and common elements of the development. A cooperative is considered as personal property. Co-op ownership is the ownership of shares of stock of the corporation that owns the building. Each stockholder receives a propriety lease, which allows him or her to occupy a designated apartment within the cooperative complex. Co-op members usually pay a proportionate share of operating expenses and elect a board of directors to handle all policy matters, including management obligations. When a member decides to leave, the cooperative purchases the outgoing member's share for resale.

Condominium owners acquire the individual title to their dwelling unit, but do not own the land surrounding their living space. Although there are some instances where units may be rented, generally, a condominium owner owns only the unit itself, which is taxed as an individual entity, and sometimes a percentage of the common areas of the community. Owners will usually share responsibility for the roof, hallways, grounds, and on-site recreational facilities. Individuals are responsible for maintenance and repairs to their individual units and are liable for operating costs for areas that are held in common. Condominium communities may provide shared facilities as a pool, gym, tennis courts and clubhouse that are maintained by a condominium association. Such condo associations take care of all daily management tasks and administrative functions, including making decisions about the maintenance of communal areas, maintenance assessments, insurance, and rules of enforcement. Condominium owners have to pay a

monthly fee to the association. Garden apartments, high-rises, and connected town houses are the most common types of condominiums.

Some landlords/property owners may manage the property themselves; others hire property managers or on-site managers. Owners and property managers often act strictly as administrators and handle financial operations (e.g., paying mortgages, taxes, employee payrolls, utility bills, and insurance premiums) and administrative duties (e.g., arranging janitorial, groundskeeping, trash and snow removal, and security services, negotiating contracts with tenants, setting rates of occupancy, and collecting rent) for property owners. With other insureds, executive management personnel usually begin as on-site managers and work their way up. Building maintenance and repair service teams are responsible for the upkeep of on-site facilities (e.g., changing light bulbs, cleaning air filters, minor plumbing and repair services, etc.), while groundskeeping crews attend to the beautification of the site's outdoor premises, including mowing lawns, pruning hedges, and planting shrubs, trees, and flowers. Accounting and administrative staff create and maintain records, generate financial reports for investors, perform clerical functions, and calculate performance estimates for soliciting investor interest. Community association managers conduct all the responsibilities and duties of on-site managers and owners while managing the common property and services of condominiums, cooperatives, and planned communities through their homeowners' or community associations.

Certain employees that have certification may have an Accredited Residential Manager (ARM) designation, which is the preliminary certification granted by the IREM (Institute of Real Estate Management) to those professionals who specialize in residential property management. CPM is the designation awarded to those individuals who have completed the IREM training program. Firms that are controlled and run by a CPM who is responsible for hiring, firing, training, and supervising other (non-CPM) property managers and for negotiating all binding contracts and agreements with tenants, and/or residents are eligible for an AMO (Accredited Management Organization) designation. Before being recognized as such, an AMO-eligible firm must be in business for at least 3 years under the same owner, and carry insurance coverage at levels proportionate (i.e., a minimum of 10%) with the firm's gross monthly income. Due to the nature of the business (e.g., collecting rents, investment funds, etc.), a minimum of \$25,000 must be carried in Depositor's Forgery and Alterations coverage.

The layout of these facilities may vary considerably depending on the size, designs, and types of construction, and their use. Buildings in each of the three categories may range from floors at the lowest level structures to high-rises. Offices for the operators of all three types of facilities are likely to include administrative offices, a reception area, conference rooms, restrooms, an employee lounge with or without kitchen facilities, storage and supply rooms, laundry rooms, and a garage or parking lot. In addition, some insureds may have convenience stores and fashion stores on the premises either down in the lower level of basement of the apartments or on the upper level or first floor of the apartments. Some insureds may have one or several branch offices, possibly including one at each owned site. These will have a layout that is similar to that of the home office. However, a majority of insureds will have both offices and the managed areas on the same location. The business office hours are usually from 7 a.m. to 7 p.m., although site operations can take place at any time of the day. For instance, maintenance and emergency operations are available 24 hours a day.

Most new structures will be constructed in an "environmentally friendly" way, using recycled materials, energy-efficient lighting, and space-saving designs. The IREM encourages all property firms engaged in new construction operations to comply with the Environmental Protection Agency's "Green Lights Program," a plan that promotes the installation of energy-efficient lighting into all new facilities.

MATERIALS AND EQUIPMENT

Landscaping equipment and materials: lawn mowers; hand and electric hedge trimmers; chainsaws; gasoline; spades, picks, rakes, handsaws; tree-pruning equipment; posthole diggers; tree-climbing equipment; shrubs, trees, flowers, decorative groundcover (mulches and rocks), sod, grass seed; topsoil,

dirt, sand, gravel; decorative stones, patio ornamentation, fencing, railroad ties, lawn and tree fertilizers, insecticides and pesticides; herbicides and chemicals; concrete; stone; timber.

Maintenance equipment and supplies: hammers; nails; handsaws; power saws; screwdrivers; screws; power drills; ladders; power and handheld window washing equipment; plumbing equipment; vacuums; brooms; mops; dust cloths; cleaning supplies.

General office equipment: computer software and hardware; photocopiers; fax machines; tables, desks, chairs; file cabinets, shelving, displays; and office supplies.

NARRATIVE LINES OF BUSINESS

Automobile Liability

Exposures: Travel between branch offices and property sites. Nonowned vehicles. Youthful operators. Travel during hours of darkness, as well as driving in rural and urban areas. Resident transportation.

On-Site Inspection:

What are the number, age, type, and condition of the insured's vehicles?

Are insured's vehicles equipped with a two-way communication system?

Items to Investigate:

Are vehicles owned or leased?

Do employees ever use personal vehicles for company business?

Evidence of underlying personal insurance confirmed; MVR reviews conducted

Frequency of travel

Radius of operations

Do employees ever use public transportation (e.g., train, bus, or plane) for business travel?

Does the insured provide a shuttle service?

What are the hazards of typical routes used by drivers?

Are drivers ever required to travel during hours of darkness?

Do drivers travel in rural areas or in urban areas?

Is the use of handheld cell phones while driving prohibited?

Does the insured provide hands-free headsets and cell phone safety rules?

Are driver safety courses offered that include cell phone tips for workers who do a lot of driving?

Are any of the drivers' phones voice-activated?

Drivers - number; ages; training; experience

Do maintenance crews and site managers use company-owned vehicles to travel from site to site?

Does the insured have a safe driver program in place?

Vehicle maintenance program in place

Does the insured contract out its vehicle maintenance?

Qualifications and experience levels of the insured's mechanics

General Liability

Exposures: Large number of visitors. Slips, trips, and falls. Personal injury or property damage, excessive noise, or attractive nuisances resulting from maintenance work, landscaping, or repairs. (Note: There will be an increased exposure for insureds that provide security guards. Also, the exposure will be increased if it is stipulated in the contract with the owners or lease with the tenants that the insured is to be responsible for damage or injury to all visitors to the property sites who incur damage to themselves or to their own property.)

On-Site Inspection:

Layout of the premises

Is the manager's apartment situated so that he or she has an unobstructed view of the entire premises?

Does the insured have any high-rise buildings?

Are the insured's public buildings handicapped accessible? Have older facilities been modified to accommodate handicapped persons?

"Employees Only" signs or "Authorized Personnel Only" posted around all areas from which visitors are restricted

Is outdoor shrubbery on the premises well trimmed?

Do the property sites have fencing with "No Trespassing" signs prominently displayed? Are the sites gated?

What type of gate control system has been installed? Does the insured have fencing with a computerized access gate?

Is a keypad used for entering and exiting the property site?

Are buzzers or intercoms used on the front door of the apartment building?

Is there a closed circuit television (CCTV) system in all common areas of the property sites?

Are all gates alarmed so that if anyone tries to break in, an alarm goes off?

Are warning signs, such as "ALARMS ON PREMISES," posted?

What is the level of housekeeping in the manager's offices?

Adequate aisle space between desks; shelving solidly constructed; stacks of documents, files, and books neatly arranged

Are rubber-backed floor mats placed inside all entrances?

Is the insured a multi-story facility? Is the insured's building seven stories or greater?

Are stairs equipped with sturdy handrails and nonslip treads?

What is the condition of the insured's furnishings? Is all office furniture sturdy and free of protruding nails, splinters, and screws?

No potholes or other substantial cracks in the pavement

If the insured is a high-rise, are there garbage chutes on every floor? Do the garbage chutes lead directly into an incinerator?

Does the insured use a dumpster or an incinerator?

Is an adequate amount of lighting provided in all of the insured's facilities?

Do insureds that do not allow pets on the premises have signs stating: "NO PETS ALLOWED"?

Does the insured have a playground on the premises?

Is playground equipment solidly constructed and installed? What is its age and condition?

Are swings, slides, jungle gyms, and other pieces of equipment situated on soft surfaces?

Does the insured have rubber mats and/or synthetic turf in its playground?

Do any pieces of playground equipment show signs of unusual wear or appear structurally unsound?

Can the playground area be locked if supervision is not available?

Are signs posted warning parents to watch their children while they are in the playground area?

Does the insured have a swimming pool as part of their setup? If so, are all pool decks, exit ladders, and diving boards equipped with nonslip surfaces?

Have "No Diving" signs been posted near areas of shallow water?

Is the swimming pool fenced in with lockable gates?

Is there a sign posted indicating times when the pool is in use for structured activities and when it is available for "free swim"?

Is there a gym or health or fitness club on site? If so, what type of equipment is provided?

Does the facility have handball and/or tennis courts? If so, what type of surface do they have?

What is the level of housekeeping on the insured's premises?

Is there a laundry room on the premises? If so, are rules on how to use the machines, and the laundry room, as well as how to wash the clothes, posted, along with the statement: "WARNING, USE WASHERS AND DRYERS AT YOUR OWN RISK"

Are all machines designed for use in wet areas?

If laundry rooms can be left unattended, does the insured post emergency telephone numbers inside the premises?

Are instructions posted indicating the kinds and amounts of cleaning aids to be used in the machines and the acceptable amount of clothing each machine can adequately clean at one time?

Landscaping equipment - number; type; age; condition

Does all landscaping machinery have protective guards in place over moving parts and sharp pieces?

Is equipment and machinery, such as lawn mowers, edgers, trimmers, wet and dry saws, backhoes, chainsaws, picks, tree pruning equipment, and small tools stored in a locked equipment shed or garage when not in use?

Electrical equipment - number; type; age; condition

Are there any manned gates, doormen, or security guards?

Adequate indoor and outdoor lighting during nighttime hours

Outdoor premises - sidewalks driveways, parking lots free of debris, cracks or potholes

"CAUTION" signs posted on gates to warn tenants and visitors about the possibility of accidents

Items to Investigate:

Hours of operation

What are the average and maximum number of visitors to the insured's premises daily?

Does the insured inform its tenants about Renters' insurance while they are renting out both dwelling space and storage space?

Do insureds keep a signed lease contract between themselves and each tenant on file?

If the insured requires tenants to use a keypad for entering and exiting the property site, and each tenant is provided with an individual access code, what safeguards does the insured use to make sure that the same codes are not given out twice?

Are guard dogs and night security guards used to patrol the property site?

Does the insured have a resident and/or on-site manager on the premises at all times?

Are guards at all property sites properly trained in how to detect intruders?

How often does the insured provide guards with refresher courses on this subject?

What are the training, qualifications, and experience of both the management personnel and the guards?

How closely are guards supervised to make sure they are fulfilling their duties?

Does the insured have roving supervisors who make unannounced visits to guards while they are on duty?

Does the insured have a system prepared for on-going, on-site supervision of guards?

Employees instructed on how to act when confronting suspected criminals or unwanted visitors

Is access to master keys which unlock the tenants' units restricted to designated, responsible employees?

What are the lien laws in the insured's state of operation?

Are the insured and its employees aware of the lien laws in its state of operation?

Does the insured include information on lease default, remedies of owner and tenants' liability in connection with the default, penalties (such as fees and expenses that the tenants are responsible in the case of a default), which must be read and signed by the tenant before he or she moves into the apartment building?

Are the tenants' records updated regularly?

What are the insured's procedures with regard to items for the sale and disposal from delinquent tenants?

Pre-sale checklist to ensure that the lien process is conducted and performed properly and accurately

Does the insured routinely conduct water leak examinations?

Are air vents and ducts cleaned before a tenant or resident moves into the property?

Does the insured have any mold-related standards for routinely inspecting all its property sites?

Safety professionals routinely assess all property sites for mold

Has the insured met the minimum air quality standard that is set by governmental agencies in its state of operation?

Does the insured inform tenants to alert the maintenance office whenever there are signs of water leaks anywhere on the property?

Are office areas kept clean and free of debris and clutter?

Floors and floor coverings swept or vacuumed daily; worn, torn, or loose floor coverings replaced promptly

Are spills quickly mopped up and "Caution - Wet Floor" signs placed nearby?

Is trash removed and disposed of daily?

Electrical wiring properly insulated and run inside the walls

Burnt-out bulbs replaced immediately; exterior areas well lit during hours of darkness

If the insured has elevators, is all related service and repair work contracted out?

Experience levels and qualifications of elevator maintenance and repair service contractors

Is furniture in office and reception areas periodically checked for stability and signs of wear?

Is worn and broken furniture repaired or replaced promptly?

What are the qualifications and reputation of the insured's furniture repair service?

Are all property sites kept clean and free of debris and clutter?

What are the experience and qualifications of maintenance personnel?

What procedures does the insured use to ensure that any property is in good condition?

If the insured's buildings have garbage chutes, who inspects and maintains them?

How often is garbage picked up and taken off the premises?

Are electrically powered tools and equipment disconnected from their power source and gas-powered machinery rendered inoperable while left unattended?

If there are any open holes dug for tree-planting purposes, piles of topsoil, mulch, or gravel, are workers instructed to barricade off all such areas?

Is painting of the buildings at the property sites done while tenants and/or residents are not present?

Fume hoods employed in areas where ventilation may be insufficient

Are all areas where such operations as alterations, upgrades, and repairs are in progress marked as such and cordoned off appropriately?

Are signs placed on the property to inform visitors of on-going construction and routine maintenance?

All abatement work areas sealed airtight to control airborne asbestos emissions

Does the landlord or property owners use an inspector certified under the federal certification program or under a federally accredited state program?

All leases include a disclosure form about lead-based paint

Does the insured provide the lead-based hazard information brochure from the EPA, Department of Housing and Urban Development (HUD), and the Consumer Product Safety Commission (CPSC) entitled "Protect your Family From Lead in Your Home" to tenants?

Air vents and ducts cleaned on a regular basis

If pets are allowed on the premises, what procedures do insureds use to make sure that they do not bite or otherwise harm visitors and tenants on the premises? Does the insured require that dogs be restrained or kept indoors? What procedures are there for thwarting a dog bite or attack without causing any permanent harm to the animal?

Do insureds have statements written into lease contracts and regular newsletters that remind tenants and residents about the hazards of dog bites and the importance of keeping their dogs restrained?

If the insured does not allow pets, is it stipulated clearly in the tenant leasing and/or rental or ownership (in the case of cooperatives) agreement that tenants sign?

Electrical equipment inspected and serviced regularly

All electrical maintenance work conducted by a licensed professional

Is all confidential resident information encrypted and made accessible only by entering a password? Are passwords changed frequently?

How often are materials that are used to cover the playground replaced or replenished?

How often is the insured's playground equipment inspected and maintained?

Does the insured provide supervision for children on its playgrounds?

If supervision is not provided, are parents asked to sign a hold-harmless agreement as a part of their contractual agreements?

If the insured has a swimming pool on the premises, does it comply with design and construction standards

of the National Spa and Pool Institute (NSPI)?

Are all gates surrounding the swimming facilities kept locked during times when the pool is inaccessible to tenants?

Does the insured provide their tenants and tenant-residents and their visitors with swimming passes, permitting them to swim?

If the insured has a gym or exercise facility, does it instruct its tenants on the proper use of all equipment and proper exercise techniques, and are these instructions posted?

Are enough staff members on duty to actively monitor tenant and resident activities? Staff members adequately trained in the proper use of equipment and exercise techniques

Are tenants and residents who use the insured's exercise facilities required to sign documents stating that they are aware of dangers inherent in the use of exercise and weight training equipment?

Are participants advised to see a physician to determine if or at what level they can participate?

Does the insured have a proper maintenance program for its court surfaces?

Is the court regularly inspected and repaired as needed?

Are courts cleaned daily and kept free of all debris

If the insured has a laundry room on the premises, does it remove all debris, trash, spilled powdered soap, and material from the washing and drying areas? Are floors mopped daily?

Are parents advised to keep an eye on their children while using the laundry facilities?

What is the level of security at the insured's premises? Does the insured arrange for security services to patrol the area?

Does the insured sublease any part of its premises to another business operation? If so, does the insured sign a hold-harmless agreement with the business leasing a portion of the premises?

Due to the increased traffic that a business may bring, what procedures does the insured have in place for protecting its tenants and tenant-residents?

Are rooftops checked periodically for leaks as well as to see if any objects have been thrown up on them?

Are potholes and other substantial cracks in the pavement repaired promptly by groundskeeping crews or an outside paving contractor? Are all paving repairs contracted out to a reputable paving company?

If the property is gated, are all mechanisms for doors and gates well-lubricated and in good working condition?

Does the building's fireproofing meet standards of the National Fire Protection Association (NFPA), Federal Emergency Management Agency (FEMA), and the Structural Engineering Institute of American Society of Civil Engineers (SEI/ASCE) protection building codes?

What is the insured's financial situation and the type of tenants served?

Are laundry rooms and game rooms, pools and outdoor recreational areas well maintained, and is all equipment inspected on a regular basis?

Is plumbing checked periodically to prevent water damage?

Is the insured aware of the building codes in the state in which it operates?

How does the insured address maintenance problems?

Have arrangements been made for the prompt removal of ice or snow?

Directors' and Officers' Liability

Exposures: Mismanagement of facilities or monies. Acting for personal advantage. Errors or omissions. Negligence. Breach of duties. Financial irregularities.

Items to Investigate:

Does the insured have one or more directors and/or officers who oversee its operations?

What is the insured's reputation and loss history?

What professional trade associations do the firm and its employees belong to?

Are financial reports generated and provided to tenants and shareholders on at least an annual basis?

Who is responsible for generating such reports? Are they checked by more than one person?

Background and qualifications of directors and officers
Have there been any lawsuits filed against the insured as a result of discrimination?
Do any circumstances, such as outside business connections or close personal ties that might present a conflict of interest, exist?
Does the insured require all key employees to disclose their outside interests and prohibit any involvement with accounts where a conflict may exist?
Is there an audit committee?
Is there any evidence of mismanagement of monies?
How long has the insured's building been in existence?
Has the board been forced to raise service fees frequently or substantially?

Workers' Compensation

Exposures: Slips, trips, and falls. Cuts. Burns. Shocks. Dismemberment. Lifting injuries. Cumulative trauma disorders. Toxic fume inhalation. Animal attacks. Violent evicted tenants. (Note: The exposure will be lower for insureds that contract out maintenance services or for those that do not engage in the day-to-day administrative duties of properties, but focus solely instead on management responsibilities.)

On-Site Inspection:

Layout of the premises
Is the facility handicapped accessible? Have older public facilities been modified to accommodate handicapped persons?
Level of housekeeping -- hallways, aisles, and reception areas free of debris and clutter; adequate aisle space between desks in offices; electrical and telephone cords routed away from walkways
What is the condition of the floor and floor coverings?
Type and condition of the insured's furnishings
Does the insured's building(s) have multiple stories?
Are stairs equipped with sturdy handrails and nonslip treads?
What are the number, type, age, and condition of the insured's electrical equipment?
All electrical equipment - has double-insulated power cords; NRTL-listed; properly grounded
Landscaping equipment and machinery - number; type; age; condition
Are protective guards installed over any blades or running engines of landscaping machinery and equipment?
All workstations ergonomically designed

Items to Investigate:

Employees - number; ages; duties
What are the training, experience, and level of supervision of the insured's employees?
Hours of operation
Does the insured hire property management companies to take care of their real estate?
Are all hallways, aisles, and reception areas regularly maintained?
Worn, torn, or loose floor coverings repaired or replaced immediately; floors swept or vacuumed daily; bare floors treated with a nonslip finish or have rubber mats
Are spills mopped up promptly, and "Caution - Wet Floor" signs placed over any affected areas?
Trash and rubbish removed from the premises daily
Is the furniture in office and reception areas periodically checked for stability and signs of wear?
All worn and broken furniture repaired or replaced promptly
What are the qualifications and reputation of the insured's furniture repair service?

If the insured has any elevators, is service and repair work on them contracted out?
 Experience levels and qualifications of elevator maintenance and repair service contractors
 Are employees involved in landscaping operations furnished with heavy-duty rubber or leather gloves to use when handling chemicals? Do they wear goggles to protect their eyes from chemical splashes?
 Are workers involved in or around construction sites issued the proper personal protective equipment, such as hardhats, gloves, and steel-toed work boots?
 Are employees trained in the proper use of ladders?
 Are all areas where painting is to be done indoors well ventilated? Are fume hoods used in any areas where natural ventilation (i.e., windows or doors) may be inaccessible? Does the insured supply workers in these areas with personal ventilators or respiratory masks?
 Does the insured have older properties inspected for the presence of asbestos and/or lead before any major repairs or remodeling jobs take place?
 Are areas where airborne asbestos or lead paint may be present sealed off, and the appropriate contractors contacted to perform abatement services?
 Breathing protection (e.g., face masks, respirators) provided to any employees exposed to noxious fumes or airborne particulate
 Are all employees instructed in the proper lifting techniques and provided with the appropriate materials-handling equipment?
 Groundskeeping crews, building and maintenance personnel, and on-site managers furnished with protective back braces as needed
 Are all workstations ergonomically designed?
 Are office workers encouraged to look away from the computer screen frequently, to focus on distant objects, and take a 15-minute break every 3 hours?
 If pets are allowed on the premises, prior to arriving on the premises, do workers call tenants to alert them to their visit and request that dogs be restrained or kept indoors?
 Are service personnel ever equipped with personal safety devices made that can help thwart a dog bite or attack without causing any permanent harm to the animal?
 Does the insured send flyers in monthly billing statements that remind customers about the hazards of dog bites and the importance of keeping their dogs restrained during visits from technicians?
 Does the insured offer safe driving courses for any of its personnel?
 Are appointed drivers used?
 Have any employees been trained in basic first aid and cardio-pulmonary resuscitation (CPR)?
 Are pre-employment medical examinations done, particularly those whose duties involve manual labor tasks?

Crime

Exposures: Employee dishonesty. Theft of tenants' property. (Note: Coverage extends to condominium associations and any volunteer board members.)

On-Site Inspection:

Cash, checks, and company credit card receipts stored in a tool-, torch-, and explosive-resistant, NRTL-listed, time-delay safe
 Level of premises security
 Do all windows have tamperproof locks, and are all doors equipped with double-cylinder, deadbolt locks?
 Premises equipped with closed-circuit surveillance cameras
 Are the premises connected to a central station alarm monitoring system?
 ID stickers or tags displayed on every tenant's car

Items to Investigate:

What is the average and maximum amount of cash on the insured's premises daily?
Checks stamped "For Deposit Only" immediately upon receipt
Are bank deposits made daily and at staggered times?
Are the insured's workers screened before employment, and are all references checked?
Background checks run on its prospective employees prior to hiring
Do several employees perform accounting, check disbursement, and bookkeeping functions?
Periodic, unannounced audits conducted
Does the insured have both the home office and branch offices (if any) patrolled by a security service during off hours?
What measures does the insured take to reduce the possibility of terrorists renting apartments? Is more documentation required for rental applications, such as photo identification and full-time enrollment, if the renter is a student? Does the insured ask for a list of previous landlords?
Underground garages kept locked at all times with the only means of access being a special key or card for entry
Are laundry rooms accessible only by key?
What procedures are there for handling packages, particularly unclaimed ones, in the package area?
Do employees or security guards check empty apartments regularly to make sure they are secure and truly vacant?
Location and response time of nearest police

Fire and E.C.: Property

Exposures: Ignition sources include smoking, overheated machinery and equipment, malfunctioning appliances, and faulty wiring. Fire load includes gasoline, cleaning agents, herbicides, pesticides, fertilizers, and various painting supplies (e.g., paint, paint thinner, drop cloths, etc.), papers, and trash.

On-Site Inspection:

Building - age; type; condition; construction; balconies
Is the building a high-rise?
Adjacent facilities -- separated by a firewall that extends to the ceiling
Layout of the premises
Are all dwelling and storage units in good condition?
Wiring - age; type; condition
What are the number, age, type, and condition of the insured's electrical equipment?
Is all electrical equipment properly grounded, NRTL-listed, and in good repair?
Are "No Smoking" signs displayed prominently in all areas where smoking is prohibited, especially in areas where fuel and combustible chemicals, such as fertilizers and pesticides, are stored?
For insureds that have a kitchen or cafeteria in the offices, what type of food preparation equipment is used in it?
If the insured does not have a fully equipped kitchen area, are microwaves, coffee makers, or other such devices present in the offices?
Are garages and storage areas free of debris and clutter?
Does the insured store all of its fuel and flammable substances in a well-ventilated area in a garage or equipment shed?
Is gasoline, paint, and other chemicals (e.g., fertilizers, insecticides, and herbicides) kept in a separate area away from the insured's equipment?
Level of housekeeping -- adequate spacing between desks
Facility dumpsters provided for tenants
What is the condition of the insured's fireproofing material? Does it meet the standards of the National Fire Protection Association (NFPA), Federal Emergency Management Agency (FEMA), and the Structural

Engineering Institute of American Society of Civil Engineers (SEI/ASCE) protection building codes?
Smoke detectors and fire suppression systems - age; type; condition
What type of sprinkler system does the insured have?
Class ABC fire extinguishers located throughout the insured's offices and properties
What is the condition of the roof?
Is the insured's building located along a flood waterfront or on a flood plain?
Are posters showing recommended evacuation routes displayed in prominent locations at all managed properties?
Emergency contact numbers displayed throughout the premises
Are the premises gated? What type of gate controller does the property site have?
Does the insured have a closed circuit television (CCTV) camera system?
Are there flood lights installed around the premises? Do they have a timer?
Are there alarms on the insured's property site?
"No Trespassing" signs posted on property site

Items to Investigate:

What are the values exposed to loss?
If there are common areas shared by the insured and other operations, how are fire-prevention responsibilities divided?
Are building materials fire-resistant?
Has the structure been modified for the insured's use?
What procedures does the insured have in place for enforcing proper occupancy levels?
Potential ignition sources
Is all equipment and machinery inspected prior to use, checked frequently during operation, and rechecked prior to storage?
Are equipment storage areas well ventilated and free of fuel or other combustible materials?
Are cords and wires on all electrical equipment periodically inspected for fraying and cracking?
Does the insured have a routine maintenance and inspection plan in place for its electrical equipment?
For insureds that have a small kitchen on site, are all employees who are involved in food preparation properly trained in the use of any stoves, ovens, or grills?
Compliance with NFPA 70B, Recommended Practice for Electrical Equipment Maintenance
Who inspects and maintains the insured's kitchen area equipment?
Does the insured allow individuals to bring in portable cooking equipment?
Smoking policy
Are tenants forbidden from storing any items on their balconies?
What is the insured's fire load?
Does the insured store most of its paper documents on or off site?
Does the insured store all fuel and other flammable liquids in compliance with NFPA 30, Flammable and Combustible Liquids Code?
Does the insured rent out storage areas and garages to tenants?
Are tenants cautioned not to overfill their storage units or stack items too high?
Is Renters' coverage offered by the insured?
Are gasoline-soaked or oily rags disposed of in metal, fire-resistant containers until they can be removed from the premises?
Is debris left by tenants who have vacated the premises (e.g., mattresses, sofas, crates, boxes, furniture, or other items) removed to a dumpster area?
Facility dumpsters emptied frequently; trash collected and removed daily
Vacated areas thoroughly inspected by site manager
Are fire extinguishers inspected and tagged annually? Have all employees been properly trained in their use?
Does the insured participate in any pre-fire planning? How often is this plan updated? Have clear escape and alternate escape routes been established?
Are pre-assigned employees or emergency response teams available to help disabled tenants, residents, and

employees?
Is a resident manager on the premises at all times?
What is the insured's financial situation?
Level of area competition
Location and response time of the nearest fire department

Business Interruption

Exposures: Relocation space for offices not difficult to locate. Materials and equipment easily replaced.

Items to Investigate:

In the event of a loss, is the insured more likely to rebuild, repair, or relocate? What is the availability of a suitable replacement facility nearby?
What is the availability of replacement materials and supplies?
Are the premises owned or leased?
Is the insured more dependent on its reputation or location?

Inland Marine

Exposures: Property maintenance and landscaping equipment. Valuable papers and records. Electronic data processing (EDP) equipment. Outdoor sign.

On-Site Inspection:

What are the number, age, type, and condition of the insured's property maintenance and landscaping equipment?
Does the insured have any recreational equipment, such as pool tables or game tables?
Is building maintenance and repair equipment secured in lockable supply rooms with restricted access?
Computers and other electronic equipment - number; age; type; condition; permanently etched with identification numbers
Outdoor sign - type; condition; freestanding or securely attached to the building

Items to Investigate:

Recordkeeping methods
Does the insured store copies of all important documentation in a fire-resistant, NRTL-listed safe off premises?
To what degree does the insured rely on computers and specialized software to conduct its business?
Backup copies of essential computer software stored off premises in a fire-resistant, NRTL-listed safe
How does the insured restrict access to the office and to confidential material kept on its computers?
If the insured's computers are connected to an outside network, are passwords issued to workers and computer firewalls in place to help restrict unauthorized access to vital data?

OSHA REFERENCES

OSHA Standards: (Pertinent OSHA standards that apply to this classification; for other appropriate OSHA standards, see the Introduction.)

1910.25	Portable Wood Ladders
1910.26	Portable Metal Ladders
1910.28	Safety Requirements for Scaffolding
1910.35	Compliance with NFPA 101-2000, Life Safety Code
1910.36	Design and Construction Requirements for Exit Routes
1910.37	Maintenance, Safeguards, and Operational Features for Exit Routes
1910.38	Emergency Action Plans
1910.132	Personal Protective Equipment - General Requirements
1910.133	Eye and Face Protection
1910.134	Respiratory Protection
1910.138	Hand Protection
1910.151	Medical Services and First Aid
1910.157	Portable Fire Extinguishers
1910.164	Fire Detection Systems
1910.242	Hand and portable Powered Tools and Equipment
1910.244	Guarding of Portable Powered Tools