

Please complete the following application for Management Liability for Private Financial Institutions. If additional space is needed to answer the below questions, attach a separate document to this Application to provide complete answers. If the answer to a question is none, state "None" or "0" in the space provided.

NOTICE: IF ISSUED, THIS SHALL BE A CLAIMS MADE POLICY AND, EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY SHALL APPLY ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD (IF APPLICABLE) AND REPORTED IN WRITING TO THE INSURER AS REQUIRED BY THE TERMS OF THE POLICY. COVERED DEFENSE COSTS SHALL REDUCE, AND MAY EXHAUST, THE LIMIT OF LIABILITY AND SUBLIMITS OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS. THE INSURER HAS NO DUTY TO DEFEND ANY INSURED UNDER THIS POLICY. PLEASE READ AND REVIEW THE APPLICATION CAREFULLY.

## I. APPLICANT

Whenever used in this Application, the term "Applicant" shall mean the organization identified in response to question 1 of section I of this Application.

1. Applicant: \_\_\_\_\_
2. Address: \_\_\_\_\_  

(STREET)

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(CITY)
(STATE)
(ZIP)
3. State of incorporation \_\_\_\_\_
4. Description of the Applicant's business: \_\_\_\_\_
5. Applicant's primary website: \_\_\_\_\_

## II. GENERAL INFORMATION

6. Years of operation: \_\_\_\_\_
7. Type of business structure:
 

Corporation
 General partnership
 Limited liability company
 Sole proprietorship

Other (please specify): \_\_\_\_\_
8. Number of locations:
 

Domestic (within the United States of America, including its territories and possessions): \_\_\_\_\_ Foreign: \_\_\_\_\_
9. Number of employees at the Applicant and its subsidiaries: Full time: \_\_\_\_\_ Part time: \_\_\_\_\_ Independent contractor: \_\_\_\_\_
10. Provide the following financial information for the Applicant and its subsidiaries, for the most recent audited financials (or interim financials, if audited are not available):

<b>Based on financial statements dated (year/month):</b> _____ <div style="text-align: center; font-size: small;">(YYYY/MM)</div>	
Total assets	Total revenues
Current assets	<input type="radio"/> Net income or <input type="radio"/> Net loss
Total liabilities	Long-term debt maturing within next 18 months
Current liabilities	Cash flow from operations

11. Is the Applicant or any of its subsidiaries currently in violation of any debt covenant, has the Applicant or any of its subsidiaries been in violation of any debt covenant in the past 12 months, or does the Applicant or any of its subsidiaries anticipate being in violation of a debt covenant in the next 12 months?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
12. Has the Applicant or any of its subsidiaries changed auditor in the past 24 months?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
13. Has any auditor issued an adverse going concern opinion, or a qualified opinion for the Applicant or any of its subsidiaries in the past 24 months?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
14. Has any auditor stated there are material weaknesses in the Applicant's or any of its subsidiary's system of internal controls?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
15. Has the Applicant or any of its subsidiaries in the past 24 months completed, or is any such entity in the process of or contemplating in the next 12 months, any of the following activities:
- a. A declaration of bankruptcy?  Yes  No
  - b. A reorganization or arrangement with creditors under federal or state law?  Yes  No
  - c. A branch, location, facility, office or subsidiary closing, or layoffs?  Yes  No
  - d. An actual or proposed merger, acquisition, consolidation or divestiture?  Yes  No
  - e. A registration for a public offering or private placement of securities?  Yes  No
- If yes to any of the above, please provide details: \_\_\_\_\_

16. Please complete the table below for all direct and indirect subsidiaries for which the Applicant requests coverage.

Subsidiary name	Description of operations	Percentage of ownership	Date acquired or created
		%	
		%	
		%	
		%	

**Please note that coverage for any entity of which the Applicant owns 50% or less of its voting shares is not automatically included. The policy, if issued, will determine coverage for any such entity.**

### III. DIRECTORS AND OFFICERS LIABILITY INFORMATION

Complete if coverage is requested.

17. Total number of voting shareholders: \_\_\_\_\_ Common shares outstanding: \_\_\_\_\_

Total number of voting shares held by Applicant's directors or officers: \_\_\_\_\_

List all shareholders owning 5% or more of the Applicant's voting shares in the following table:

Name	Percentage of holdings	Is this shareholder a director or officer?	Does this shareholder have board representation?
	%	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
	%	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
	%	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
	%	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No
	%	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No

*To enter more information, please attach a separate page.*

18. Is any of the Applicant's stock held by an Employee Stock Ownership Plan (ESOP)?  Yes  No  
 If yes, is the ESOP leveraged?  Yes  No
19. Has the Applicant or any of its subsidiaries experienced any changes to key executives (Chairman, President, CEO, CFO), or the board of directors, in the past 12 months, or are any such changes expected in the next 12 months?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
20. Do the Applicant's bylaws or charter contain indemnification provisions?  Yes  No
21. In the past 3 years, has the Applicant or any entity or individual proposed for coverage been the subject of, or involved in, any:
- a. Antitrust, copyright or patent litigation?  Yes  No
  - b. Violation of any federal, state or foreign law, rule or regulation governing antitrust or fair trade practices?  Yes  No
  - c. Violation of any federal, state or foreign law, rule or regulation governing securities?  Yes  No
  - d. Representative actions, class actions, or derivative suits?  Yes  No
  - e. Deceptive trade practices or consumer fraud?  Yes  No
- If yes, please provide details of each matter in response to question 47 of this Application.
22. In the past 3 years, has the Applicant or any entity or individual proposed for coverage been the subject of, or involved in, any inquiries, investigations or disciplinary action by law enforcement or governmental regulatory authority, including, but not limited to, the U.S. Department of Justice, the U.S. Securities and Exchange Commission, any attorneys general of the United States of America, or the enforcement unit of any securities exchange or similar self-regulatory organization?  Yes  No

**Please submit the following additional information for Directors and Officers Liability:**

1. The Applicant's most recent audited financial statements (or interim financial statements, if audited are not available);
2. A list of all Directors and Officers of the Applicant, indicating those who are members of the board of directors;
3. Entity organizational chart.

## IV. EMPLOYMENT PRACTICES LIABILITY INFORMATION

Complete if coverage is requested.

23. Please provide the following information for the Applicant and its subsidiaries:

a. Total number of employees: Full time: \_\_\_\_\_ Part time: \_\_\_\_\_ Independent contractor: \_\_\_\_\_

		Full time		Part time		Independent contractor
		Non-union	Union	Non-union	Union	
<b>United States of America</b>	<b>California</b>					
	<b>Florida; Illinois; New York; Texas; Washington, D.C.</b>					
	<b>Elsewhere in the USA</b>					
<b>Foreign</b>						

b. Estimated annual remuneration\* of all employees, including officers, owners or partners: \_\_\_\_\_

\*Note: Remuneration includes salary, commissions, bonuses and other incentives and does not include dividends or security-based distributions.

What percentage of employees have salaries (including bonuses):

Less than \$50,000	\$50,000 to \$100,000	\$100,001 to \$250,000	Greater than \$250,000
%	%	%	%

c. Employee turnover: Most recent 12 months \_\_\_\_\_% Prior 12 months \_\_\_\_\_%

24. Has the Applicant or any of its subsidiaries in the past 24 months completed, or does any such entity contemplate completing during the next 12 months, any layoffs, staff reductions or facility closing?  Yes  No
- If yes, please answer the following:
- a. How many employees were, or will be, affected? \_\_\_\_\_
  - b. Did the Applicant or subsidiary consult with outside counsel, or will they consult with outside counsel, during the process?  Yes  No
  - c. Were, or will there be, severance packages offered to affected employees?  Yes  No
  - d. Were, or are, the affected employees required to sign a release in exchange for the severance package?  Yes  No
  - e. Does the Applicant have a formal out-placement program or procedures to assist affected employees find new employment?  Yes  No
25. Does the Applicant have a human resources department (or similar department or office that handles the human resources function)?  Yes  No
26. Does the Applicant have a human resources manual (or equivalent) that is distributed to all employees?  Yes  No
27. Are all employees required to acknowledge receipt of such human resources manual (or equivalent)?  Yes  No
28. Does the human resources manual (or equivalent) address compliance with the following:
- a. The American with Disabilities Act of 1990, as amended?  Yes  No
  - b. The Family and Medical Leave Act of 1993, as amended?  Yes  No
  - c. The 1991 Civil Rights Act, as amended?  Yes  No
29. Does the Applicant have written guidelines, policies or procedures to address the following human resource issues:
- a. Hiring and/or interviewing?  Yes  No
  - b. Employment "at will?"  Yes  No
  - c. Employee performance appraisals and/or reviews?  Yes  No
  - d. Employee discharge and termination?  Yes  No
  - e. Reporting, investigating, and resolving employee complaints or grievances?  Yes  No
  - f. Workplace discrimination?  Yes  No
  - g. Sexual and other workplace harassment?  Yes  No
  - h. Retaliation?  Yes  No
  - i. Workplace diversity?  Yes  No
30. Has legal counsel reviewed the human resources manual and guidelines, policies or procedures within the past 24 months?  Yes  No
31. Does the Applicant conduct employee training on workplace discrimination, sexual and other workplace harassment, and workplace diversity?  Yes  No
32. During the past 3 years, has the Applicant or any entity or any individual proposed for coverage, been the subject of, or involved in, any:
- a. Administrative proceeding or investigation before the Equal Employment Opportunity Commission (EEOC) or other state or local government agency?  Yes  No
  - b. Discriminatory practice, unlawful harassment or any other employment or labor-related violation?  Yes  No
  - c. Employment related civil suit or claim?  Yes  No
  - d. Action or civil suit brought against them by a client, customer, or third party?  Yes  No

If yes, please provide details of each matter in response to question 47 of this Application.

**Please submit the following additional information for employment practices liability:**

1. The Applicant's most recent audited financial statements (or interim financial statements, if audited are not available);
2. If the Applicant has more than 500 employees, the human resources manual (or equivalent).

## V. FIDUCIARY LIABILITY INFORMATION

Complete if coverage is requested.

33. Please provide the following information for each plan for which coverage is requested:

Plan name	Current market value of assets	Plan participants	Type of plan*	Single or multiple employer?	Does the plan hold or permit investment in employer securities?
					<input type="radio"/> Yes <input type="radio"/> No
					<input type="radio"/> Yes <input type="radio"/> No
					<input type="radio"/> Yes <input type="radio"/> No
					<input type="radio"/> Yes <input type="radio"/> No

\*Type of plan: DB=Defined Benefit, DC=Defined Contribution, W=Welfare Benefit, SO=Stock Option (ESOP or KSOP), O=Other

34. Is every defined benefit plan funded in accordance with the minimum funding standards of the Employee Retirement Income Security Act of 1974, as amended (ERISA)?  Yes  No  
 If no, please provide details: \_\_\_\_\_
35. Does any plan have any outstanding or delinquent contributions, or has any plan requested, or does any plan intend to request, a waiver of contributions?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
36. During the past 24 months has any plan been, or during the next 12 months will any plan be, merged with another plan, terminated, frozen, sold or converted to a cash balance plan?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
37. In the past 24 months, has there been any amendment to a plan that has resulted in a reduction of benefits (including an amendment that leads to an increase in plan participant costs), or are there any amendments currently being contemplated?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
38. Does any plan invest in a fund, collective trust or similar investment vehicle that receives investment management or advisory services from, or is sponsored by, the Applicant?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
39. Does the Applicant, or do plan fiduciaries, review the investment manager's or investment advisor's mandate for the plan(s), at least annually?  Yes  No  
 If no, please provide details: \_\_\_\_\_
40. Does the Applicant, or do plan fiduciaries, review the investment manager's or investment advisor's performance, at least annually?  Yes  No  
 If no, please provide details: \_\_\_\_\_
41. How frequently does the Applicant, or do plan fiduciaries, perform a request for proposal for plan service providers, and in particular, the recordkeeper?  
 \_\_\_\_\_
42. In the past 24 months, have you received, or are you aware of, any communications or inquiries regarding plan fees and expenses, or the performance of any plan investment options?  Yes  No  
 If yes, please provide details: \_\_\_\_\_
43. In the past 3 years, has the Applicant or any individual, entity or plan proposed for coverage, been the subject of, involved in, any:
- a. Investigation by the Department of Labor, Internal Revenue Service or any other similar domestic or foreign agency?  Yes  No
  - b. Violation of ERISA, or any similar law or regulation?  Yes  No
- If yes, please provide details of each matter in response to question 47 of this Application.

**Please submit the following additional information for fiduciary liability:**

1. Each plan's most recent audited financial statements and 5500;
2. A list of third-party service providers, including actuary(ies), administrator(s), auditor(s), consultant(s), lawyer(s), and investment manager(s) or advisor(s);
3. The Applicant's most recent audited financial statements (or interim financial statements, if audited are not available).

## VI. ADDITIONAL INFORMATION

44. Please provide the current insurance information for the Applicant (if the Applicant currently has such insurance):

	Limit	Retention	Premium	Prior & pending or retroactive date	Insurance carrier
<b>Directors and officers liability</b>					
<b>Employment practices liability</b>					
<b>Fiduciary liability</b>					

45. MISSOURI RESIDENTS - DO NOT ANSWER: Has the insurer of any of the above coverages notified the Applicant that it is cancelling or non-renewing such coverage(s)?  Yes  No

If yes, please provide details: \_\_\_\_\_

## VII. CLAIMS AND LOSS HISTORY

46. During the past 3 years, has the Applicant or any individual or entity proposed for coverage under this insurance submitted any claim or loss, or given notice of any fact, circumstance, situation, transaction, event, act, error or omission, which the Applicant, any such individual or any such entity has reason to believe may, or could reasonably be foreseen to, give rise to a claim or loss that may fall within the scope of insurance with any insurer or self-insurance instrument of which the requested coverages would be a direct or indirect replacement?  Yes  No

If yes, please provide details, including (if applicable) date of loss, claimant name, all defense and indemnity payments, all defense and indemnity reserves (if claims are open) and claim status (open/closed):

**NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS, DEFENSES OR REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM OR LOSS REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 46 IS EXCLUDED FROM THE PROPOSED INSURANCE, AND THAT ANY CLAIM OR LOSS ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 46 IS EXCLUDED FROM THE PROPOSED INSURANCE.**

*Complete question 47 below if the Applicant is requesting coverage that the Applicant does not currently purchase or is requesting limits of liability that are higher than the Applicant currently purchases.*

47. With respect to any liability coverage that the Applicant does not currently purchase or any requested limits of liability that are higher than the Applicant currently purchases, is the Applicant or any individual or entity proposed for coverage under this insurance aware of any fact, circumstance, situation, transaction, event, act, error or omission that the Applicant, any such individual or any such entity has reason to believe may, or could reasonably be foreseen to, give rise to a claim or loss that may fall within the scope of the proposed insurance?  Yes  No

If yes, please provide details:

**NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS, DEFENSES OR REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM OR LOSS ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 47 IS EXCLUDED FROM THE PROPOSED INSURANCE.**

# FRAUD STATEMENTS / SIGNATURE

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The following is part of the Application:

## **Applicable in AL**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

## **Applicable in AR, LA, MD, RI and WV**

Any person who knowingly (or willfully)\* presents a false or fraudulent claim for payment of a loss or benefit or 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.

\*Applies in MD Only.

## **Applicable in CA**

For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

## **Applicable in CO**

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.

## **Applicable in DC**

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.

## **Applicable in FL**

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.

## **Applicable in KS**

A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

## **Applicable in KY**

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.

## **Applicable in ME**

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.

## **Applicable in NJ**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

## **Applicable in NM**

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.

## **Applicable in NY**

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.

**Applicable in OH**

Any person who, with 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.

**Applicable in OK**

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.

**Applicable in OR**

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

**Applicable in PA**

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.

**Applicable in PR**

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 by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be 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.

**Applicable in TN and VA**

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.

**Applicable in WA**

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

APPLICANT'S STATEMENT: I HAVE READ THE ABOVE APPLICATION AND ANY ATTACHMENTS. I DECLARE THAT THE INFORMATION PROVIDED IN THEM IS TRUE, COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THIS INFORMATION IS BEING OFFERED TO THE COMPANY AS AN INDUCEMENT TO ISSUE THE POLICY FOR WHICH I AM APPLYING.

PRODUCER'S SIGNATURE	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO. (Required in FL)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER