

PrivateSelect

APPLICATION FOR DIRECTORS, OFFICERS AND PRIVATE COMPANY AND EMPLOYMENT PRACTICES LIABILITY INSURANCE

NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD. THE LIMITS OF LIABILITY SHALL BE REDUCED BY CLAIM EXPENSES AND CLAIM EXPENSES SHALL BE APPLIED AGAINST THE DEDUCTIBLE.

This application is for PRIVATELY HELD companies ONLY.

All questions MUST be completed in full with regard to each entity sought to be insured.

If space is insufficient to answer any question fully, attach a separate sheet.

I. GENERAL INFORMATION

1. (a) Full name of Applicant: _____
- (b) Principal business address: _____
(Street) (County)

(City) (State) (Zip)
- (c) Website address: _____
- (d) Date continuously operating since: _____ State of incorporation: _____
- (e) Full description of operations: _____
- (f) Name and title of the officer of the Applicant designated as the representative of the Applicant to give/receive notices to/from the Insurer on behalf of all persons and entities proposed for this insurance:
- _____
(Name) (Title) (Entity)

2. Provide a list of all direct and indirect subsidiaries (attach a separate schedule if necessary).

Name	Description of Operations	% of Ownership by Applicant	Date Acquired or Created	Publicly Traded (Y/N)	Domicile State

3. Are any of the Applicant's securities or those of its subsidiaries publicly traded or the subject of a self-registration?
[] Yes [] No If Yes, state which securities are publicly traded or the subject of a self-registration.
[] Equity [] Debt [] Other _____

4. Common Stock:

- (a) Number of shareholders: _____ Number of shares outstanding: _____
- (b) Number of shares directly or beneficially owned by its directors: _____
- (c) Number of shares directly or beneficially owned by officers who are not directors: _____
- (d) Total number of shares sold directly or beneficially by its directors and officers in the last twelve months: _____

(e) Give name and percentage owned by shareholder(s) holding directly or beneficially 5% or more of the outstanding common stock (If none, check here []): _____

5. Has the Applicant or any of its subsidiaries filed within the last 18 months or do they contemplate filing within the next 12 months any registration statement for an offering of securities with any governmental authority?
[] Yes [] No If Yes, provide details and attach a copy of any offering materials.

6. Have there been any changes in senior management (i.e., board chairman, president, executive officers) in the past three years? [] Yes [] No If Yes, provide details. _____

7. Attach a complete list of:

- (a) Names, dates of election or appointment and affiliations of all directors of the Applicant; and
- (b) Names, dates of election or appointment and titles of all officers of the Applicant.

8. Has the Applicant or any of its subsidiaries during the last three years been involved in, or are they presently considering or contemplating:

- (a) Any merger, consolidation or acquisition? [] Yes [] No
- (b) Any sale, distribution or divestiture of a subsidiary? [] Yes [] No
- (c) Any layoffs, staff reductions, early retirements or office or plant closings? [] Yes [] No
- (d) Any change in outside auditors? [] Yes [] No

If Yes to any of the above, provide details. _____

9. Has any outside auditor found any material weakness in the internal control systems of the Applicant or any of its subsidiaries? [] Yes [] No
If Yes, attach a copy of the latest CPA letter to management and management's response.

10. Is the Applicant or any of its subsidiaries involved in any joint venture, general partnership or limited partnership?
[] Yes [] No If Yes, provide details. _____

11. Has the Applicant or any of its subsidiaries during the last three years completed or agreed to, or do they contemplate within the next twelve months any reorganization or agreement with creditors under federal or state law? [] Yes [] No If Yes, provide details.

13. Has any insurer declined, cancelled or nonrenewed any similar insurance on behalf of any person(s) or entity(ies) now sought to be insured? [] Yes [] No If Yes, provide details.

14. Current or previous insurance

	Directors and Officers Liability	Employment Practices Liability
name of insurer	_____	_____
limits	_____	_____
policy period	_____	_____
deductible/retention	_____	_____
premium	_____	_____
prior acts date	_____	_____

15. Has the Applicant, any of its subsidiaries, or any director or officer been involved in or have knowledge of any pending and/or completed (within the past five years):

- (a) Anti-trust, copyright or patent litigations? [] Yes [] No
- (b) Civil, criminal or administrative proceedings alleging violation of any federal or state securities law or regulation? [] Yes [] No
- (c) Any other criminal actions? [] Yes [] No
- (d) Any representative actions, class actions or derivative suits? [] Yes [] No

If Yes to any of the above, provide details. _____

16. Has/have any judgment(s), settlement(s), payment(s), claim(s) or suit(s) been made against any person(s) or entity(ies) proposed for this insurance such as would fall within the scope of the proposed insurance?

[] Yes [] No If Yes, provide details.

17. Is (are) any person(s) or entity(ies) proposed for this insurance cognizant of any fact, circumstance or situation which might afford grounds for any claim, including employment practices claims and third party discrimination claims, such as would fall within the scope of the proposed insurance? [] Yes [] No If Yes, provide details.

II. EMPLOYMENT PRACTICES INFORMATION (To be completed by Applicant if applying for Coverage B. - Employment Practices Liability)

1. Provide the following information by state for all locations. **Attach a separate schedule if necessary.**

NOTE: Include all directors, officers, partners, employees and volunteers.

State	No. Full-time (regular, seasonal, temporary and leased)	No. Part-Time (regular, seasonal, temporary and leased)
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____

2. Provide the total number of employees:

- (a) Whose annual salaries exceed \$100,000: _____
- (b) Involuntarily terminated during the last twelve months: _____
- (c) Voluntarily terminated during the last twelve months: _____

3. Does the Applicant or any of its subsidiaries:

- (a) Employ any independent contractors? [] Yes [] No
- (b) Supervise any persons other than their own employees? [] Yes [] No

If Yes to any of the above, provide details including the number of persons. _____

4. For each of the last five years, indicate the total number of charges (by primary allegation of each charge) filed with the EEOC or state agency against the Applicant or any of its subsidiaries at any location, whether filed by current employees, terminated employees or employees not hired. If none, check here []

For each charge, attach a copy of the charges, the Applicant's response and the dismissal or status.

Primary Allegation	Year _____	Year _____	Year _____	Year _____	Year _____
(1) Gender Decrimination					
(2) Age Discrimination					
(3) Racial, Religious, Ethnic Discrimination					
(4) Other Discrimination					
(5) Violation of Fair Labor Standards					
(6) Sexual Harassment					
(7) Violation of American with Disabilities Act					
(8) All Others					

5. With respect to litigated cases (including wrongful termination suits under state law other than anti-discrimination law) and EEOC or state agency charges over the last five years for which any settlement was or may be paid, provide the following information or attach a narrative with comparable information. If none, check here []

Date of Suit/ Charge	Claimant	Allegation (if applicable, use description from question 4)	Losses Paid	Losses Reserved	Legal Expense Paid	Legal Expense Reserved

6. Has the Applicant or any of its subsidiaries during the last three years been involved in, or are they presently considering or contemplating:

- (a) A change in the nature of business operations? [] Yes [] No
- (b) Opening any new locations? [] Yes [] No
- (c) Forming any new companies? [] Yes [] No

If Yes to any of the above, provide details. _____

7. Does the Applicant and its subsidiaries prominently display all of the proper notification posters required by the EEOC? If No, explain. [] Yes [] No

8. Does the Applicant have a full-time human resource manager or department? [] Yes [] No
If No, how is this function handled?

9. Does the Applicant have a written:
- (a) progressive disciplinary program? [] Yes [] No
 - (b) policy prohibiting discrimination? [] Yes [] No
 - (c) policy prohibiting sexual harassment? [] Yes [] No
 - (d) equal employment opportunity statement? [] Yes [] No

10. Does the Applicant have an employee handbook? [] Yes [] No
 If Yes, answer the following:
- (a) Does the Applicant distribute the employee handbook to all employees? [] Yes [] No
 (b) Does the employee handbook contain an at-will statement? [] Yes [] No
11. Are all prospective employees required to complete an employment application prior to hire? [] Yes [] No

AS PART OF THIS APPLICATION ATTACH THE FOLLOWING:

- Most recent annual report or audited financial statements
- Most recent interim financial statements

NOTICE TO THE APPLICANT - PLEASE READ CAREFULLY

NO FACT, CIRCUMSTANCE OR SITUATION INDICATING THE PROBABILITY OF A CLAIM OR ACTION FOR WHICH COVERAGE MAY BE AFFORDED BY THE PROPOSED INSURANCE IS NOW KNOWN BY ANY PERSON(S) OR ENTITY(IES) PROPOSED FOR THIS INSURANCE OTHER THAN THAT WHICH IS DISCLOSED IN THIS APPLICATION. IT IS AGREED BY ALL CONCERNED THAT IF THERE BE KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION, ANY CLAIM SUBSEQUENTLY EMANATING THEREFROM SHALL BE EXCLUDED FROM COVERAGE UNDER THE PROPOSED INSURANCE.

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION AND IN ANY ATTACHMENTS, ARE TRUE AND COMPLETE. SHAND MORAHAN & COMPANY, INC. OR THE INSURER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO PROVIDE OR THE APPLICANT TO PURCHASE, THE INSURANCE.

THIS APPLICATION, INFORMATION SUBMITTED WITH THIS APPLICATION AND ALL PREVIOUS APPLICATIONS AND MATERIAL CHANGES THERETO OF WHICH SHAND MORAHAN & COMPANY, INC. RECEIVES NOTICE IS ON FILE WITH SHAND MORAHAN & COMPANY, INC. AND IS CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY IF ISSUED. SHAND MORAHAN & COMPANY, INC. AND THE INSURER WILL HAVE RELIED UPON THIS APPLICATION AND ALL SUCH ATTACHMENTS IN ISSUING THE POLICY.

IF THE INFORMATION IN THIS APPLICATION AND ANY ATTACHMENT MATERIALLY CHANGES BETWEEN THE DATE THIS APPLICATION IS SIGNED AND THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL PROMPTLY NOTIFY SHAND MORAHAN & COMPANY, INC., WHO MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION OR AGREEMENT TO BIND COVERAGE.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT:

- (I) THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD" AND ANY EXTENDED REPORTING PERIOD;
- (II) THE LIMITS OF LIABILITY CONTAINED IN THE POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED BY "CLAIM EXPENSES" AND, IN SUCH EVENT, THE INSURER WILL NOT BE LIABLE FOR "CLAIM EXPENSES" OR THE AMOUNT OF ANY JUDGEMENT OR SETTLEMENT TO THE EXTENT THAT SUCH COSTS EXCEED THE LIMITS OF LIABILITY IN THE POLICY; AND
- (III) "CLAIM EXPENSES" SHALL BE APPLIED AGAINST THE DEDUCTIBLE.

Must be signed by the Chairman or President (within 60 days of the proposed effective date).

Name of Applicant	Title
Signature of Applicant	Date

PRODUCED BY (Insurance Agent or Broker):

Producer Name: _____ Firm Name: _____
Taxpayer ID or Social Security No.: _____ Producer License No: _____
Agency: _____
Address (No., Street, City, State and ZIP): _____

FRAUD PREVENTION – WARNING

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 MISLEADING 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, INCLUDING BUT NOT LIMITED TO FINES, DENIAL OF INSURANCE BENEFITS, CIVIL DAMAGES, CRIMINAL PROSECUTION, AND CONFINEMENT IN STATE PRISON.

WARNING – Colorado Applicants: 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.

WARNING – Florida Applicants: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

WARNING – Minnesota: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

WARNING – 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.

WARNING – 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.

WARNING—New York Applicants: 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 shall also be subject to a civil penalty not to exceed \$5,000 and the stated value of the claim for each such violation.

WARNING – Ohio: Any person who, with intent to defraud 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.

WARNING – Pennsylvania Applicants: 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.