



**APPLICATION**

AGENCY/ BROKER	CODE	NAME LICENSE NUMBER	POLICY NUMBER
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**NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE APPLIES, SUBJECT TO ITS TERMS, ONLY TO ANY "CLAIM" FIRST MADE OR DEEMED MADE AGAINST THE "INSURED" DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS MAY BE REDUCED BY THE AMOUNTS INCURRED AS "DEFENSE EXPENSES" AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION AMOUNT.**

Wherever used in this Application, the term "Applicant" shall mean the Parent Corporation and all Subsidiaries.

1. a) Name of **Applicant**: \_\_\_\_\_
- b) Principal \_\_\_\_\_ address: \_\_\_\_\_
- c) Date of incorporation: \_\_\_\_\_ Primary SIC Code: \_\_\_\_\_
- d) Nature \_\_\_\_\_ of \_\_\_\_\_ Operations: \_\_\_\_\_
- e) Subsidiary Companies: (attach a separate sheet if necessary): \_\_\_\_\_

2. **INSURANCE INFORMATION:**

- a) Expiring Directors and Officers Liability Insurance: (complete or provide copy of declarations page)  
Eff./Exp. Date: \_\_\_\_\_ Limit:\$ \_\_\_\_\_ Retention:\$ \_\_\_\_\_  
Premium: \$ \_\_\_\_\_ Insurance Company: \_\_\_\_\_
- b) Expiring Employment Practices Liability Insurance: (complete or provide copy of declarations page)  
Eff./Exp. Date: \_\_\_\_\_ Limit:\$ \_\_\_\_\_ Retention:\$ \_\_\_\_\_  
Premium: \$ \_\_\_\_\_ Insurance Company: \_\_\_\_\_
- c) Requested Directors and Officers Liability Insurance:  
Eff./Exp. Date: \_\_\_\_\_ Limit:\$ \_\_\_\_\_ Retention:\$ \_\_\_\_\_
- d) Has **Applicant** ever been denied Directors and Officers or Employment Practices Liability insurance or had such insurance canceled or non-renewed? [ ] yes [ ] no If "Yes", please provide details: \_\_\_\_\_
- e) Please indicate if you have the following insurance products:

<u>Policy</u>	<u>Limit</u>	<u>Retention</u>	<u>Insurance Company</u>	<u>Effect. Date</u>	<u>Premium</u>
Commercial GL	_____	_____	_____	_____	_____
Umbrella/Excess	_____	_____	_____	_____	_____
Fiduciary Liability	_____	_____	_____	_____	_____
Crime	_____	_____	_____	_____	_____

3. **STOCK OWNERSHIP:**

- a) Total number of voting shares outstanding: \_\_\_\_\_
- b) Total number of voting shareholders: \_\_\_\_\_
- c) Total number of voting shares owned by the **Applicant's** directors and officers (direct and beneficial): \_\_\_\_\_
- d) Does any shareholder own five percent (5%) or more of the voting shares directly or \_\_\_\_\_

beneficially?

Yes  No

3. Stock Ownership Continued:

If "yes," designate names and percentages of holdings.

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e) Are there any other securities convertible to voting stock? If so, describe fully. (If none, check here  "None.")

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f) Are any securities, equity or debt, of the **Applicant** publicly traded?  Yes  No

4. MANAGEMENT INFORMATION:

a) Have there been any changes in the Board of Directors or Senior Management of the **Applicant** within the past three (3) years for reasons other than death or retirement?  Yes  No  
If "Yes", please explain.

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b) Has the **Applicant** changed outside auditors in the last three (3) years?  Yes  No  
If "Yes", please explain.

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c) Have the outside auditors stated there are no material weaknesses in the **Applicant's** system of internal controls?  Yes  No

If "No", please provide the latest CPA letter to management and management's response.

5. MERGER AND ACQUISITION ACTIVITY:

Has the **Applicant** in the past thirty-six (36) months completed or agreed to, or does it contemplate within the next twelve (12) months, any of the following, whether or not such transactions were or will be completed? If "Yes", please describe the terms of each such transaction as an attachment to this **Application**.

a) Merge, acquire, purchase, sell, close, consolidate or spin-off any corporation, entity, plant, office, subsidiary, branch, or division?  Yes  No

b) Downsize, rightsize, lay-off or reduce the number of employees?  Yes  No

c) Sell, distribute or divest of any assets or stock other than in the ordinary course of business in an amount exceeding twenty-five percent (25%) of the **Applicant's** consolidated assets?  Yes  No

d) Any registration for a public offering or any private placement of securities?  Yes  No

e) Reorganization or arrangement with creditors under federal or state law?  Yes  No

6. EMPLOYEE INFORMATION:

a) Total number of all employees for last three years, regardless of whether they are full-time or part-time:

Year: \_\_\_\_\_  
 Full Time: \_\_\_\_\_  
 Part Time: \_\_\_\_\_  
 Total: \_\_\_\_\_

b) Locations by state or country (if foreign) and number of employees for each (attach schedule if necessary):

State/Country	# Employees	# Locations	State/Country	# Employees	# Locations
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

c) Are any of these employees subject to a collective bargaining agreement?  Yes  No  
 If "Yes", please provide the total number of employees subject to such agreements: \_\_\_\_\_

d) How many officers have been terminated in the past two (2) years? \_\_\_\_\_

e) Employee turnover for each of the last three years:

Year: \_\_\_\_\_  
 Terminated: \_\_\_\_\_  
 Resigned: \_\_\_\_\_  
 Retired: \_\_\_\_\_  
 Layoffs: \_\_\_\_\_

f) Provide the number of employees by the following salary ranges:

Salary Ranges	Number of Employees
Up to \$ 30,000	_____
\$ 30,001 - \$ 100,000	_____
Over \$100,000	_____

7) HUMAN RESOURCES INFORMATION: Does the **Applicant**:

- a. Have a Human Resources Department or a full-time human resources coordinator?  Yes  No
- b. Have an Employee Manual or Handbook?  Yes  No
- c. If Yes:
  - 1. Has legal counsel reviewed your Employee Manual or Handbook?  Yes  No
  - 2. Does the Employee Manual or Handbook contain an employment-at-will statement?  Yes  No
  - 3. Has a copy been provided to every employee?  Yes  No
  - 4. Does each employee sign an acknowledgment of receipt and understanding?  Yes  No
  - 5. When was the most recent update to the employee handbook? \_\_\_\_\_ Dated?  Yes  No
- d. Prepare written performance evaluations prepared annually for all employees?  
*If No, attach written details on how employee performance is documented.*  Yes  No
- e. Use a written employment application form for all employee applicants?  
 If Yes, does your employment application contain:
  - 1. An employment-at-will statement?  Yes  No
  - 2. An Equal Opportunity Employer statement?  Yes  No
- f. Have written procedures for disciplining and terminating employees?  Yes  No
- g. Involve an attorney in employment related disputes and employee terminations?  Yes  No
- h. Have formal, written policies and procedures concerning the following and have they been posted, delivered to each employee or included in your Employee Handbook so as to be available to all employees?
  - 1. Sexual harassment?  Yes  No (If yes,  Posted  Handbook  Delivered)
    - i. Are employees provided multiple avenues to report a sexual harassment complaint?  Yes  No
  - 2. Discrimination?  Yes  No (If yes,  Posted  Handbook  Delivered)

3. Equal opportunity?

Yes  No (If yes,  Posted  Handbook  Delivered

8. LOSS INFORMATION:

Within the last five years, has any person or entity proposed for this insurance been a party to any of the following:

- a) Any antitrust, copyright or patent litigation?  Yes  No
- b) Any civil or criminal action or administrative proceeding alleging or investigating a violation of any federal or state antitrust or fair trade law?  Yes  No
- c) Any civil or criminal action or administrative proceeding alleging or investigating a violation of any federal or state securities law or regulation?  Yes  No
- d) Any representative actions, class actions, or derivative suits?  Yes  No
- e) Any employment related complaints, grievances, charges, administrative hearings, demands, or lawsuits involving any of the following:
 

Title VII of the Civil Rights Act of 1964	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Age Discrimination In Employment Act	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Americans with Disabilities Act	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Equal Employment Opportunity Commission	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Family and Medical Leave Act	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Any State or Local Government Agency related to employment practices.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

(If yes to any questions above, attach details of each, including the type of complaint, how resolved, whether any insurance responded to any aspect of the claim, and any corrective procedures implemented.)

9. PAST ACTIVITIES:

- a) No claim such as would fall within the scope of the proposed insurance has been made against any person(s) or entity(ies) proposed for this insurance (including without limitation any claim against any such person(s) or entity(ies) for any employment practice, as described in the proposed insurance, or any complaint against any such person(s) or entity(ies) before the Equal Employment Opportunity Commission or any similar state or local authority), except as follows (include loss payment and defense costs):

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(If none, check here  "None.")

- b) No person(s) or entity(ies) proposed for this insurance has knowledge or information of any fact, circumstance or situation (including without limitation any suspected or threatened claim against any such person(s) or entity(ies) for any employment practice, as described in the proposed insurance, or any suspected or threatened complaint against any such person(s) or entity(ies) before the Equal Employment Opportunity Commission or any similar state or local authority) which might give rise to a claim under the proposed policy, except as follows:

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(If none, check here  "None.")

Without prejudice to any other rights and remedies of the Company, any claim arising from any claims, facts, circumstances or situations required to be disclosed in response to 8. a), b), c), d) or e) and 9. a) or b) above, is excluded from the proposed insurance.

10. As part of this Application, submit the following documents with respect to the **Applicant**:
- a) Audited financial statements with any notes and schedules.
  - b) Latest quarterly interim financial statement.
  - c) Any registration statements filed with the SEC or any private placement memorandums within the last twelve (12) months.
  - d) A complete list of all Directors and Officers of the **Applicant**.
  - ? e) Employee Handbook and/or Human Resources Manual or equivalent written guidelines.
  - ? f) Employment/Job application form.
  - g) most recent EEO-1 Report (if required by EEOC).
  - h) Summary and status of any litigation filed within the last twenty-four (24) months by or against any person(s) or entity(ies) proposed for this insurance (including any litigation that has been resolved).

**THE UNDERSIGNED AUTHORIZED AGENT OF THE APPLICANT DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS SET FORTH HEREIN ARE TRUE AND COMPLETE. IF THE INFORMATION IN THIS APPLICATION CHANGES PRIOR TO THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION. THE COMPANY IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION.**

**THE SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO PURCHASE, THE INSURANCE. IT IS AGREED THAT THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, SHALL BE THE BASIS OF THE INSURANCE AND SHALL BE CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY, IF ISSUED. THE COMPANY WILL HAVE RELIED UPON THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, IN ISSUING THE POLICY.**

*Attention: Insureds in CO*

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.

*Attention: Insureds in AR, FL, KY, ME, MN, NJ, OH, OK, and PA*

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.

\_\_\_\_\_  
Signature of **Applicant**                      Date  
(Must be signed by Chairman of the Board, CEO or President.)

\_\_\_\_\_  
Agency/Broker

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Name (printed)

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Title

Agent/Broker (Individual)

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Address