



PRESS RELEASE

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2006 NAREIT Insurance Survey Details Changes Seen by REITs in the Insurance Market

Washington, D.C.—Insurance premium costs for real estate investment trusts have not significantly increased from their levels of three years ago, according to the recently published 2006 NAREIT Insurance Survey.

The 2006 Insurance Survey provides information about the types of insurance carried by real estate investment trusts (REITs), as well as specific details regarding premiums, limits, deductibles, etc. of various policies. The types of insurance covered in this study include: Directors & Officers (D&O), Employment Practices Liability, General Property, Environmental, Commercial General Liability (CGL), Excess Liability and Workers Compensation.

Among the notable findings in the study:

- The mean limit for current primary D&O insurance was \$10.0 million, and the current median D&O annual total premium was \$376,600.
- The number of REITs carrying environmental insurance has remained stable—57 percent in 2003 and 58 percent in 2006.
- CGL premiums have decreased significantly since 2003—from \$1.4 million to \$658,500, a 53 percent decrease, while average CGL limits have increased 103 percent.
- The average workers compensation premium has decreased 75 percent since 2003—from \$2.1 million to \$529,000, with the limits increasing by 24 percent.

(more)

The Insurance Survey documents the findings of a member study for the National Association of Real Estate Investment Trusts® (NAREIT®). Similar studies were conducted in 1994, 1999 and 2003. Opinion Dynamics Corporation conducted the 2006 study. Sixty-one companies, with an aggregate equity market capitalization of approximately \$150 billion, participated in the survey.

In keeping with its role as the national trade association for real estate investment trusts and operating companies, NAREIT strives to gather and disseminate pertinent information about industry trends, while providing its members with leading-edge services. To accomplish these goals, NAREIT publishes the Insurance Survey, as well as sponsors several insurance programs designed for its corporate members.

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