

FOR YOUR INFORMATION, HERE IS A SAMPLE OF THE TYPE OF INFORMATION WE WILL NEED TO UNDERWRITE A PROSPECTIVE INSURED. AN ACTUAL APPLICATION CAN BE OBTAINED FROM A LICENSED PRODUCER FOR GENESIS INSURANCE COMPANY OR FROM A SURPLUS LINES BROKER FOR GENESIS INDEMNITY INSURANCE COMPANY.



**PRIVATE COMPANY DIRECTORS AND OFFICERS LIABILITY
INSURANCE INCLUDING EMPLOYMENT PRACTICES COVERAGE
APPLICATION**

NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS MADE, SUBJECT TO ITS TERMS, CONDITIONS AND LIMITATIONS, APPLIES ONLY TO "CLAIMS" (AS DEFINED IN THE POLICY) FIRST MADE OR DEEMED TO BE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED BY THE AMOUNTS INCURRED AS "DEFENSE COSTS" (AS DEFINED IN THE POLICY), AND SUCH DEFENSE COSTS SHALL BE SUBJECT TO THE APPLICABLE RETENTION.

Complete and correct information must be supplied by the Applicant regardless of whether such information is deemed to be confidential by the Applicant. If additional space is required for a response, please include such response in an attachment to this Application, clearly identifying the Application question to which a response is being provided.

Instructions: This application can be used for applicants seeking Employment Practices coverage, Directors and Officers Liability coverage or both. For applicants seeking EPL coverage only, sections I, II, and IV. must be completed. For applicants seeking Directors and Officers Liability coverage only, sections I, III and IV. must be completed. All sections must be completed for those applicants seeking both coverages.

SECTION I. All applicants

1. Name of Applicant Corporation: _____
- a) Principal address: _____
- b) Phone/fax number: _____
- c) State of incorporation: _____
- d) Date of incorporation: _____
- e) Description of business: (and SIC code if available) _____

SECTION II. EPL applicants only

2. Employees:
- a) Indicate for all locations/subsidiaries
current number of employees full-time _____ part-time _____ leased _____
- b) For each of the last three (3) years, indicate: Year _____ _____ _____
- i) Total number of employees: _____ _____ _____
- ii) Annual turnover rate - Vol. and Invol. (percentage): _____ _____ _____
- iii) Number of emp. involuntarily terminated or laid off: _____ _____ _____
- c) Indicate the number of current employees with salaries greater than \$100,000: _____
3. Employee Policies and Procedures:
- a) Is there a Human Resources or Personnel Department? Yes _____ No _____
- b) Is there an employment application for all employment applicants? Yes _____ No _____
- c) Is there a job description for all positions? Yes _____ No _____
- d) Is an employment handbook distributed to all employees? Yes _____ No _____

- e) Does the employment handbook contain an "employment at will" statement? Yes _____ No _____
- f) Are regular written performance evaluations given to employees? Yes _____ No _____
- g) Are employee terminations reviewed by:
 - i) the Human Resources Department? Yes _____ No _____
 - ii) legal counsel? Yes _____ No _____
- h) Are exit interviews conducted when an employee relationship is ended? Yes _____ No _____
- i) Are any plant, facility, branch or office closings or layoffs anticipated in the next twelve (12) months? Yes _____ No _____
- j) Have there been any plant, facility, branch or office closings or layoffs in the past twenty-four (24) months? Yes _____ No _____
- k) Does the Applicant use any psychological tests to screen applicants either for hire or promotion? Yes _____ No _____

SECTION III. D&O Applicants Only

3. Shareholder and Capital Structure:

- a) Total number of current shareholders _____
- b) Is the Applicant aware that any party plans to acquire greater than five percent, or materially increase their holdings, of the Applicant's securities in the next 12 months? _____Y (If "Yes" attach details) _____N
- c) Within the last 12 months has the Applicant or any subsidiary made or joined in a Schedule 13-D filing with the Securities and Exchange Commission with respect to ownership of the securities of another corporation? _____Y (If "Yes" attach relevant filings) _____N

4. Transactions:

- a) Have there been during the last thirty-six (36) months or does the Applicant or any of its subsidiaries anticipate during the next twelve (12) months any acquisitions, divestitures, mergers or consolidations? _____Y _____N
- b) If yes with respect to acquisitions or divestitures, did any acquisition or divestiture include the assumption or release of liabilities? _____Y _____N
- c) Have there been during the past thirty-six (36) months or does the Applicant or any of its subsidiaries anticipate during the next twelve (12) months any offering or issuance of debt or equity securities? _____Y _____N

SECTION IV. All Applicants

5. List all subsidiaries and/or company locations (attach separate schedule if needed):

| Name | Type of Operations | Location State Only | Percent Owned by Applicant | # of Emp. | Date Acquired (A) or Created (C) | Domestic (D) or Foreign(F) |
|------|--------------------|---------------------|----------------------------|-----------|----------------------------------|----------------------------|
|------|--------------------|---------------------|----------------------------|-----------|----------------------------------|----------------------------|

NOTE: Directors and Officers of former Subsidiaries will not be covered unless such Subsidiaries are listed above.

6. Past History:

- a) Please provide a listing of all claims, grievances, administrative actions, litigation or charges against the Applicant or any person proposed for insurance during the past three (3) years, including information regarding: (1) the type of claim; (2) the parties involved; (3) the amount of any settlement or final determination of the claim; and (4) any other pertinent information that relates to the claim. (If NONE, so state.) Please use a separate addendum if necessary.

- b) Please provide a listing of any facts or circumstances which may result in a claim being made against the Applicant or any person proposed for insurance. (If NONE, so state.)

- c) Has any person proposed for coverage been involved in any of the following during the past three years:

- i) Any civil or criminal action or administrative proceeding alleging a violation of any federal or state anti-trust or fair trade law or SEC regulation? ___Y ___N
- ii) Any class action or derivative suits? ___Y ___N

IF ANY OF THE ABOVE ARE ANSWERED "YES", ATTACH FULL DETAILS. IT IS UNDERSTOOD AND AGREED, THAT IF SUCH CLAIMS, KNOWLEDGE OR INFORMATION EXISTS WITH RESPECT TO THIS QUESTION 6, ANY CLAIM OR ACTION ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED COVERAGE.

REQUIRED APPLICATION MATERIALS (if an item does not exist, so state.)

Available (Y/N)

- _____ i) Latest audited financial statements (unaudited if audited are N/A); (All Applicants)
- _____ ii) All private placement memoranda or other materials provided with respect to the offering or issuance of the Applicant's securities; (D&O Applicants)
- _____ iii) Schedule of shareholders; (D&O Applicants)
- _____ iv) Shareholder agreements; (D&O Applicants)
- _____ v) Employee handbook; (EPL Applicants)
- _____ vi) Employment application; (EPL Applicants)
- _____ vii) Procedures for handling employee complaints of discrimination or harassment; (EPL Applicants)
- _____ viii) EEO-1 Statements for the last three years. (EPL Applicants)

NOTICE TO APPLICANT -- PLEASE READ CAREFULLY.

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE INSURER IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO PROVIDE, OR THE APPLICANT TO PURCHASE, THE INSURANCE.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE INSURER AND ALONG WITH THE APPLICATION IS CONSIDERED PHYSICALLY ATTACHED TO THE

POLICY AND WILL BECOME A PART OF IT. THE INSURER WILL HAVE RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING ANY POLICY. THE APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE INSURER, AND THE INSURER MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT:

- (I) THE POLICY SHALL APPLY ONLY TO “CLAIMS” MADE AND REPORTED TO THE INSURER DURING THE “POLICY PERIOD” OR TO “CLAIMS” MADE TO THE INSURER DURING ANY APPLICABLE “PRIMARY OR SUPPLEMENTAL EXTENDED REPORTING PERIOD”;**
- (II) THE LIMIT OF LIABILITY CONTAINED IN THE POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY THE “DEFENSE COSTS” AND, IN SUCH EVENT, THE INSURER SHALL NOT BE LIABLE FOR “DEFENSE COSTS” OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT SUCH COST OR LIMIT EXCEEDS THE LIMIT OF LIABILITY IN THE POLICY; AND**
- (III) “DEFENSE COSTS” THAT ARE INCURRED SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.**

NOTICE TO ARKANSAS 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 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 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 KENTUCKY APPLICANTS: Warning: Any person who knowingly, and with intent to defraud any insurance company or any 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 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 YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or any person files an application for insurance containing any 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 (\$5000) and the stated value for each such violation.

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 OHIO APPLICANTS: 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.

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 the person to criminal and civil penalties.

NOTICE TO 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.

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|--|-------|------|
| APPLICANT | | |
| BY (signature) Please Print Name: | TITLE | DATE |

NOTE: This Application is signed by the undersigned authorized agent of the **Applicant** on behalf of the **Applicant** and all of its partners, owners, shareholders, members, trustee, officers, and employees.

| | |
|---|-------------------|
| PRODUCED BY (<i>Insurance Agent</i>) | INSURANCE AGENCY |
| INSURANCE AGENCY TAXPAYER ID OR SOCIAL SECURITY NO. | AGENT LICENSE NO. |
| ADDRESS (<i>No., Street, City, State, and ZIP Code</i>) | |
| E-MAIL ADDRESS | |

| | | |
|---|--|-------------------|
| SUBMITTED BY (<i>Insurance Agent</i>) | INSURANCE AGENCY TAXPAYER ID OR S.S. # | AGENT LICENSE NO. |
| ADDRESS (<i>No., Street, City, State, and ZIP Code</i>) | | |