

BY COMPLETING THIS DIRECTORS & OFFICERS AND ENTITY SECURITIES LIABILITY NEW LINE APPLICATION FOR BANKS 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 LINE APPLICATION FOR BANKS CAREFULLY.

APPLICATION INSTRUCTIONS:

1. Whenever used in this Directors & Officers and Entity Securities Liability New Line Application for Banks, the term "**Applicant**" shall mean "the Parent Organization and all subsidiaries".
2. Please attach copies of the following:
 - a) The most recent CPA letters to management on internal controls, together with management's response for every **Applicant** seeking coverage;
 - b) If the Applicant is privately held, please attach a copy of the latest Annual Reports, including audited financial statements for every Applicant seeking coverage;
 - c) In addition to the documents referred to in Question 2 (a) and (b), one copy of each of the following documents should be attached and made part of this application if the **Applicant** is a:
 - Commercial Bank**
 - Most recent Uniform Bank Performance Report (UBPR) on each Bank Subsidiary; and
 - Most recent Quarterly Call Report, including Statement of Condition and Income.
 - Savings & Loan Association**
 - Latest Annual FHLBB Report for each Savings & Loan Association;
 - All subsequent Quarterly FHLBB Report for each Savings & Loan Association; and
 - Latest monthly FHLBB Report for each Savings & Loan Association.
3. 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. Please indicate if: Public Private Not-for-profit

3. Type of organization:
 Commercial Bank Savings & Loan Other (specify) _____

4. Deposits insured since _____ by:
 FDIC FSLIC Other (specify) _____

5. (a) Provide the dates of the last three (3) regulatory examinations, along with the name of the examining agency, for the **Applicant**: _____

(b) Have all recommendations or criticisms of the last examination been complied with as respects the **Applicant**? Yes No

If "No", please attach an explanation.

6. Has the **Applicant** ever received a cease and desist order from any regulatory agency or entered into any other type of written agreement with a regulatory agency concerning the operation of the Parent Organization or any Subsidiaries? Yes No

If "Yes", attach details.

7. Ownership:

(a) If securities issued by any **Applicant** are publicly traded, provide the stock symbol for each such **Applicant** and identify any exchange on which the securities are listed or traded:

(b) If the Parent Organization is privately held, provide the following:

i. Number of common shares outstanding: _____

ii. Number of common stockholders: _____

iii. The name and ownership percentage of every direct or indirect beneficial owner of 5% or more of the common shares of (i) the Parent Organization: _____

(c) Are there any negotiations now pending for the sale of **Applicant** stock in excess of 10% of the total stock outstanding? Yes No

If "Yes", attach details.

8. Provide the following information (attach details) for any Subsidiaries (including Subsidiaries of Subsidiaries) newly acquired or created in the last 12 months: If none, please indicate. None

- | | |
|------------------------------|--------------------------------|
| (a) Name | (f) Domestic or foreign |
| (b) Date created or acquired | (g) Name of parent institution |
| (c) State of Incorporation | (h) Total revenues* |
| (d) Percent of ownership | (i) Total assets* |
| (e) Nature of business | (j) Net income* |

**most recent year-end figures*

9. Provide the following information for the **Applicant**, if privately held:

Number of Directors _____ Number of Officers _____

10. Have any Directors or Officers been alerted to any of the following conditions relating to the **Applicant**?

- | | |
|---|--|
| (a) Concentration of credits in the loan portfolio which warrant reduction or correction? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Extensions of credit which exceed the legal lending limit? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Assets subject to criticism by any regulatory authority as substandard, doubtful, loss, or as other assets especially mentioned, the total of which exceeds 25% of capital? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (d) Problems involving extensions of credit to Directors, Officers or Corporations controlled by Directors or Officers? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (e) Significant violations of laws and regulations? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If "Yes", to any of the above in Question 10, please attach details, including current status.

11. 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Merger, sale or significant divestiture of the Applicant ? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Public offering of securities (whether or not such securities are required to be registered under the Securities Act of 1933)? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (d) Replacement of its outside auditors? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (e) Restatement of financials? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If "Yes" to any of the above, please attach details.

12. Has the president, chief executive officer, chief financial officer or any executive vice president of any Applicant left such office within the last three (3) years for any reason other than death or retirement at normal retirement age?

Yes No

13. Past Activities/Lawsuits/Proceedings, if privately held:

(a) During the last 5 years, has any **Applicant** or any individual or entity proposed for coverage, in any capacity, been involved in any of the following matters?

- | | |
|--|--|
| (i) Antitrust, copyright or patent litigation? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (ii) Civil, criminal or administrative proceeding or formal or informal investigation concerning compliance or noncompliance with any federal or state securities law or regulation? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (iii) Any other criminal action or proceeding? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

- (iv) Class action, derivative suit, or other representative proceeding? Yes No
- (v) Trade practices or consumer fraud? Yes No

If "Yes", to any of the above in Question 13(a), attach details.

- (b) Other than those identified in the response to Question 13(a), are there now pending or has any claim been brought at any time during the last 5 years against (i) any **Applicant** or any entity proposed for coverage or (ii) any individual proposed for coverage in his or her capacity as a director or officer of any entity? Yes No

If "Yes", please attach details.

IV. 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.

V. MATERIAL CHANGE:

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

VI. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Directors & Officers and Entity Securities Liability Application for Banks 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 Application for Banks for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Directors & Officers and Entity Securities Liability Application for Banks.

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 Application for Banks and in any attachments or other documents submitted with this Directors & Officers and Entity Securities Liability Application for Banks are true and complete. The undersigned agree that this Directors & Officers and Entity Securities Liability Application for Banks 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 Application for Banks is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

Notice to Alabama and Maryland Applicants: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or 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 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 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: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete 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 Line Application for Banks 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: _____