

SECTION II - DIRECTORS & OFFICERS INFORMATION

(Complete this section **only** if Directors & Officers Liability coverage is desired.)

6. Ownership Information:

- a. Number of common shares outstanding: _____ If LLC, number of membership shares: _____
- b. Number of common shareholders: _____ Number of active members: _____
- c. Total number of shares owned directly or beneficially by Directors & Officers or Board of Managers: _____
- d. Does any shareholder(s) or group of affiliated shareholders (including an employee stock ownership plan) own more than five (5)% of the voting shares directly or beneficially? Yes No
If yes, please provide details.

- e. Are there any changes in ownership from the prior year? Yes No
If yes, please provide details.

7. Provide a list of all direct and indirect subsidiaries.

Name: _____ Type of Business: _____
Percent owned by the Applicant: _____ % Date Created/Acquired: _____

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Percent owned by the Applicant: _____ % Date Created/Acquired: _____

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Percent owned by the Applicant: _____ % Date Created/Acquired: _____

If additional space is needed, please attach a separate page or use the additional information page provided at the end of the application.

- 8. In the past twelve (12) months, does the **Applicant** anticipate being involved in any of the following? **If yes, provide details by attachment.**
 - Merger, acquisition or consolidation with another entity? Yes No
 - Sales, distribution or divestiture of any assets other than in the ordinary course of business? Yes No
 - Changes in the board of directors or senior management (other than death or retirement)? Yes No
 - Change in the **Applicant's** independent auditors? Yes No

9. Offering of Securities Information

- a. Within the next twelve (12) months is the **Applicant** contemplating any private offering of debt or equity of securities? Yes No
If yes, please attach the offering memorandum or prospectus describing the essential terms of each transaction, including the effective date, the professionals used, the amount of the offering and the current status of each such transaction.

10. Financial Information

- a. Within the next twelve (12) months, is the **Applicant** contemplating any bankruptcy, reorganization or arrangement with creditors under federal or state law? Yes No
- b. Is the **Applicant** in violation of any of its debts & loan covenants? Yes No

c. In the past twelve (12) months, did an Independent CPA render a "going concern" opinion? Yes No

Note: If the Applicant answered yes to 10 (a), (b), or (c) please attach details including the most recent financial audit, review or compilation with the auditors notes.

11. Outside Directorship

Does the **Applicant** direct or request any individual to serve as director, officer, governor or trustee of any other entity?

If yes, please complete questions a – g below.

- a. Name of individual director, officer, governor or trustee: Position held:
- b. Name of outside entity:
- c. Nature of entity's business:
- d. Percentage of ownership by **Applicant**: % Domestic or Foreign:
- e. Does the outside entity provide indemnification to its Directors and Officers? Yes No
- f. Complete the following information regarding the Directors and Officers
 Liability Insurance carried by the outside entity: Insurer:
 Limit of Liability: \$ Policy Period:
- g. Has the outside entity or its Directors and Officers been involved in any Directors and Officers Liability litigation? Yes No

SECTION III - EMPLOYMENT PRACTICES INFORMATION
 (Complete this section only if Employment Practices Liability coverage is desired.)

12. Please provide the following employee count information:

	<u>Currently</u>	<u>One Year Ago</u>	<u>Two Years Ago</u>
U.S. based employees:			
Total Full Time:			
Total Part Time:			
Volunteers:			
Temporary:			
Leased:			
Total Non U.S. based employees:			
TOTAL SUM OF ABOVE:			

Number of employees per the following states:

- CA:**
- FL:**
- NJ:**
- NY:**
- TX:**

13. Total number of current employees with annual compensation greater than \$100,000:

14. How many employees have been terminated or demoted in the past twelve (12) months?

Voluntary: Involuntary: Laid Off:

15. Is any reduction of employees or change of status anticipated or being contemplated in the next year? Yes No

If yes, number estimated:

16. Does the **Applicant** anticipate any plant, facility, branch, office, or department closing, consolidation, reorganization or layoff in the next twelve (12) months? Yes No

If yes, provide details.

17. Does the **Applicant** have a human resources department? Yes No
If no, describe how this function is handled.

18. **Human Resource Policies and Procedures**
 Has the **Applicant** implemented any new employment policies or procedures over the past twelve (12) months? Yes No
If yes, please provide details.

SECTION IV - FIDUCIARY LIABILITY COVERAGE
 (Complete this section only if Fiduciary Liability coverage is desired.)

19. List all plans for which coverage is requested (use attachment if necessary):

	Plan Name	Year Established	Assets/ Contributions	Type*	Participants	Administrator
	Example: The ABC Manufacturing Corp 401K Plan	2000	\$1,000,000	3	75	self
a)			\$			
b)			\$			
c)			\$			
d)			\$			

- * 1 = Employee Welfare Benefit Plan (as defined by ERISA)
 2 = Defined Contribution Plan (as defined by ERISA)
 3 = Defined Benefit Plan (as defined by ERISA)
 4 = Other If "Type" is an ESOP a Fiduciary Liability - ESOP Supplement must be completed.

If additional space is needed, please attach a separate page or use the additional information page provided at the end of the application.

20. Have there been any changes to any plan listed above? Yes No
If yes, provide details by attachment.

21. Has any plan requested or contemplated filing a request for termination? Yes No
If yes, provide details by attachment.

22. Has any plan been spun-off (sold), transferred or terminated? Yes No
If yes, provide details by attachment.

Please attach the most recent tax form 5500 for each plan listed above.

SECTION V- GENERAL SUMMARY
(The Applicant must complete this section.)

23. Please provide details on the following insurance coverage currently in place:

COVERAGES	Insurance Company	Limit of Liability	Deductible	Policy Effective Dates	
General Liability					
Professional Liability					

24. Has the **Applicant** been the subject or involved in any litigation in the past twelve (12) months?
If yes, provide details by attachment.

Yes No

25. In the next twelve (12) months, does the **Applicant** anticipate any substantial change or reorganization of operations?
If yes, provide details by attachment.

Yes No

Material Change

If there is any material change to the answers of this Application's questions prior to the policy inception date, the Applicant must notify the Underwriter in writing. Any outstanding quotation may be modified or withdrawn.

False Information

FRAUD STATEMENT AND SIGNATURE SECTIONS

The Undersigned states that he/she is an authorized representative of the Applicant and declares to the best of his/her knowledge and belief and after reasonable inquiry, that the statements set forth in this Application (and any attachments submitted with this Application) are true and complete and may be relied upon by Company * in quoting and issuing the policy. If any of the information in this Application changes prior to the effective date of the policy, the Applicant will notify the Company of such changes and the Company may modify or withdraw the quote or binder.

The signing of this Application does not bind the Company to offer, or the Applicant to purchase the policy.

*Company refers collectively to Philadelphia Indemnity Insurance Company and Tokio Marine Specialty Insurance Company.

FRAUD NOTICE STATEMENTS

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 AND SUBJECTS THAT PERSON TO CRIMINAL AND CIVIL PENALTIES (IN OREGON, THE AFOREMENTIONED ACTIONS MAY CONSTITUTE A FRAUDULENT INSURANCE ACT WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO PENALTIES). (IN NEW YORK, THE CIVIL PENALTY IS NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION). (NOT APPLICABLE IN AL, AR, AZ, CO, DC, FL, KS, LA, ME, MD, MN, NM, OK, PA, RI, TN, VA, VT, WA AND WV).

APPLICABLE IN AL, AR, AZ, DC, LA, MD, NM, RI AND WV: ANY PERSON WHO KNOWINGLY (OR WILLFULLY IN MD) PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY (OR WILLFULLY IN MD) PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES OR CONFINEMENT IN PRISON.

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 FLORIDA AND OKLAHOMA: 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 (IN FL, A PERSON IS GUILTY OF A FELONY OF THE THIRD DEGREE).

APPLICABLE IN KANSAS: 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 KENTUCKY: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSONS FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

APPLICABLE IN MAINE, TENNESSEE, VIRGINIA 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 MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

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 NEW YORK: 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 BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATE VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

NAME (PLEASE PRINT/TYPE)

TITLE
(MUST BE SIGNED BY THE PRESIDENT, CHAIRMAN, CEO OR EXECUTIVE DIRECTOR)

SIGNATURE

DATE

SECTION TO BE COMPLETED BY THE PRODUCER/BROKER/AGENT

PRODUCER
(If this is a Florida Risk, Producer means Florida Licensed Agent)

AGENCY

PRODUCER LICENSE NUMBER
(If this a Florida Risk, Producer means Florida Licensed Agent)

ADDRESS (STREET, CITY, STATE, ZIP)

As part of this Application, please submit the following documents:

- a) **Applicant's latest fiscal year end financial statement (CPA prepared) and latest interim financial statement**
- b) List of the **Applicant's** current Directors & Officers
- c) Copies of the most recently filed Form(s) 5500 (and attachments) for all ERISA plans for which coverage requested (If Fiduciary Liability coverage is being requested)

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND ALONG WITH THE APPLICATION IS CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY, SHOULD ONE BE ISSUED. THE UNDERWRITER WILL HAVE RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING ANY POLICY.

ADDITIONAL INFORMATION

This page may be used to provide additional information to any question on this application. Please identify the question number to which you are referring.

Signature

Date