

# FAIR HOUSING DEFENSE INSURANCE

## AHERN INSURANCE BROKERAGE

NAS Insurance Services / Lloyd's of London

### PROGRAM OVERVIEW for TDLEXR writeNow!

Founded in 1975, NAS Insurance Services was the first to conceive of insuring businesses with legal expenses related to liability coverage that are not generally provided in most insurance policies. We are pleased to introduce TDLEXR writeNow!, a Tenant Discrimination Program, that features simplified underwriting for qualifying property owners and managers of residential property.

Even if you do not qualify for our simplified underwriting for our Tenant Discrimination Program, this insurance is still available by applying through the traditional application/underwriting process.

### PROGRAM HIGHLIGHTS for TDLEXR writeNow!

- Lloyd's of London is rated "A" (Excellent) XV by A.M. Best.
- Coverage limit of \$500,000 or \$1,000,000.
- SIR options beginning at \$5,000 with a 5% or 10% co-insurance.
- Defense coverage language for current, prospective and former tenants alleging discrimination.
- Insures the Named Insured, directors and officers, trustees, partners, shareholders and other managerial supervisory employees including on-site managers and maintenance supervisors of the Insured Organization.
- Full Prior Acts coverage is included; excluding prior knowledge and any pending and/or prior litigation.
- Ability to select counsel of choice. We recommend the law offices of Kimball, Tirey & St. John LLP [www.kts-law.com](http://www.kts-law.com).
- Coverage is extended to residential properties, including apartments and condos and boat slips.
- Extended reporting period.
- Claims examples attached.

## PROGRAM QUALIFICATIONS for TDLEXR writeNow!

- Must NOT own or manage any mobile home parks/spaces or units.
- Entity must own or manage fewer than 1,000 residential units. Otherwise, coverage is available through underwriting and application.
- Must not have experienced any tenant discrimination claims/incidents, insured or not, or been named as a defendant or respondent before any federal, state or local EEO agency. Otherwise, coverage is available through underwriting and application.
- All properties must be ADA compliant. Properties with “grandfathered” status are acceptable with proper documentation. Otherwise, coverage is available through underwriting and application.
- If you do not qualify for TDLEXR writeNow!, you can still apply for coverage by contacting AHERN Insurance Brokerage.

## HOW TO PURCHASE THIS INSURANCE

1. Fully complete the attached TDLEXR writeNOW! Application, including the attached D-1 Disclosure form for California risks.
2. Calculate the premium from the premium chart in Section Two of the application (depending on the number of units and limits desired).
3. Sign and date (must be within 30 days prior to binding) and return the completed application to AHERN Insurance Brokerage with your check for the premium, plus state taxes, policy issuance fee, and any applicable broker fee.

AHERN Insurance Brokerage  
9655 Granite Ridge Drive, Suite 500  
San Diego, CA 92123  
*Attn: Randy Gust*  
858.514.7137

**Coverage cannot be bound until the attached D-1 Disclosure Form is received and the submission is approved by Underwriters.**

We look forward to an opportunity to assist you with your immediate tenant discrimination protection needs and invite you to contact Ahern Insurance Brokerage at 800.282.9786.

## **writeNOW! APPLICATION**

**THIS IS A PROPOSAL FORM FOR A POLICY RELATING TO CLAIMS MADE AGAINST THE INSURED DURING THE POLICY PERIOD**

### **Section One - Applicant**

1) Name of Organization: \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
(City) (State) (Zip Code)

List branch offices on a separate sheet.

2) Does Applicant have subsidiaries? (If Yes, please attach a schedule)  Yes  No

3) Applicant is:

A.  Corporation  Partnership  Individual Proprietor  Public Agency

Other (Describe): \_\_\_\_\_

B.  Property Management Company  Property Owner

4) Property under management/ownership:

A. Total Number of locations: \_\_\_\_\_

B. Total Number of residential units: \_\_\_\_\_

C. Attach separate sheet listing properties managed, addresses, and number of units.

5) Does Applicant own and/or manage any mobile home parks/spaces?  Yes  No

*(If YES, coverage cannot be bound as per the terms and conditions of this program.)*

6) Does Applicant have real estate development activities?  Yes  No

*(If YES, coverage cannot be bound as per the terms and conditions of this program.)*

7) Does Applicant own and/or manage greater than 1,000 residential units?  Yes  No

*(If YES, coverage cannot be bound as per the terms and conditions of this program. If you desire an indication outside the program, provide the total number of residential units. Please attach a separate sheet listing the properties managed, addresses, number of units for each location, and the description of each location [i.e., condo, apartment, hotel, etc].)*

8) Within the last five years, has any person or entity proposed for this insurance been the subject of or involved in any discrimination, harassment, or wrongful eviction claim(s) made by a tenant/other third party?  Yes  No

*(If YES, coverage cannot be bound as per the terms and conditions of this program. If you desire an indication outside the program, please identify any possible claimants and nature of the potential claims for underwriter evaluation.)*

9) Are you aware of any facts, incidents, or circumstances which may result in discrimination, harassment, or wrongful eviction claims being made against you by a tenant/other third party?  Yes  No

*(If YES, coverage cannot be bound as per the terms and conditions of this program. If you desire an indication outside the program, please identify any possible claimants and nature of the potential claims for underwriter evaluation.)*



9655 GRANITE RIDGE DRIVE  
 SUITE 500  
 SAN DIEGO, CA 92123

TEL: 800.282.9786  
 FAX: 858.571.9010  
 EMAIL: INFO@ AHERNINSURANCE.COM

**Section Two - Coverage Selection**

1) Check options desired:

<u>LIMIT</u>	<u>SIR</u>	<u>NUMBER OF UNITS</u>	<u>RATE PER UNIT</u>	<u>PREMIUM*</u>
\$1,000,000	<input type="checkbox"/> \$5,000	_____	\$6.00	_____

\* Minimum premium for the \$1,000,000 Limit is \$2,035

<u>LIMIT</u>	<u>SIR</u>	<u>NUMBER OF UNITS</u>	<u>RATE PER UNIT</u>	<u>PREMIUM**</u>
\$500,000	<input type="checkbox"/> \$5,000	_____	\$5.00	_____

\*\* Minimum premium for the \$500,000 Limit is \$1,375

2) Requested effective date (no backdating): \_\_\_\_\_

**Section Three - Notice to the Insured**

- 1) Applicant warrants that its properties are in compliance with statutory and regulatory requirements for persons with disabilities.
- 2) The applicant represents to the best of its knowledge and belief that the statements set forth herein are true and complete.
- 3) The applicant agrees that after receipt of the completed application form, underwriters have five working days to either confirm or deny coverage. It is also agreed that this application shall be the basis of insurance and will be attached to and made part of the policy should a policy be issued.
- 4) The applicant further represents that if the information supplied on this application changes between the date of the application and the inception date of the policy period, the applicant will immediately notify the underwriter of such a change, and the underwriter may modify or deny coverage.
- 5) The applicant confirms receipt and review of the specimen policy (Policy Form P1801TDLX-0309 and endorsement(s)). I acknowledge and have read all of the exclusions in the policy as well as the endorsements to the policy

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
**Authorized signature of a Principal or Officer**

**(Must be signed and dated no more than 30 days prior to binding)**

**Section Four - Payment Instructions**

Payment:	Premium:	\$ _____
	Plus CA Taxes & Fees:	\$ _____ (3.250% in addition)
	<i>(If Applicable)</i>	
	Policy Issuance Fee:	\$ <u>100</u>
	Broker fee:	\$ _____
	<b>TOTAL PAYMENT</b>	\$ _____

## **TENANT DISCRIMINATION LIABILITY INSURANCE CLAIMS**

### **Tenants with pets allege retaliatory eviction.**

Two tenants of the same apartment building alleged they were evicted from their apartments in retaliation for complaining numerous times about problems in the building. One of the tenants, a right leg amputee, also alleged that he was discriminated against because of his disability. The Insured maintained that they evicted the tenants for having pets in their units, in violation of their leases. The tenants' lawsuit sought damages in compensation for the retaliatory eviction and the discrimination. Mediation failed. When the smoke cleared, some \$238,000 had to be expended to cover the final settlement.

### **Tenants receiving housing assistance sue their property manager.**

The Insured owned/managed a location where tenants received section 8 housing assistance. When the time came to renew the applications for the assistance, the Insured allegedly changed the way in which it instructed tenants to report their income. Several tenants did not receive aid the following year, as a result of following the Insured's instructions. Multiple HUD complaints were filed by the affected tenants, and HUD became involved in the pursuit of the Insured, alleging discrimination against those receiving housing assistance. It took \$70,000 in insurance to clear up this mess.

### **Disabled patrons find mall is inaccessible for them.**

Claimant was a patron of the Insured shopping mall. He enlisted the help of a not-for-profit corporation that assures places of public accommodation are accessible to and usable by the disabled, and that its members are not discriminated against because of their disabilities. This case resulted in a total payment of \$27,500 of settlement and legal fees.

### **Residential tenant sues after property manager prevents him from operating a business.**

A tenant in the Insured's residential apartment building was operating a beauty salon in his second bedroom. The property manager warned him to stop but he continued. The property manager took pictures of the premises (including the scissors and barber's chair). The tenant then sued for invasion of privacy, retaliatory eviction, trespass, intentional infliction of emotional distress, and battery. The court-ordered mediation required \$44,000 all in all to settle the matter.

### **Ladies' night leads to suit against an Insured.**

A party at an Insured location included a cover charge/admission fee for men but entry for women was free because it was a "ladies' night" event. The men in attendance filed a class action lawsuit alleging discrimination against them on the basis of gender. The matter was easily settled for \$11,000.