

**NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY CLAIM OR LOSS DISCOVERED (AS APPLICABLE IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE) MADE AGAINST ANY OF THE INSUREDS DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS COSTS, CHARGES AND EXPENSES (AS DEFINED IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE), AND COSTS, CHARGES AND EXPENSES SHALL BE APPLIED TO THE RETENTIONS.**

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**General Instructions for Completing This Application**

1. Please type or print in ink.
2. Please read carefully and answer all questions. If a question is not applicable, so state.
3. The Application must be signed by an executive officer.
4. This Application and all exhibits shall be held in confidence.
5. Please read the Policy for which application is made (the "Policy") prior to completing this Application.
6. The terms as used herein shall have the meanings as defined in the Policy.

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**I. General Information**

1. Name of Parent Company: \_\_\_\_\_

Address: \_\_\_\_\_  
(Number) (Street)

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

2. Standard Industrial Classification Code (SIC): \_\_\_\_\_

3. Nature of Operations: \_\_\_\_\_  
\_\_\_\_\_

4. Has the Company been in business longer than three (3) years?  Yes  No
5. Is the Company public-held or a public reporting company under the Securities Exchange Act of 1934?  Yes  No
6. Does the Parent Company own more than three (3) subsidiaries? If yes, please provide details on a separate page.  Yes  No
7. Has the Company in the past 18 months been involved with any actual, negotiated or attempted merger, acquisition or divestment? If yes, please provide details on a separate page.  Yes  No
8. Does the Company contemplate transacting any mergers or acquisitions in the next 12 months where such merger or acquisition would involve more than 50% of the total assets of the Company? If yes, please provide details on a separate page.  Yes  No

## II. Financial Information

1. Describe the following financial information of the Company for the most recent fiscal year-end.

a) Total Assets

\_\_\_ \$0 to 5,000,000  
 \_\_\_ \$5,000,001 to 25,000,000  
 \_\_\_ \$25,000,001 to 100,000,000  
 \_\_\_ \$100,000,001 to 250,000,000  
 \_\_\_ over \$250,000,000

b) Gross Revenues

\_\_\_ \$0 to 5,000,000  
 \_\_\_ \$5,000,001 to 25,000,000  
 \_\_\_ \$25,000,001 to 100,000,000  
 \_\_\_ \$100,000,001 to 250,000,000  
 \_\_\_ over \$250,000,000

c) Net income \_\_\_ or net loss \_\_\_ and applicable amount:

\_\_\_ \$0 to 500,000  
 \_\_\_ \$500,001 to 1,000,000  
 \_\_\_ \$1,000,001 to 3,000,000  
 \_\_\_ \$3,000,001 to 5,000,000  
 \_\_\_ over \$5,000,000

d) Cashflow from operating activities positive \_\_\_ or negative \_\_\_ and applicable amount:

\_\_\_ \$0 to 500,000  
 \_\_\_ \$500,001 to 1,000,000  
 \_\_\_ \$1,000,001 to 3,000,000  
 \_\_\_ \$3,000,001 to 5,000,000  
 \_\_\_ over \$5,000,000

2. Do the current liabilities exceed current assets? If yes, please provide details on a separate page.  Yes  No
3. Do long-term liabilities exceed 75% of total assets? If yes, please provide details on a separate page.  Yes  No
4. Will more than 50% of the total long-term liabilities mature within the next 18 months? If yes, please provide details on a separate page.  Yes  No
5. Does the Company anticipate in the next 12 months or has the Company transacted in the last 24 months any restructuring or legal or financial reorganization or filing for bankruptcy? If yes, please provide details on a separate page.  Yes  No

**III. Prior Insurance Information**

1. Describe any current insurance maintained. The Continuity Date below means the policy inception date for which the most recent main form application was attached.

<u>Coverage</u>	<u>Yes</u>	<u>No</u>	<u>Limits</u>	<u>Continuity Date</u>
Employment	—	—	_____	_____
Directors and Officers	—	—	_____	_____
Fiduciary	—	—	_____	_____
Crime	—	—	_____	_____
Technology Media, & Professional Services	—	—	_____	_____
Miscellaneous Prof. Services	—	—	_____	_____

2. Has any insurer made any payments, taken notice of claim or potential claim or non renewed any management liability or similar insurance any time in the last 24 months? If yes, please provide details on a separate page.  Yes  No

**IV. Prior Activities Information**

1. Within the last three years, has any person or entity proposed for this insurance been the subject of or involved in any litigation, administrative proceeding, demand letter or formal or informal governmental investigation or inquiry including any investigation by the Department of Labor or the Equal Employment Opportunity Commission. If yes, please provide details on a separate page.  Yes  No
2. Within the last three years, has any person or entity proposed for this insurance had any crime losses. If yes, please provide details on a separate page.  Yes  No

## V. False Information

**NOTICE TO ARKANSAS APPLICANTS:** Any person who knowingly presents a false or fraudulent **Claim** for payment for 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 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 policyholder or Claimant for the purpose of defrauding or attempting to defraud the policyholder 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 HAWAII APPLICANTS:** For your protection, Hawaii law requires you to be informed that presenting a fraudulent **Claim** for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

**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 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 APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO MINNESOTA APPLICANTS:** A person who submits an application or files a **Claim** with intent to defraud or helps commit a fraud against an **Insurer** is guilty of a crime.

**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 NEW MEXICO 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 civil fines and criminal penalties.

**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.

**NOTICE TO OHIO APPLICANTS:** Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an **Insurer**, submits an application or files a **Claim** containing a false or deceptive statement is guilty of insurance fraud.

**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 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 TENNESSEE & VIRGINIA 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 include imprisonment, fines and denial of insurance benefits.

**VI. Other Information**

1. The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this application will be attached to and become a part of such Policy, if issued. Insurer hereby is authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.
2. It is warranted that the particulars and statements contained in the Application for the proposed Policy and any materials submitted herewith (which shall be retained on files by Insurer and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
3. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the applicant will notify Insurer and, at the sole discretion of Insurer, any outstanding quotations may be modified or withdrawn.
4. It is agreed that in the event there is any misstatement or untruth in the answers to the questions contained herein, Insurer have the right to exclude from coverage any claim based upon, arising out of or in connection with such misstatement or untruth.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(must be signed by an Executive Officer of the Company)

**For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either facsimile or photocopy shall be the same force and effect as an original signature and that the original and any such copies shall be deemed on and the same document.**

**Please fully complete and attach the Information for the Coverage Section (s) desired.**

**Employment Practices Coverage Section Information**

Is the Parent Company seeking Employment Practices coverage?

Yes

No

If yes, please answer the following questions.

1. Total number of employees (full-time and part-time).

- |                          |            |                          |                           |
|--------------------------|------------|--------------------------|---------------------------|
| <input type="checkbox"/> | 0 to 10    | <input type="checkbox"/> | 151 to 225                |
| <input type="checkbox"/> | 11 to 30   | <input type="checkbox"/> | 226 to 300                |
| <input type="checkbox"/> | 31 to 50   | <input type="checkbox"/> | 301 to 400                |
| <input type="checkbox"/> | 51 to 75   | <input type="checkbox"/> | 401 to 500                |
| <input type="checkbox"/> | 76 to 100  | <input type="checkbox"/> | over 500                  |
| <input type="checkbox"/> | 101 to 150 | <input type="checkbox"/> | Exact number, if over 500 |

**Note:** When answering the above range of employees, multiply the number of part-time employee by a factor of .5 and add to number of full-time employees and independent contractors.

2. Do more than 25% of all employees currently earn more than \$50,000?

Yes

No

3. Have more than 25% of the officers or management voluntarily left the employ of the Company or had employment with the Company terminated within the last 18 months? If yes, please provide details on a separate page.

Yes

No

4. Does the Company anticipate in the next 12 months, or has the Company transacted in the last 12 months, any plant, facility, branch or office closing, consolidations or layoffs affecting 20% or more of the employees of the Company? If yes, please provide details on a separate page.

Yes

No

5. Describe the internal controls the Company maintains for Employment Practices.

a) Have all management staff and officers attended training and education programs on sexual harassment within the last 18 months?

Yes

No

b) Does labor relations counsel review the employment policies/procedures at least annually?

Yes

No

c) Is there a separate Human Resources Department?

Yes

No

d) Does the Company publish and distribute an employee handbook to every employee?

Yes

No

e) Are there written procedures for handling employee complaints of discrimination or sexual harassment?

Yes

No

f) Are there written procedures for handling employee grievances or complaints?

Yes

No

**Directors & Officers and Company Coverage Section Information**

Is the Parent Company seeking Directors & Officers and Company coverage?  Yes  No

If yes, please answer the following questions.

1. Do the Directors and Officers as a whole, directly or indirectly, own or control the voting rights of more than 50% of the outstanding securities of the Parent Company?  Yes  No
2. Within the last 18 months, has the Company transacted or attempted a private debt or equity offering of securities? If yes, please provide details on a separate page.  Yes  No
3. Within the next 18 months does the Company anticipate any:
  - a) private debt equity offering of securities? If yes, please provide details on a separate page.  Yes  No
  - b) public offering of securities? If yes, please provide details on a separate page.  Yes  No
4. Does the Company render any professional services for others for a fee or compensation? If yes, please provide details on a separate page.  Yes  No
5. Does the Company act as a general partner in any partnership? If yes, please provide details on a separate page.  Yes  No
6. Does the Company have any direct or indirect insurance operations? If yes, please provide details on a separate page.  Yes  No

**Fiduciary Coverage Section Information**

Is the Parent Company seeking Fiduciary Liability coverage?  Yes  No

If yes, please answer the following questions.

1. Does the Company have more than five (5) plans to be covered under the proposed insurance? If yes, please provide details on a separate page.  Yes  No

2. Indicate the type of plans to be insured.

Pension  Welfare Benefit  Profit Sharing  Employee Stock Ownership

3. Total number of employees currently enrolled in all plans:

<input type="checkbox"/>	0 to 10	<input type="checkbox"/>	151 to 225
<input type="checkbox"/>	11 to 30	<input type="checkbox"/>	226 to 300
<input type="checkbox"/>	31 to 50	<input type="checkbox"/>	301 to 400
<input type="checkbox"/>	51 to 75	<input type="checkbox"/>	401 to 500
<input type="checkbox"/>	76 to 100	<input type="checkbox"/>	over 500
<input type="checkbox"/>	101 to 150	<input type="checkbox"/>	Exact number, if over 500

4. Total asset value of all plans combined for the most recent fiscal year.

\$0 to 1,000,000  
 \$1,000,001 to 5,000,000  
 \$5,000,001 to 25,000,000  
 \$25,000,001 to 100,000,000  
 over \$100,000,000

5. Do all of the plans conform to the standards of eligibility, participation, vesting and other provisions of the Employee Retirement Income Security Act of 1974, as amended?  Yes  No

6. Are the plans reviewed at least annually to assure that there are no violations of any plan trust agreements, prohibited transactions or party in interest rules?  Yes  No

7. Are any of the plans under funded by more than 30%? If yes, please provide details on a separate page.  Yes  No

8. Does the Company have any delinquent contributions to any plan? If yes, please provide details on a separate page.  Yes  No

9. Have any plans been terminated, suspended, merged or dissolved within the last 24 months? If yes, please provide details on a separate page.  Yes  No

10. Does the Company anticipate terminating, suspending, merging or dissolving any plans within the next 18 months? If yes, please provide details on a separate page.  Yes  No

11. Are more than 10% of the assets of any plan, other than an Employee Stock Ownership Plan, invested in any securities of or loan to the Company? If yes, please provide details on a separate page.  Yes  No



**Crime Coverage Section Information**

Is the Parent Company seeking Crime coverage?

Yes

No

If yes, please answer the following questions.

1. Total number of employees:

\_\_\_\_ 0 to 10

\_\_\_\_ 11 to 30

\_\_\_\_ 31 to 50

\_\_\_\_ 51 to 75

\_\_\_\_ 76 to 100

\_\_\_\_ 101 to 150

\_\_\_\_ 151 to 225

\_\_\_\_ 226 to 300

\_\_\_\_ 301 to 400

\_\_\_\_ 401 to 500

\_\_\_\_ over 500

\_\_\_\_\_ Exact number, if over 500

2. Number of officers and employees who handle, have custody or maintain records of money, securities or other property:

\_\_\_\_ 0 to 5

\_\_\_\_ 6 to 15

\_\_\_\_ 16 to 50

\_\_\_\_ over 50

3. Is there an annual audit or review performed by an independent CPA on the books and accounts, including a complete verification of all securities and bank balances?

Yes

No

4. Are bank accounts reconciled by someone not authorized to deposit or withdraw from those accounts?

Yes

No

5. Is counter signature of checks required?

Yes

No

6. Is the applicant seeking Employee Benefit Plan Crime coverage?

Yes

No

7. Are pre-authorized controls maintained for all programmers and operators?

Yes

No

8. Do audit practices include tests to detect unauthorized programming changes?

Yes

No

9. Are computerized check writing operations segregated from departments that authorize checks?

Yes

No