

FINANCIAL INFORMATION

Please provide the following financial information for the Applicant and its Subsidiaries.

Based on Financial Statements Dated: ____/____/____ (Year/Month)

- 10. Total Assets \$ _____
- 11. Total Liabilities \$ _____
- 12. Is the Applicant currently operating with a positive retained earning? Yes No
- 13. Has any auditor issued a "going concern" opinion for the Applicants or any of its Subsidiaries financial statements? Yes No
- 14. Revenues (Most recent year) \$ _____
- 15. ___Net Income or ___Net Loss \$ _____
- 16. Years of Operation? Less than 1 year 1-3 years 3-5 years Over 5 years

DIRECTORS AND OFFICERS INFORMATION

- 1. Are any of the Applicants securities or those of its Subsidiaries publicly traded or subject to public reporting under the Securities Exchange Act of 1934? Yes No
- 2. Do all shareholders that own 25% or more of the voting shares, either directly or beneficially, have a representative on the board of directors? Yes No
- 3. Within the last 12 months, has the Applicant or any of its Subsidiaries had any private placement? None Amount:\$ _____
If Yes, please provide the amount of proceeds from the private placement.
- 4. Within the next 6 months, is the Applicant or any of its Subsidiaries anticipating any private placement in excess of \$25,000,000? Yes No
- 5. Does the Applicant or any of its Subsidiaries provide services to its customers or clients for a fee or compensation? Yes No
- 6. Does the Applicant or any of its Subsidiaries act as a general partner in any partnership? Yes No

EMPLOYMENT PRACTICES INFORMATION

Please provide the following information regarding Employees, including Director and Officers of the Applicant and its Subsidiaries.

- 1. Number of full-time employees in:
CA: _____ TX & MI: _____ All other states: _____
1a. How many of these employees are union? _____
- 2. Number of part-time, seasonal and temporary employees in:
CA: _____ TX & MI: _____ All other states: _____
2a. How many of these employees are union? _____
- 3. Does the Applicant or any of its Subsidiaries have any leased employees for whom it provides indemnification to the same extent as a regular (part-time or full-time) employee? Yes No
- 4. Total number of employees prior year: _____
- 5. What percentage of employees have been involuntarily terminated (with or without cause) within the last 24 months? None 0-10% 10-25% Over 25%

- 6. Has the Applicant or any of its Subsidiaries had any employee layoffs or early retirements in the last 12 months, or does the Applicant or any of its Subsidiaries anticipate undergoing any employee layoffs or early retirements in the next 12 months? If Yes, what is the percentage compared to the entire employee force? 1-5% 6-10% Over 10%
- 7. Do employees receive regular written performance appraisals? Yes No
- 8. Does the Applicant and its Subsidiaries have a Human Resource or Personnel Department? Yes No
- 9. Does the Applicant and its Subsidiaries have a Human Resources Manual(s) or equivalent written management guidelines? Yes No
- 10. Does the Applicant and its Subsidiaries have an Employee Handbook which is distributed to all employees? Yes No
- 11. Does the handbook provide information on the Family Medical Leave Act and the Americans with Disabilities Act? Yes No
- 12. Has the Applicant and its Subsidiaries adopted and implemented discrimination and sexual harassment processes and procedures (including formal procedures for handling and reporting of complaints)? Yes No
- 13. With respect to discrimination and sexual harassment training, the Applicant and its Subsidiaries have:
 - a. implemented employee training
 - b. not completed any employee training, but plans to in the next 12 months
 - c. not implemented any employee training and does not plan to do so a. b. c.

POLICY COVERAGE DETAILS

- 1. Amount of aggregate limit requested: \$ _____
- 2. Self-Insured Retention for D&O (Non-Indemnifiable Loss): \$ None
- 3. Self-Insured Retention for D&O (Indemnifiable Loss): \$ _____
- 4. Self-Insured Retention for D&O Corporate Liability: \$ _____
- 5. Self-Insured Retention for EPLI: \$ _____

ATTACHMENTS

- 1. Completed, Signed and Dated Original eWriter Application.
- 2. Copy of the indemnification provisions of the charter and the by-laws.
- 3. Copy of the Employee Handbook and Human Resources Manual
- 4. Latest Financials with Treasurers Warranty Letter if not audited.
- 5. Mainform from current carrier (if applicable).
- 6. List of all direct and indirect Subsidiaries, include as to each the nature of business operation, percentage of ownership and whether such Subsidiaries are domestic or foreign.
- 7. List of all Directors and Officers of the Applicant and its Subsidiaries and as to each provide any affiliations with other corporations.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND BECOME PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

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 DEFAUDING OR ATTEMPTING TO DEFAUD 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 DEFAUDING OR ATTEMPTING TO DEFAUD 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 AUTHORITIES."

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: "WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFAUDING 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."

NOTICE TO FLORIDA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFAUD, 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."

NOTICE TO KENTUCKY APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFAUD 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."

NOTICE TO LOUISIANA 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 MAINE APPLICANTS: "IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS."

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 NEW MEXICO 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 CIVIL FINES AND CRIMINAL PENALTIES."

NOTICE TO NEW YORK APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, 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."

NOTICE TO OHIO APPLICANTS: "ANY PERSON WHO, WITH INTENT TO DEFAUD 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, DEFAUD 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" (36S:15-1-10, 36 S3613.1).

NOTICE TO PENNSYLVANIA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFAUD 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."

NOTICE TO VIRGINIA APPLICANTS: "IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS."

Signed _____
(Applicant)

Date _____
Title _____
(Must be signed by Chairman of the Board or President)

Corporation _____
(Corporate Seal)

Attest _____
Broker _____
Address _____

Please read the following statement carefully and sign where indicated. If a policy is issued, this signed statement will be attached to the policy.

The undersigned authorized officer of the Applicant hereby acknowledges that he/she is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The undersigned authorized officer of the Applicant hereby acknowledges the he/she is aware that legal defense costs that are incurred shall be applied against the retention amount.

Signed _____
(Applicant)

Date _____
Title _____
(Must be signed by Chairman of the Board or President)