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## RENEWAL APPLICATION FOR BANKERS PROFESSIONAL LIABILITY COVERAGE

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NOTICE: THE POLICY WHICH YOU ARE APPLYING IS A CLAIMS-MADE POLICY. THE POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR, IF ELECTED, THE EXTENDED REPORTING PERIOD, SUBJECT TO THE POLICY PROVISIONS. DEFENSE COSTS ARE APPLIED AGAINST THE APPLICABLE RETENTIONS. DEFENSE COSTS REDUCE AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY. THE INSURER IS NOT LIABLE FOR ANY LOSS, WHICH INCLUDES DEFENSE COSTS, IN EXCESS OF THE APPLICABLE LIMITS OF LIABILITY.

### **GENERAL INFORMATION**

1. Name of Applicant: \_\_\_\_\_  
(Whenever used in this Application, the term "Applicant" shall mean the **Named Insured**.)
- Address: \_\_\_\_\_
- City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
- State of Incorporation: \_\_\_\_\_ Date of Incorporation: \_\_\_\_\_
- Website Address: \_\_\_\_\_

### **OPERATIONS**

1. Was a regulatory examination of the Applicant conducted in the past 12 months? Y/N
- If yes, please provide the following information:
- Date: \_\_\_\_\_ By: \_\_\_\_\_
2. Have all criticisms or comments noted in this regulatory examination been reviewed and appropriate responses taken by the Board of Directors? Y/N
- If no, please provide full details by attachment.
3. In the past 12 months, has the Applicant or any Subsidiary been alerted to any of the following conditions:
- a. Concentrations of credit which warrant reduction or correction Y/N
  - b. Extensions of credit which exceed the legal lending limit Y/N
  - c. Any loans or extensions of credit to any directors or officers of the Applicant or any Subsidiary, or entities controlled by any such directors or officers which have been classified or criticized by any regulator Y/N
  - d. Significant violations of laws or regulations Y/N
  - e. Conflict of interest transactions Y/N
- If "Yes" to any of the above, please provide details by attachment.
4. In the past 12 months, has the Applicant or any Subsidiary received a Cease and Desist Order or Memorandum of Understanding from any regulator, or entered into any other type of written agreement with any regulator? Y/N
- If yes, please provide details by attachment.

5. In the past 12 months, were any changes made in the Applicant's Internal Audit Department or Compliance Department? Y/N  
 If yes, please provide details by attachment.

6. Does the Applicant provide loan servicing? Y/N  
 If "Yes", please provide the following information regarding loan servicing activities:

	Annual # of Loans Serviced	Total Value of Loans Serviced	% Mortgage Loans	% Other Loans
Loans originated by Applicant				
Loans serviced on behalf of 3 <sup>rd</sup> parties				

**TRUST DEPARTMENT OPERATIONS**

Please complete this section only if Applicant provides Trust Services:

1. Please provide the following information regarding all accounts in the Trust Department:

	# of Accounts	Market Value of Assets Managed	Discretionary	Advisory	Custodial
Individual Accounts, Trusts, Estates			%	%	%
ERISA Accounts			%	%	%
Corporate Trust			%	%	%
Mutual Funds			%	%	%
<b>TOTAL</b>			%	%	%

2. Account Size

a. Asset value of largest Discretionary account	\$
b. Asset value of largest non-Discretionary account	\$
c. Asset value of largest Custodial account	\$
d. Average number of accounts handled per officer	

3. In the past 12 months, were any audits of the Applicant's Trust Department conducted? Y/N  
 If yes, please provide the following information:

	Frequency	Audit Date
Internal		
External		
Regulatory		

4. Were any recommendations or criticisms made in the above audits and have all recommendations or criticisms been corrected? Y/N  
 If "No", please provide details by attachment.

**LENDER LIABILITY COVERAGE**

Please complete this section only if the Applicant is requesting Lender Liability Coverage:

1. In the past 12 months, were any changes made to the Applicant's trade territory? Y/N

If yes, please provide details by attachment.

2. Does the Applicant or any Subsidiary purchase loans in the secondary market? Y/N

3. Loan reviews are conducted: Monthly \_\_\_\_ Quarterly \_\_\_\_ Annually \_\_\_\_  
Other \_\_\_\_\_

4. Who conducts the loan review function? Employee: \_\_\_\_\_  
External Firm: \_\_\_\_\_

5. In the past 12 months, were any changes made to the Applicant's lending policy regarding specific levels of lending authority or approval limits for individual officers and committees? Y/N

6. In the past 12 months, were any changes made to the Applicant's loan committee? Y/N

7. Please complete the lending amounts for any lending activity below conducted by the Applicant:

Description	Current Amount
Loan participations originated by third parties	
Loan participations sold with recourse	
Construction lending for speculative buildings or homes	
Unsecured commercial loans	
Subprime lending	
Payday lending	
Origination and sale of loan securitizations	
Dealer floor planning loans	

**LOSS/CLAIMS HISTORY**

1. Has the Applicant, any of its Subsidiaries, or any person proposed for coverage been the subject of, named as a party, or involved in, any of the following during the past five years:

- a. Anti-trust, copyright or patent litigation? Y/N
- b. Civil, criminal or administrative proceeding alleging violation of any federal or state securities laws? Y/N
- c. Any other civil action, administrative proceeding, formal or informal inquiry, investigative proceeding or alternative dispute resolution? Y/N

If "Yes" to any of these questions, please attach complete details.

2. Have any claims such as would fall within the scope of the proposed insurance been made against any person(s) or entity(ies) proposed for this insurance? Y/N

If "Yes", please attach complete details.

### **ADDITIONAL INFORMATION**

As part of this Application, please submit the following documents with respect to the Applicant:

- Most recent audited financial statements including schedules and notes

#### **NOTICE:**

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE GUILTY OF COMMITTING A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

### **APPLICANT FRAUD WARNINGS**

**ALABAMA, ARKANSAS, LOUISIANA, MARYLAND, NEW JERSEY, NEW MEXICO and VIRGINIA:** 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. In Alabama, Arkansas, Louisiana and Maryland, that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

**COLORADO:** 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.

**DISTRICT OF COLUMBIA, KENTUCKY and PENNSYLVANIA:** 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 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. In District of Columbia, penalties include imprisonment and/or fines. In addition, the Insurer may deny insurance benefits if the Applicant provides false information materially related to a claim. In Pennsylvania, the person may also be subject to criminal and civil penalties.

**FLORIDA and OKLAHOMA:** Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

**KANSAS:** An act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an Insurer, purported Insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for personal or commercial insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto is considered a crime.

**MAINE:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.

**OHIO:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an Application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OREGON:** 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 may be guilty of a crime and may be subject to fines and confinement in prison.



**TENNESSEE and WASHINGTON:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines and/or denial of insurance benefits.

THE SIGNATORY, AS AUTHORIZED AGENT OF ALL INDIVIDUALS AND ENTITIES PROPOSED FOR THIS INSURANCE, REPRESENTS THAT, TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION AND ANY ATTACHMENTS OR INFORMATION SUBMITTED WITH THIS APPLICATION (TOGETHER REFERRED TO AS THE "APPLICATION") ARE TRUE AND COMPLETE.

THE INFORMATION IN THIS APPLICATION IS MATERIAL TO THE RISK ACCEPTED BY THE UNDERWRITER. IF A POLICY IS ISSUED IT WILL BE IN RELIANCE BY THE UNDERWRITER UPON THE APPLICATION, AND THE APPLICATION WILL BE THE BASIS OF THE CONTRACT. THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND, ALONG WITH THE APPLICATION, WILL BE CONSIDERED PHYSICALLY ATTACHED TO, PART OF, AND INCORPORATED INTO THE POLICY, IF ISSUED. THE UNDERWRITER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. THE UNDERWRITER'S ACCEPTANCE OF THIS APPLICATION OR THE MAKING OF ANY SUBSEQUENT INQUIRY DOES NOT BIND THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE OR ISSUE A POLICY.

THE INFORMATION PROVIDED IN THIS APPLICATION IS FOR UNDERWRITING PURPOSES ONLY AND DOES NOT CONSTITUTE NOTICE TO THE UNDERWRITER UNDER ANY POLICY OF A CLAIM OR POTENTIAL CLAIM.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE UNDERWRITER, AND THE UNDERWRITER MAY MODIFY OR WITHDRAW ANY QUOTATION OR AGREEMENT TO BIND INSURANCE.

**SIGNATURE**

THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER OR THE PRESIDENT OF THE COMPANY ACTING AS THE AUTHORIZED REPRESENTATIVE OF THE PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE