

Notice: This is an application for a "Claims-Made and Reported Policy" and any Policy Limit available to pay judgments or settlements shall be reduced by amounts incurred for Defense Expenses in excess of the Retention. The Insurer has no duty or obligation to defend any Claim.

**DIRECTORS AND OFFICERS LIABILITY APPLICATION (LONG FORM)
ROCK RIVER INSURANCE COMPANY**

Instructions:

- ~~///~~ This Application must be completed in full including all Underwriting Documents required in Item 9.
- ~~///~~ The term "subsidiary" as used means an entity of which more than 50% of its outstanding securities or voting stock is owned or controlled by the Applicant.
- ~~///~~ All Items requiring attachments should be on corporate letterhead.

1. (a) Name and Address of Applicant (The "Parent Company"):

(b) State of Incorporation: _____ **(c) Web Site:** _____

2. (a) Applicant has been in business since: _____

(b) Has the Applicant been derived from any predecessor Entity during the past 5 years?

- No
- Yes

3. (a) Nature of Operations of Applicant :

4. Provide the following regarding the Applicant's common stock.

(a) Are the common shares publicly traded?

- No
- Yes

If Yes, Identify: _____ **Ticker Symbol:** _____

_____ **Most recent price per share:** _____

_____ **Traded Since:** _____

(b) Approximate number of common shareholders: _____

(c) Approximate Percentage of common shares owned by the directors and officers: _____

(d) Identify any shareholders owning 20% or more of the common shares:

5. (a) Is the Applicant considering any (i) legal or financial reorganization or (ii) acquisition, merger, tender offer or divestiture for an amount exceeding 25% of the Applicant's consolidated assets or (iii) significant layoff of employees or (iv) new public offering of securities?

- No
- Yes (If Yes, attach details)

(b) During the last 12 months, have the Applicant's auditors (i) identified any material disagreements or weaknesses with the Applicant's accounting practices or internal controls or, (ii) been replaced?

- No
- Yes (If Yes, please attach details including the latest CPA letter to management and management's responses to any recommendations or disputes made therein)

(c) Has the Applicant established formal written policies or procedures addressing the following?

1. Conflicts of Interest

No

Yes

2. Insider Trading

No

Yes

3. Employment Issues or Employee Handbook

No

Yes

4. Revenue Recognition

No

Yes

5. External Corporate Communications (press releases, securities analysts, etc.)

No

Yes

(d) Is an Investor Relations Firm utilized by the Company?

No

Yes (If Yes, identify the firm) _____

6. Has the Applicant or any subsidiary thereof or its directors or officers been involved in any material civil, criminal, or regulatory action, or any formal or informal investigation or proceeding relating to violations of federal, state or local statutes or regulations regarding securities or environmental, antitrust, fair trade, employment, copyright, or patent infringement practices or issues during the last 3 years?

No

Yes (If Yes, attach details)

7. (a) The Applicant and its subsidiaries and its directors or officers have no knowledge or information of any pending claim and/or any fact, circumstance, situation, event or transaction which could reasonably be expected to give rise to a Claim under the proposed Policy except as follows:

None (If no such knowledge or information exists)

Yes (If Yes, attach details)

(b) Has the Applicant or any proposed Assured given notice of a Claim under any Directors and Officers or Executive Liability Policy during the last three years?

No

Yes (If Yes, attach details)

8. The Applicant and its subsidiaries and its directors and officers agree that any Claim arising from any material facts, circumstances, situations, events or transactions disclosed or required to be disclosed in response to Item No. 7 above is expressly excluded from coverage under the proposed Policy and/or any renewal or replacement issued by the Insurer.

9. Other Required Underwriting Documents

Please attach the following pertaining to the Applicant which the Insurer requires in order to complete the underwriting process:

(a) Attachments to any questions answered "yes" in this application, if stipulated;

(b) Latest audited annual report and/or 10K and 10Q forms filed with the SEC;

(c) Latest notice of annual meeting of shareholders;

(d) Latest letter from CPA to management re internal controls/ procedures for annual audit;

(e) If privately held: ~~///~~ List of subsidiaries identifying percentage of ownership for each;
~~///~~ List of directors and officers with biographical data including affiliations with other "for profit" corporations;

The Applicant agrees that if there is a material change or restatement regarding any information in this Application and/or the other required Underwriting Documents cited in Item 9 herein between the date this Application is executed and either the date the proposed Policy is bound or the effective date that coverage commences, whichever is later, the Applicant must immediately provide the Insurer with written notice of such change or restatement. In consequence of any such material change or restatement, the Insurer fully reserve its legal right to modify or withdraw any outstanding quotation and/or authorization or agreement to bind the Policy accordingly, irrespective of whether the Applicant has complied with their responsibility to notify the Insurer of such matters as stipulated above.

The undersigned individuals declare on behalf of the Applicant and its subsidiaries and its directors and officers, as the duly authorized representatives of such parties, that to the best of their knowledge and belief, after reasonable inquiry, the information supplied in this Application and other required Underwriting Documents cited in Item 9 is true, accurate and complete and is material to the acceptance of the risk and/or the hazard or liability assumed under the Policy by the Insurer.

Execution of this Application does not bind the Applicant to purchase the insurance, nor does review of this Application bind the Insurer to issue a Policy. It is agreed this Application and other required Underwriting Documents shall be the basis of the insurance should a Policy be bound and issued, and shall be deemed to be attached to and incorporated into the Policy and any renewal or replacement thereof.

A POLICY CANNOT BE BOUND OR ISSUED UNLESS THIS APPLICATION IS PROPERLY COMPLETED, SIGNED AND CURRENTLY DATED BY TWO SEPARATE PEOPLE AS FOLLOWS: PREFERABLY THE CHAIRMAN OF THE BOARD AND THE PRESIDENT OR, IF BOTH ARE NOT AVAILABLE, THEN ADDITIONALLY EITHER THE CHIEF FINANCIAL OFFICER, GENERAL COUNSEL OR THE CHIEF OPERATING OFFICER .

Date: _____ Signature: _____

Title: _____

Date: _____ Signature: _____

Title: _____

APPLICABLE IN ARKANSAS- Arkansas Fraud Statement: 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 COLORADO-Colorado Fraud Statement: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 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-Florida Fraud Statement: 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 the third degree.

APPLICABLE IN KENTUCKY-Kentucky Fraud Statement: any person who knowingly and with intent to defraud an 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 OHIO-Ohio Fraud Statement: 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 PENNSYLVANIA-Pennsylvania Fraud Statement: any person who knowingly and with intent to defraud an 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 TENNESSEE-Tennessee Fraud Statement: Workers Compensation Insurance: it is a crime to knowingly provide false, incomplete or misleading information to any party to a workers compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.

APPLICABLE IN UTAH- Utah Fraud Statement: Workers Compensation insurance: any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

APPLICABLE IN VIRGINIA- Virginia Fraud Statement: 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 NEW JERSEY- New Jersey Fraud Statement: New Jersey law requires us to give you the following notice: Automobile-any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties; Other Than Automobile: any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicant's Signature _____ Date _____

APPLICABLE IN NEW YORK- New York Fraud Statement: Automobile- 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, and any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the Department of Motor Vehicles or an insurance company 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 value of the subject motor vehicle or stated claim for each violation; Other Than Automobile- 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 violation. Applicant's Signature _____ Date _____