

**NOTICE: THE CERTIFICATE FOR WHICH APPLICATION IS MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY CLAIM OR OCCURRENCE (AS APPLICABLE IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE) MADE AGAINST ANY OF THE ASSURED DURING THE CERTIFICATE PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS COSTS, CHARGES AND EXPENSES (AS DEFINED IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE), AND COSTS, CHARGES AND EXPENSES SHALL BE APPLIED TO THE RETENTIONS.**

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**General Instructions for Completing This Application**

- 1. Please type or print in ink.**
  - 2. Please read carefully and answer all questions. If a question is not applicable, so state.**
  - 3. The Application must be signed by an executive officer.**
  - 4. This Application and all exhibits shall be held in confidence.**
  - 5. Please read the certificate for which application is made (the "Certificate") prior to completing this Application.**
  - 6. The terms as used herein shall have the meanings as defined in the Certificate.**
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**I. General Information**

- Name of Named Assured: \_\_\_\_\_  
Address: \_\_\_\_\_  
(Number) (Street)  
\_\_\_\_\_  
(City) (State) (Zip Code)
- Standard Industrial Classification Code (SIC): \_\_\_\_\_
- Nature of Operations: \_\_\_\_\_  
\_\_\_\_\_

4. Has the Assured Organization been in business longer than three (3) years?  Yes  No
5. Is the Assured Organization public-held or a public reporting company under the Securities Exchange Act of 1934?  Yes  No
6. Does the Named Assured own more than three (3) subsidiaries? If yes, please provide details on a separate page.  Yes  No
7. Has the Assured Organization in the past 18 months been involved with any actual, negotiated or attempted merger, acquisition or divestment? If yes, please provide details on a separate page.  Yes  No
8. Does the Assured Organization contemplate transacting any mergers or acquisitions in the next 12 months where such merger or acquisition would involve more than 50% of the total assets of the Assured Organization? If yes, please provide details on a separate page.  Yes  No

## II. Financial Information

1. Describe the following financial information of the Assured Organization for the most recent fiscal year-end.

a) Total Assets

\_\_\_ \$0 to 5,000,000  
 \_\_\_ \$5,000,001 to 25,000,000  
 \_\_\_ \$25,000,001 to 100,000,000  
 \_\_\_ \$100,000,001 to 250,000,000  
 \_\_\_ over \$250,000,000

b) Gross Revenues

\_\_\_ \$0 to 5,000,000  
 \_\_\_ \$5,000,001 to 25,000,000  
 \_\_\_ \$25,000,001 to 100,000,000  
 \_\_\_ \$100,000,001 to 250,000,000  
 \_\_\_ over \$250,000,000

c) Net income \_\_\_ or net loss \_\_\_ and applicable amount:

\_\_\_ \$0 to 500,000  
 \_\_\_ \$500,001 to 1,000,000  
 \_\_\_ \$1,000,001 to 3,000,000  
 \_\_\_ \$3,000,001 to 5,000,000  
 \_\_\_ over \$5,000,000

d) Cashflow from operating activities positive \_\_\_ or negative \_\_\_ and applicable amount:

\_\_\_ \$0 to 500,000  
 \_\_\_ \$500,001 to 1,000,000  
 \_\_\_ \$1,000,001 to 3,000,000  
 \_\_\_ \$3,000,001 to 5,000,000  
 \_\_\_ over \$5,000,000

2. Do the current liabilities exceed current assets? If yes, please provide details on a separate page.  Yes  No
3. Do long-term liabilities exceed 75% of total assets? If yes, please provide details on a separate page.  Yes  No
4. Will more than 50% of the total long-term liabilities mature within the next 18 months? If yes, please provide details on a separate page.  Yes  No
5. Has any auditor in the last 2 fiscal years rendered a "going concern" opinion for the financial statements of the Assured Organization? If yes, please provide details on a separate page.  Yes  No

**III. Other Information**

1. The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a Certificate be issued, and this application will be attached to and become a part of such Certificate, if issued. Underwriters hereby are authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.
2. It is warranted that the particulars and statements contained in the Application for the proposed Certificate and any materials submitted herewith (which shall be retained on files by Underwriters and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the proposed Certificate and are to be considered as incorporated into and constituting a part of the proposed Certificate.
3. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Certificate, the applicant will notify Underwriters and, at the sole discretion of Underwriters, any outstanding quotations may be modified or withdrawn.
4. It is agreed that in the event there is any misstatement or untruth in the answers to the questions contained herein, Underwriters have the right to exclude from coverage any claim based upon, arising out of or in connection with such misstatement or untruth.

Signed: \_\_\_\_\_  
Must Be Signed By an Executive Officer of the Named Assured

Name: \_\_\_\_\_  
Please Print or Type

Capacity: \_\_\_\_\_

Assured Organization: \_\_\_\_\_

Date: \_\_\_\_\_  
(Day) (Month) (Year)

Submitted by: \_\_\_\_\_  
(Agent)

Date: \_\_\_\_\_  
(Day) (Month) (Year)

**For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either facsimile or photocopy shall be the same force and effect as an original signature and that the original and any such copies shall be deemed on and the same document.**

**Please fully complete and attach the Information for the Coverage Section (s) currently bound.**

**Employment Practices Coverage Section Information**

Is the Named Assured seeking Employment Practices coverage?  Yes  No

If yes, please answer the following questions.

1. Total number of employees (full-time and part-time).

- |     |            |       |                           |
|-----|------------|-------|---------------------------|
| ___ | 0 to 10    | ___   | 151 to 225                |
| ___ | 11 to 30   | ___   | 226 to 300                |
| ___ | 31 to 50   | ___   | 301 to 400                |
| ___ | 51 to 75   | ___   | 401 to 500                |
| ___ | 76 to 100  | ___   | over 500                  |
| ___ | 101 to 150 | _____ | Exact number, if over 500 |

**Note: When answering the above range of employees, multiply the number of part-time employee by a factor of .5 and add to number of full-time employees.**

2. Do more than 25% of all employees currently earn more than \$50,000?  Yes  No

3. Have more than 25% of the officers or management voluntarily left the employ of the Assured Organization or had employment with the Assured Organization terminated within the last 18 months? If yes, please provide details on a separate page.  Yes  No

4. Does the Assured Organization anticipate in the next 12 months, or has the Assured Organization transacted in the last 12 months, any plant, facility, branch or office closing, consolidations or layoffs affecting 20% or more of the employees of the Assured Organization? If yes, please provide details on a separate page.  Yes  No

5. Describe the internal controls the Company maintains for Employment Practices.

a) Have all management staff and officers attended training and education programs on sexual harassment within the last 18 months?  Yes  No

b) Does labor relations counsel review the employment policies/procedures at least annually?  Yes  No

c) Is there a separate Human Resources Department?  Yes  No

d) Does the Assured Organization publish and distribute an employee handbook to every employee?  Yes  No

e) Are there written procedures for handling employee complaints of discrimination or sexual harassment?  Yes  No

f) Are there written procedures for handling employee grievances or complaints?  Yes  No

### Directors & Officers and Assured Organization Coverage Section Information

Is the Named Assured seeking Directors & Officers and Assured Organization coverage?  Yes  No

If yes, please answer the following questions.

1. Do the Directors and Officers as a whole, directly or indirectly, own or control the voting rights of more than 50% of the outstanding securities of the Named Assured?  Yes  No
2. Within the last 18 months, has the Assured Organization transacted or attempted a private debt or equity offering of securities? If yes, please provide details on a separate page.  Yes  No
3. Within the next 18 months does the Assured Organization anticipate any:
  - a) private debt equity offering of securities? If yes, please provide details on a separate page.  Yes  No
  - b) public offering of securities? If yes, please provide details on a separate page.  Yes  No
4. Does the Assured Organization render any professional services for others for a fee or compensation? If yes, please provide details on a separate page.  Yes  No
5. Does the Assured Organization act as a general partner in any partnership? If yes, please provide details on a separate page.  Yes  No
6. Does the Assured Organization have any direct or indirect insurance operations? If yes, please provide details on a separate page.  Yes  No

**Fiduciary Coverage Section Information**

Is the Named Assured seeking Fiduciary Liability coverage?  Yes  No

If yes, please answer the following questions.

1. Does the Assured Organization have more than five (5) plans to be covered under the proposed insurance? If yes, please provide details on a separate page.  Yes  No

2. Indicate the type of plans to be insured.  
 Pension  Welfare Benefit  Profit Sharing  Employee Stock Ownership

3. Total number of employees currently enrolled in all plans:  
 0 to 10  151 to 225  
 11 to 30  226 to 300  
 31 to 50  301 to 400  
 51 to 75  401 to 500  
 76 to 100  over 500  
 101 to 150  Exact number, if over 500

4. Total asset value of all plans combined for the most recent fiscal year.  
 \$0 to 1,000,000  
 \$1,000,001 to 5,000,000  
 \$5,000,001 to 25,000,000  
 \$25,000,001 to 100,000,000  
 over \$100,000,000

5. Do all of the plans conform to the standards of eligibility, participation, vesting and other provisions of the Employee Retirement Income Security Act of 1974, as amended?  Yes  No

6. Are the plans reviewed at least annually to assure that there are no violations of any plan trust agreements, prohibited transactions or party in interest rules?  Yes  No

7. Are any of the plans under funded by more than 30%? If yes, please provide details on a separate page.  Yes  No

8. Does the Assured Organization have any delinquent contributions to any plan? If yes, please provide details on a separate page.  Yes  No

9. Have any plans been terminated, suspended, merged or dissolved within the last 24 months? If yes, please provide details on a separate page.  Yes  No

10. Does the Assured Organization anticipate terminating, suspending, merging or dissolving any plans within the next 18 months? If yes, please provide details on a separate page.  Yes  No

11. Are more than 10% of the assets of any plan, other than an Employee Stock Ownership Plan, invested in any securities of or loan to the Assured Organization? If yes, please provide details on a separate page.  Yes  No

**Crime Coverage Section Information**

Is the Named Assured seeking Crime coverage?  Yes  No

If yes, please answer the following questions.

1. Total number of employees:

- |     |            |       |                           |
|-----|------------|-------|---------------------------|
| ___ | 0 to 10    | ___   | 151 to 225                |
| ___ | 11 to 30   | ___   | 226 to 300                |
| ___ | 31 to 50   | ___   | 301 to 400                |
| ___ | 51 to 75   | ___   | 401 to 500                |
| ___ | 76 to 100  | ___   | over 500                  |
| ___ | 101 to 150 | _____ | Exact number, if over 500 |

2. Number of officers and employees who handle, have custody or maintain records of money, securities or other property:

- \_\_\_ 0 to 5
- \_\_\_ 6 to 15
- \_\_\_ 16 to 50
- \_\_\_ over 50

3. Is there an annual audit or review performed by an independent CPA on the books and accounts, including a complete verification of all securities and bank balances?  Yes  No

4. Are bank accounts reconciled by someone not authorized to deposit or withdraw from those accounts?  Yes  No

5. Is counter signature of checks required?  Yes  No

6. Is the applicant seeking Employee Benefit Plan Crime coverage?  Yes  No

7. Are pre-authorized controls maintained for all programmers and operators?  Yes  No

8. Do audit practices include tests to detect unauthorized programming changes?  Yes  No

9. Are computerized check writing operations segregated from departments that authorize checks?  Yes  No

**Technology, Media, & Professional Services Coverage Section Information**

Is the Named Assured seeking Technology, Media & Professional Services coverage?  Yes  No

If yes, please answer the following questions.

1. How many years have you been in business: 1 2 3 4 5 Greater than 5

2. Limit of Liability desired:

\$1,000,000 \$2,000,000 \$3,000,000 \$4,000,000 \$5,000,000 Other \_\_\_\_\_

Deductible desired: \$5,000 \$10,000 \$25,000 \$50,000 Other\_\_\_\_\_

3. Describe in detail the professional services for which coverage is desired:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. a. Is the Applicant engaged in any business other than as described in question 3? If yes, please provide an explanation and estimated receipts. Yes  No

b. What percentage of the Applicant's business involves subcontracting work to others? \_\_\_\_\_%

5. What industries are the professional services described in question 3 provided to (e.g., government, banking, medical, aviation, etc.)? \_\_\_\_\_

6. Is the Applicant controlled or owned by, or associated or affiliated with, or does it own, any other firm business enterprise? If yes, please attach an explanation. Yes  No

7. Are any significant changes in the nature or size of the Applicant's business anticipated over the next 12 months? Or have there been any such changes in the past 12 months? If yes, please attach an explanation (change in size of less than 25% need not be explained.) Yes  No

8. Please indicate the total annual gross revenues derived from the services described in Question 3 for the past two years and the projected revenues for the current year:

<u>Current Year</u>	<u>Last Year</u>	<u>Year Prior</u>
\$ _____	\$ _____	\$ _____

9. a. Number of all principals, partners, officers and professional employees: \_\_\_\_\_

b. Average years of experience for the above mentioned for services requesting coverage: \_\_\_\_\_

Number of all non-professional employees (clerks, secretaries, etc.)\_\_\_\_\_

10. Please provide your Internet address(es) and/or World Wide Web Address(es):\_\_\_\_\_

11. Has the Applicant obtained all necessary rights, licenses, releases and consents applicable to content created or provided by Applicant? Yes  No

12. Does the Applicant edit or review content created or provided to the Applicant by others? Yes  No

13. Does the Applicant have an established procedure to safeguard against infringing upon copyrights/trademarks, etc. of others? If yes, please attach a copy of written description of procedure.  Yes  No
14. Does the Applicant verify that all necessary rights, licenses, releases and consents have been obtained by those parties providing consent?  Yes  No
15. Do those parties providing content to the Applicant indemnify the Applicant, in writing, for any claims arising out of the use of the content provided?  Yes  No
16. Prior to publishing content or releasing packaged or custom software/hardware, do you have an attorney facilitate a patent/copyright/trademark search? If yes, please give name of the attorney's firm: \_\_\_\_\_  Yes  No
17. Describe the Applicant's policies and procedures for removing controversial or potentially infringing material:  
\_\_\_\_\_  
\_\_\_\_\_
18. Do you have a safety procedure in place to prevent the transmission of viruses? If yes, please explain.  Yes  No  
\_\_\_\_\_  
\_\_\_\_\_
19. Are all of your PC's equipped with anti-virus software? If yes, what brand?  Yes  No  
\_\_\_\_\_
20. Are there firewalls in place as a part of your security system?  Yes  No
- a) What firewall security do you employ?  Yes  No  
\_\_\_\_\_
- b) Was it configured by professional personnel?  Yes  No
- c) Did you alter it in any way before installing it?  Yes  No
21. What kind of safeguards do you have in place to prevent unauthorized persons from accessing your Web Sites or On-Line Service database? \_\_\_\_\_  
\_\_\_\_\_
22. Have any principals, partners, officers or professional employees ever been the subject of reprimand or disciplinary or criminal actions by authorities as a result of their professional activities? If yes, please attach details.  Yes  No
23. Does any person to be insured have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim against him or his predecessors in business? If yes, please attach details.  Yes  No
24. Have any errors and omissions claims been made against any proposed assured(s)? If yes, please attach details.  Yes  No
25. Has the Applicant been a party to any lawsuit or other legal proceedings within the past 5 years? If yes, please attach details.  Yes  No

**Miscellaneous Professional Services Coverage Section Information**

Is the Named Assured seeking Miscellaneous Professional Services coverage?  Yes  No

If yes, please answer the following questions.

1. Describe in detail the professional services for which coverage is desired:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Is the applicant engaged in any business other than as described in question 1.? \_\_\_\_\_  
If yes, please attach an explanation and estimated receipts.

3. What percentage of the applicant's business involves subcontracting work to others? \_\_\_\_\_%

4. List the total gross receipts for the past year which were derived from the services listed in question 1. In addition, please provide the projected receipts for the coming year in which insurance coverage is desired.

**Year**

**Gross Receipts**

- a. Current Projected Year \$ \_\_\_\_\_
- b. Prior Year \$ \_\_\_\_\_

5. a. What is the number of all principals, partners, officers and professional employees directly engaged in providing services to clients: \_\_\_\_\_

b. Average years of experience for the above mentioned for services requesting coverage: \_\_\_\_\_

6. Please provide the following:
- a. Standard contract(s) used.
  - b. Descriptive or promotional brochures.
  - c. Website address.

7. Have any principals, partners, officers or professional employees ever been the subject of reprimand or disciplinary or criminal actions by authorities as a result of their professional activities? If yes, please provide details on a separate page.  Yes  No

8. Does any person to be insured have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim against him or his predecessors in business? If yes, please provide details on a separate page.  Yes  No

9. Have any professional liability claims ever been made against any proposed assured(s)? If yes, please provide details on a separate page.  Yes  No