

PRIVATE COMPANY MANAGEMENT LIABILITY NEW BUSINESS APPLICATION

NOTICE: THE LIABILITY COVERAGE PARTS OF THE MANAGEMENT LIABILITY POLICY PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE UNDERWRITER BE LIABLE FOR "DEFENSE EXPENSES" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

Application Instructions:

Whenever used in this Application, the term "Applicant" shall mean the Named Applicant and all other organizations applying for coverage. Any other term not defined in this Application shall have the same meaning as in the proposed Policy, where applicable.

If additional space is needed to answer the below questions, attach a separate document to this Application to provide complete answers.

I. GENERAL INFORMATION

Named Applicant Information:

a.	Name of Applicant:		
b.	Address:		
c.	City:	State:	Zip Code:
d.	Nature of Business:		
e.	Web Address:	SIC Code / NAICS Code:	
f.	HR Contact:	Email:	
g.	Corporate Structure:	<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company Other (please describe):	

Coverage Requested

Please indicate below which coverages are being requested:

Coverage Requested	Limit of Liability	Retention
<input type="checkbox"/> Directors & Officers	\$	\$
<input type="checkbox"/> Employment Practices	\$	\$
<input type="checkbox"/> Fiduciary Liability	\$	\$
<input type="checkbox"/> Crime	\$	\$

Financial Information

Based on Financial Statements Dated:	Recent FYE (Month/Year) (____/____)	Prior Year (Month/Year) (____/____)
Current Assets	\$	\$
Total Assets	\$	\$
Current Liabilities	\$	\$
Total Liabilities	\$	\$
Total Revenues	\$	\$
Net Income (or Loss)	\$	\$
Cash Flow From Operations	\$	\$
Retained Earnings	\$	\$
Shareholders Equity	\$	\$

- a. Is the Applicant currently (or during the past 12 months has been) in breach, violation, or waiver of any debt covenants? If "Yes," please attach full details. ☐Yes ☐No

Subsidiaries and Affiliate

Please list all direct and indirect subsidiaries and affiliates for which the Applicant requests coverage.

If included as an attachment herein, check here ☐.

Name	Nature of Business	Percent of Ownership	Date Acquire or Created	Tax Status

Corporate Changes

In the past 18 months (or in the next 12 months), has the Applicant experienced (or is it contemplating) any of the following:

- a. Changes to its Board of Directors or to its Key Executives? ☐Yes ☐No
- b. Employee layoffs, branch/location/office closings, or consolidations? ☐Yes ☐No
- c. Mergers, acquisition, or divestitures? ☐Yes ☐No
- d. Public or private securities offering? ☐Yes ☐No
- e. Reorganization or bankruptcy filing? ☐Yes ☐No

II. DIRECTORS AND OFFICERS LIABILITY INFORMATION

Ownership Structure

- a. Total number of shares outstanding: _____
- b. Total number of shares owned by directors and officers: _____
- c. Total number of shares owned by family members of the directors and officers: _____
- d. If any shareholders owns 5% or more shares, complete the following information:

Shareholder / Entity	Ownership Percentage	Board Representation
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No

Past Activities

Has the Applicant or any person proposed for coverage been the subject of, or been involved in, any of the following during the past three years:

- a. Anti-trust, copyright, or patent litigation? ☐Yes ☐No
- b. Deceptive trade practices or consumer fraud? ☐Yes ☐No

III. EMPLOYMENT PRACTICES LIABILITY INFORMATION

Employee Information:

- a. Total number of Employees: _____
- b. Total number of Employees in Foreign Countries: _____
- c. Total number of Employees below according to Employment Category and State location of Employees:

Employment Category	Location of Employees			
	CA	NY/TX/FL	All Other States	Total
US Full-Time				
US Part-Time				
US Independent Contractors and Leased Employees				
US Seasonal, Temporary and Volunteers				

1. Has the Applicant adopted and distributed to its employees an Employment Handbook or written policies, procedures or guidelines that include the following:

- | | |
|--|--|
| a. Equal Opportunity Employment | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b. Anti-Discrimination | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c. Prevention of harassment, including sexual harassment | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| d. Accommodation for the disabled as required by the Americans with Disabilities Act | <input type="checkbox"/> Yes <input type="checkbox"/> No |

2. In the past twelve (12) months, what has been the annual percentage of turnover rate for all employees for the Application (all locations)?

Voluntary: _____% Involuntary: _____%

3. US Salary Ranges for Employees:

Employee Salary Ranges	% in Range Current Year	% in Range Prior Year
Up to \$50,000	%	%
\$50,000 - \$125,000	%	%
Over \$125,000	%	%

IV. FIDUCIARY LIABILITY INFORMATION

Please list the employee benefit plan(s) for which coverage is requested:

Plan Names (do not include Health & Welfare Plans)	Plan Assets (market value)	Type of Plan*	Funding % (DB only)	Number of Participants
	\$		%	
	\$		%	
	\$		%	

*Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)

1. In the past two (2) years, has the Applicant merged or terminated any plans(s)? ☐Yes ☐No

If "Yes", attach details including date, status of asset distribution, whether similar benefits are being offered, and name of insurance carrier if terminated plan benefits are secured by insurance.

2. Has any Applicant, any plan, or fiduciary:
- i. Been accused or found guilty of a breach of fiduciary duty or violation of ERISA? ☐ Yes ☐ No
 - ii. Been investigated by the DOL, IRS or any other regulatory agency in the past 2 years? ☐ Yes ☐ No
 - iii. Had any other litigation against any Plan or Plan Fiduciary? ☐ Yes ☐ No

If "Yes," please attach details.

3. Are any plan assets managed by an independent investment manager? ☐ Yes ☐ No

If "No," please attach details of investment procedures.

V. CRIME COVERAGE INFORMATION

Location Information:

Total number of locations of Applicant	
a. List Domestic Locations:	
b. List Foreign Locations:	

1. How many Employees handle, have access to or maintain records of money, securities or other property including, but not limited to, directors, officers, trustees, and any person handling or having access to employee welfare or benefit plan assets: _____
2. Has the Applicant made any changes to their internal control procedures in the past twelve (12) months?
If "Yes," please attach full description of changes. ☐ Yes ☐ No
3. Does the Applicant have a procedure where all checks need to be countersigned?
If "Yes," what amount? ☐ Yes ☐ No
4. Does the Applicant utilize a Positive Pay System? ☐ Yes ☐ No
5. Before an employee completes a wire transfer, are back account information verified and a verbal confirmation made via phone call to the recipient? ☐ Yes ☐ No

VI. Past Activities

Within the last three (3) years, has the **Applicant** or any person proposed for this insurance in his or her capacity as an employee, officer, director, trustee, fiduciary of the **Applicant** or another entity been the subject of or involved in any:

- a. Litigation, civil, arbitration, administrative or criminal proceeding, civil or criminal charge or hearing, or a written demand seeking monetary or non-monetary damages? ☐ Yes ☐ No

If "Yes", please provide details on a separate page.

- b. Formal or informal investigation, proceeding or inquiry by any federal, state or local governmental agency or regulatory body, including without limitation, the U.S. Department of Justice, the U.S. Department of Labor, or any federal or state office of the Attorney General? ☐ Yes ☐ No

If "Yes", please provide details on a separate page.

- c. Notice of charges or other proceeding from the Equal Employment Opportunity Commission or any similar state or local agency or regulatory body? ☐ Yes ☐ No

If "Yes", please provide details on a separate page.

- d. If Crime Coverage is being considered, please answer the following:

Within the last three (3) years, has the Applicant had any commercial Crime losses?

☐ Yes ☐ No

If "Yes", please provide details on a separate page.

- e. If Fiduciary Coverage is being considered, please answer the following:

In the past three (3) years, has the Applicant merged, terminated or frozen. any plan(s)?

☐ Yes ☐ No

If "Yes", please provide details on a separate page including transaction date, status of asset distribution, whether similar benefits are being offered, and name of insurance carrier if terminated plan benefits are secured by insurance.

- f. Has any insurer made any payments, taken notice of claim or potential claim or non-renewed any management liability or similar insurance at any time in the last three (3) years? ☐ Yes ☐ No

If "Yes", please provide details on a separate page.

VII. WARRANTY: PRIOR KNOWLEDGE OF FACTS OR CIRCUMSTANCES OR SITUATIONS

APPLICABLE TO NEW OR HIGHER LIMITS THAN CURRENTLY PURCHASED

The **Applicant** must complete the warranty statement below:

The warranty statement applies to those **coverage types for which no coverage is currently maintained; and any larger limits of liability requested.**

For Alaska, Florida, Georgia, Kansas, Kentucky, Maine, Nebraska, New Hampshire, North Carolina, Oklahoma, Oregon, Virginia, Washington and West Virginia Residents ONLY: the title of this section and any other reference to "Warranty" is deleted and replaced with "Applicant Representation".

Is the Applicant aware of any fact, circumstance, or situation which he or she has reason to suppose might give rise to any claim that would fall within the scope of the proposed Liability Coverage Section(s)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Without prejudice to any other rights and remedies of the Insurer, the **Applicant** understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed in response to the question above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Insurer.

VIII. SIGNATURE

This Application must be signed by the Chief Executive Officer, Chief Financial Officer, or General Counsel of the Named Applicant or their functional equivalent.

By signing this Application, I agree to conduct electronic commerce and to accept an electronic insurance policy and other documents issued by the Underwriter. I acknowledge that I may request a written policy.

The undersigned declares that to the best of his/her knowledge, after reasonable inquiry, the statements herein are true. It is agreed that this Application shall be the basis of the contract should a Policy be issued. The Underwriter is hereby authorized to make any investigation and inquiry in connection with this Application as they may deem necessary. The Underwriter will have relied upon such Applicant, attachments, and such other information submitted therewith in issuing such policy. The undersigned further certifies that he/she has read the applicable fraud notices referenced below in this Application and that none of the information provided herein has been provided in violation of any applicable insurance fraud laws or regulations.

Applicant Name	
By (Authorized Signature)	
Name/Title	
Date	

IX. FRAUD WARNINGS

GENERAL STATEMENT

Any person who knowingly and with intent to defraud any insurance company or another 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 the person to criminal and [NY: substantial] civil penalties. (Not applicable in CO, DC, FL, HI, KS, MA, MD, MN, NE, OH, OK, OR, PA, VT or WA; in LA, ME, TN and VA, insurance benefits may also be denied).

APPLICABLE IN COLORADO

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 THE DISTRICT OF COLUMBIA

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 FLORIDA

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 HAWAII

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.

APPLICABLE IN KANSAS

Any person who commits an act, 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 commits a fraudulent act.

APPLICABLE IN MAINE

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 MARYLAND

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.

APPLICABLE IN MASSACHUSETTS, NEBRASKA AND OREGON

Any person who knowingly and with intent to defraud any insurance company or another 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, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties.

APPLICABLE IN MINNESOTA

Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

APPLICABLE IN NEW HAMPSHIRE

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.

APPLICABLE IN OHIO

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 or deceptive statement is guilty of insurance fraud.

APPLICABLE IN OKLAHOMA

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 PENNSYLVANIA

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 VERMONT

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and may be subject to penalties under state law.

APPLICABLE IN TENNESSEE AND WASHINGTON

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.