
**COMBINED APPLICATION FOR DIRECTORS & OFFICERS LIABILITY –
BANKERS PROFESSIONAL LIABILITY – EMPLOYMENT PRACTICES LIABILITY –
FIDUCIARY LIABILITY**

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: _____

2. Applicant's Ownership Structure:
- Publicly Traded _____ Private Corporation _____ Limited Liability Company _____
Sole Proprietorship _____ Partnership _____ Joint Venture _____
- Other _____ (please specify): _____

3. Applicant's primary nature of business: _____

DIRECTORS & OFFICERS LIABILITY SECTION

Please complete this section only if the Applicant is requesting Directors & Officers Liability Coverage (applies to public, private and non-profit entities).

4. In the next 12 months, or during the past 36 months, is the Applicant contemplating or has the Applicant completed the following:
- | | |
|--|-----|
| a. Any actual or proposed merger, acquisition or divestiture? | Y/N |
| b. Any creation of a new business, subsidiary, or division? | Y/N |
| c. Any registration for a public offering or a private placement of securities? | Y/N |
| d. Any reorganization or arrangement with creditors under federal or state law? | Y/N |
| e. Any branch, location, facility, office or subsidiary closings, consolidations or layoffs? | Y/N |

If any of the above questions were answered "Yes", please provide complete details by attachment.

5. Has there been any turnover, resignation or termination of any Executive Officers, Directors and/or key employees during the past two years, for reasons other than death or retirement? Y/N

If "Yes", please provide details by attachment.

6. Please list all Subsidiaries (attach separate sheet if necessary):

Name	Nature of Business	Percentage Owned	Date Acquired or Created

7. Has the Applicant or any of its Subsidiaries changed auditors in the past year? Y/N
If "Yes", please provide details by attachment.

8. Has any auditor issued a "going concern" opinion for the Applicant's or any of its subsidiaries financial statements in the past three years? Y/N
If "Yes", please provide details by attachment.

9. Has any auditor stated there are material weaknesses in the Applicant's systems of internal controls? Y/N

If "Yes", please provide details by attachment, including if all material recommendations have been implemented.

OWNERSHIP INFORMATION

10. Are any securities of Applicant or any Subsidiary publicly traded? Y/N

If "Yes", please specify the exchange and Applicant's ticker symbol:

Exchange: _____ Ticker Symbol: _____

11. Total number of Applicant's common shareholders (if privately owned): _____

12. Percentage of voting shares outstanding owned by the Applicant's Directors, Officers and/or Managing Members: _____

13. Please list all shareholders who hold, directly or beneficially, 10% or more of Applicant's common shares outstanding:

<u>Name</u>	<u>Percentage Owned</u>	<u>Director or Officer (Y/N)</u>

BANKERS PROFESSIONAL LIABILITY SECTION

Please complete this section only if the Applicant is requesting Bankers Professional Liability Coverage.

1. For all services offered by the Applicant, including any services offered through a third party vendor, are such services rendered under a written contract and are there written policies and procedures that govern their performance and administration? Y/N

If no, please provide details by attachment.

2. Are all services provided rendered under a contract? Y/N
 If "Yes":
- a. Are all contracts approved by counsel? Y/N
 b. Do all contracts provide indemnity and/or limitations to the Applicant's liability? Y/N
 If "No", please provide details by attachment describing how the Applicant protects itself from liabilities.
3. Please indicate date and by whom the last regulatory examination was made:
 Date: _____ By: _____
4. Have all criticisms or comments noted in the last regulatory examination been reviewed and appropriate responses taken by the Board of Directors? Y/N

 If no, please provide full details by attachment.
5. Within the last two years, 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.
6. Within the last five years, 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.
7. Does the Applicant have an Internal Audit Department? Y/N
8. Does the Applicant have a Compliance Department? Y/N
9. 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 rd 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			%	%	%
TOTAL			%	%	%

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. Please provide frequency and dates of the most recent internal, external and regulatory audits of Applicant's Trust Department:

	Frequency	Audit Date
Internal		
External		
Regulatory		

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

5. Does the Trust Department have an approved list of securities which can be recommended to its clients? Y/N

LENDER LIABILITY COVERAGE

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

1. Please define the trade territory for the Applicant and all Subsidiaries:

2. Does the Applicant or any Subsidiary make loans outside of the established trade territory? Y/N
 If yes, please provide details by attachment.

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

4. Loan reviews are conducted: Monthly _____ Quarterly _____ Annually _____
 Other _____

5. Who conducts the loan review function? Employee: _____
 External Firm: _____
6. Is there a formal lending policy addressing all types of loans and leases in which the Applicant participates? Y/N
7. Does the lending policy contain specific levels of lending authority or approval limits for individual officers and committees? Y/N
8. Does the Loan Policy prohibit a combination of lending limits among officers? Y/N
9. Is there a loan committee? Y/N
 If no, please provide details of the loan review process by attachment.
10. Are all agreements to extend credit made in writing? Y/N

11. 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	

EMPLOYMENT PRACTICES LIABILITY SECTION

Please complete this section only if the Applicant is requesting Employment Practices Liability Coverage.

1. Please complete the following table in regards to current staff:

	Total U.S.	California	Foreign
Full-Time Employees			
Part-Time Employees			
Leased Employees			

2. What was the annual employee turnover rate for the last three years:
 Past Year _____% 1 year previous _____% 2 years previous _____%
3. How many involuntary terminations have occurred in the past two years:
 Past Year _____ 1 year previous _____
4. Percentage of the Applicant's employees with salaries:
- a. Less than \$100,000 _____%
 - b. Between \$100,000 and \$250,000 _____%
 - c. Greater than \$250,000 _____%
5. Does the Applicant have written policies and procedures with respect to the following:
- d. Hiring Y/N
 - e. Termination Y/N
 - f. Discipline Y/N

- g. Family and Medical Leave Y/N
- h. Sexual Harassment Y/N

- 6. Does the Applicant have a Human Resources or Personnel Department? Y/N
If "No," who manages the HR function? Please provide complete details by attachment.
- 7. Does the Applicant have an employee handbook? If "Yes", is the handbook distributed to all employees, informing employees of their employment rights? Y/N
- 8. Is there a formalized process in place for reporting complaints/harassment? Y/N
- 9. Are employment issues relating to terminations, discrimination and sexual harassment reviewed by outside counsel, in addition to its human resources department? Y/N
- 10. Has the Applicant in the past 12 months had, or does it contemplate in the next twelve months having, any layoffs or branch, plant, facility or office closings? If "Yes", please provide details by attachment. Y/N

FIDUCIARY LIABILITY COVERAGE SECTION

Please complete this section only if the Applicant is requesting Fiduciary Liability Coverage.

1. Please complete the following table; please attach a schedule if necessary:

Plan Name	Plan Type*	# Participants	Plan Assets	Plan Status

*Plan Type: Health & Welfare Plan: HWP; Defined Contribution Plan: DCP; Defined Benefit Plan: DBP; Employee Stock Ownership Plan: ESOP; Excess Benefit Plan: EBP; Other: Please explain by attachment.

- 2. Does each Plan conform to ERISA and Plan Agreements? Y/N
- 3. Are any of the defined benefit plans for which coverage is being requested under-funded by more than 10%? Y/N N/A
If yes, by what percentage is the plan under-funded? _____%
- 4. Do any of the Plans hold or provide the option to invest in securities of the company or any subsidiary? Y/N
If yes, please list the percentage of the Plan's total assets that the company's securities comprise.
- 5. During the past two years have there been, or in the next twelve months do you anticipate any reduction in benefits? Y/N
- 6. During the past two years have there been, or in the next twelve months do you anticipate freezing any defined benefit plan or converting it to a cash balance plan? Y/N
- 7. Does any Defined Benefit Plan above (if applicable) have a funding deficiency? Y/N
If yes, please provide details by attachment.
- 8. Has any Plan been the subject of an investigation by the DOL, IRS or similar foreign regulatory agency in the past twelve months? If yes, please provide details by attachment. Y/N
- 9. Have there been any acquired or merged plans in the past twelve months? If yes, please provide details by attachment. Y/N
- 10. Does the Applicant utilize outside consultants to manage or control any plan assets? Y/N

If yes, please provide details by attachment.

- 11. Does the employer match contributions to the 401k plan (if applicable) with employer securities? Y/N

- 12. Has any plan filed for an exemption to a prohibited transaction?
If yes, please provide details by attachment. Y/N

- 13. Are there restrictions on the disposition of company stock held in any plan?
If yes, please provide details by attachment. Y/N

CURRENT INSURANCE

Please provide the following information on insurance currently maintained by the Applicant:

Coverage	Insurer	Limit	Retention	Premium	Policy Period
Directors & Officers Liability					
Professional Liability					
Employment Practices Liability					
Fiduciary Liability					

LOSS/CLAIMS HISTORY (Applies to All Coverage Sections Completed)

- 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.

PRIOR KNOWLEDGE (Applies to All Coverage Sections Completed)

Does the Applicant or any individual or entity proposed for coverage have any knowledge of or information about any actual or alleged act, error, omission, fact or circumstance which may give rise to a claim that may fall within the scope of the proposed insurance? Y/N

If "Yes", please attach complete details.

WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE INSURER, IT IS UNDERSTOOD AND AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.

ADDITIONAL INFORMATION

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

For All Coverage Sections Completed:

- a. Most recent audited financial statements with any notes and schedules
- b. Summary and status of any litigation filed within the last twenty-four months (24) months against any person(s) or entity(ies) proposed for this insurance (including any litigation that has been resolved).

For D&O:

- c. Most recent quarterly report, proxy statement and annual report including audited financial statements with any notes and schedules (For publicly-traded companies only)
- d. Any prospectus, offering circular or private placement memorandum released within the last 12 months
- e. Copies of all provisions of the Applicant's charter and bylaws relating to the indemnification of its directors and officers

For EPL:

- f. Copy of the **Applicant's** latest EEO1 report (required if the **Applicant** has more than 100 employees).

For Fiduciary Liability:

- g. Copy of the latest form 5500s and audited financial statements for each of the **Applicant's** employee benefit plans (excluding any Welfare Benefit Plan).

Any publicly available document filed by the Applicant with the U.S. Securities and Exchange Commission or any state, local or foreign equivalent during the twelve (12) months preceding this Policy's inception date shall be deemed submitted to the Insurer as part of this Application.

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