

**BY COMPLETING THIS DIRECTORS & OFFICERS AND ENTITY SECURITIES LIABILITY NEW BUSINESS APPLICATION FOR PRIVATE COMPANIES THE APPLICANT IS APPLYING FOR COVERAGE WITH FEDERAL INSURANCE COMPANY (THE "COMPANY")**

**NOTICE: THIS IS A CLAIMS MADE POLICY, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. READ THE ENTIRE DIRECTORS & OFFICERS AND ENTITY SECURITIES LIABILITY NEW BUSINESS APPLICATION CAREFULLY.**

**APPLICATION INSTRUCTIONS:**

1. Whenever used in this Directors & Officers and Entity Securities Liability New Business Application, the term "**Applicant**" shall mean "the Parent Organization and all subsidiaries".
2. Please attach a copy of the following for every **Applicant** seeking coverage:
  - A list of current shareholders and their voting ownership percentage. Please indicate if any shareholders are related by family to another shareholder or to a director or officer of the **Applicant**;
  - Biographies of senior officers and directors;
  - The most recent Annual Report, including audited financial statements;
  - The most recent CPA letter to management on internal controls, together with management's response.
3. If the **Applicant** is an insurance company, please attach the latest Convention Statement.
4. Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.

**I. NAME, ADDRESS AND CONTACT INFORMATION:**

1. Name of **Applicant**: \_\_\_\_\_
2. Address of **Applicant**: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_
3. **Applicant** Web Site(s): \_\_\_\_\_
4. Name and Address (if different) of Primary Contact: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_ e-Mail: \_\_\_\_\_

**II. INSURANCE SPECIFIC INFORMATION:**

1. Primary Limit Requested: \_\_\_\_\_
2. Total Limits Currently Purchased: \_\_\_\_\_
3. Policy Period Requested:  
 From \_\_\_\_\_ to \_\_\_\_\_ both days at 12:01 a.m. at the principal address of the Parent Organization.

**III. GENERAL RISK INFORMATION**

1. State of incorporation: \_\_\_\_\_ Years in business: \_\_\_\_\_
  
2. Nature of **Applicant's** business: \_\_\_\_\_
  
3. Primary SIC code: \_\_\_\_\_
  
4. If the **Applicant** is an insurance company, indicate ownership:     Private     Mutual
  
5. Is any **Applicant** currently a general partner in any limited liability or general partnership or does the **Applicant** act as a general partner for another organization?     Yes     No  
 If "Yes", please attach details.
  
6. (a) Has the **Applicant** or any proposed individual insured been involved in any of the following in the past 5 years:
  - i. Antitrust litigation?     Yes     No
  - ii. Copyright or patent litigation?     Yes     No
  - iii. Deceptive trade practices or consumer fraud litigation?     Yes     No
  - iv. Civil, criminal or administrative proceedings or formal or informal investigations concerning compliance or noncompliance with any federal or state securities law or regulation?     Yes     No
  - v. Any other criminal action or proceeding?     Yes     No
  - vi. Class action, derivative suit or other representative proceeding?     Yes     No
  - vii. Product liability litigation, recall or related activities?     Yes     No
 If "Yes" to any of the above in Question 6 (a), please attach details.
  
- (b) Other than those identified in response to Question 6(a), has any claim been brought at any time during the last 5 years against (i) any **Applicant** or (ii) any proposed insured individual in his or her capacity as a director or officer of any entity?     Yes     No  
 If "Yes", please attach details.
  
7. Is the **Applicant** currently or has the **Applicant** in the past 12 months been in breach or violation of any debt covenant?     Yes     No  
 If "Yes", please attach details.
  
8. Has the president, chief executive officer or chief financial officer of any **Applicant** left such office within the last year for any reason other than death or retirement at normal retirement age?     Yes     No  
 If "Yes", please attach details.
  
9. Has any **Applicant** made at any time during the past 12 months, or is the **Applicant** contemplating, any actual or potential:
  - (a) Acquisition of, or tender offer for, another entity?     Yes     No
  - (b) Merger, sale or significant divestiture of the **Applicant**?     Yes     No
  - (c) Public or private offering of securities?     Yes     No
  - (d) Replacement of its outside auditors?     Yes     No
  - (e) Restatement of financials?     Yes     No

(f) Reorganization or arrangement with creditors under federal or state law?  Yes  No

If "Yes" to any of the above, please attach details. If "Yes" to Question 9(c), please include any private placement memoranda or any documents filed with the Securities Exchange Commission in the past year.

**IV. OUTSIDE ENTITY INFORMATION**

1. Is coverage requested for service with any Outside Entity that is not an exempt entity under Section 501 (C)(3) of the Internal Revenue Code?  Yes  No

If "Yes", please complete the table below for the Outside Entity:

Name of individual(s) requesting coverage	Name of Outside Entity on whose Board of Directors this individual serves	Address of Outside Entity	Public Ticker Symbol (if applicable)	Business/Activity in Which the Outside Entity is Engaged	Total Amount of D&O Coverage Purchased by Outside Entity

**V. REPRESENTATION: PRIOR KNOWLEDGE OF ACTS/CIRCUMSTANCES/SITUATIONS:**

1) The undersigned authorized agents of the Proposed Insureds represent, after reasonable inquiry, that no person or entity proposed for this insurance is aware of any fact, circumstance or situation which could reasonably be expected to give rise to a claim to which the proposed insurance would apply, except as disclosed immediately below (a "Disclosed Matter").

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

If no Disclosed Matter exists, please write "None" here: \_\_\_\_\_.

(2) The undersigned authorized agents acknowledge and agree, on behalf of all Proposed Insureds proposed for this insurance, that any Disclosed Matter shall be excluded from coverage under the proposed insurance.

**VI. MATERIAL CHANGE:**

If there is any material change in the answers to the questions in this Directors & Officers and Entity Securities Liability New Business Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

**VII. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:**

The **Applicant's** submission of this Directors & Officers and Entity Securities Liability New Business Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Directors & Officers and Entity Securities Liability New Business Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Directors & Officers and Entity Securities Liability New Business Application.

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare that to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Directors & Officers and Entity Securities Liability New Business Application and in any attachments or other documents submitted with this Directors & Officers

and Entity Securities Liability New Business Application are true and complete. The undersigned agree that this Directors & Officers and Entity Securities Liability New Business Application and such attachments and other documents shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information requested in this Directors & Officers and Entity Securities Liability New Business Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

**Notice to Arkansas, New Mexico and Ohio Applicants:** Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

**Notice to Colorado Applicants:** It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory agencies.

**Notice to District of Columbia Applicants:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the Applicant.

**Notice to Florida Applicants:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**Notice to Kentucky Applicants:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**Notice to Louisiana and Rhode Island Applicants:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Notice to Maine, Tennessee, Virginia and Washington Applicants:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**Notice to Maryland Applicants:** Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Notice to New Jersey Applicants:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**Notice to Oklahoma Applicants:** Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony.

**Notice to Oregon and Texas Applicants:** Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

**Notice to Pennsylvania Applicants:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Notice to Puerto Rico Applicants:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Notice to New York Applicants:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to: a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Date	Signature*	Title
_____	_____	<u>Chief Executive Officer</u>
_____	_____	<u>Chief Financial Officer</u>

\*This Directors & Officers and Entity Securities Liability New Business Application must be signed by the chief executive officer and chief financial officer of the Parent Organization acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

<u>Produced By:</u>		
Agent (Print & Sign): _____		
Agency: _____		
Agency Taxpayer ID or SS No.: _____		Agent License No.: _____
Address: _____		
City: _____		State: _____ Zip: _____
<u>Submitted By:</u>		
Agency: _____		
Agency Taxpayer ID or SS No.: _____		Agent License No.: _____
Address: _____		
City: _____		State: _____ Zip: _____