

**BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH  
 FEDERAL INSURANCE COMPANY (THE "COMPANY").**

**NOTICE: THE LIABILITY COVERAGE SECTIONS OF THIS POLICY (WHICHEVER ARE PURCHASED) PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR AN APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.**

**APPLICATION INSTRUCTIONS:**

- Whenever used in this Application, the term "**Applicant**" means the Organization applying for this insurance and all of its subsidiaries, unless otherwise stated.
- Include all requested underwriting information and attachments.

**I. REQUESTED COVERAGE:**

Coverage Sections Requested	Limit of Liability Requested	Retention Requested
<input type="checkbox"/> Directors & Officers Liability and Entity Liability		
<input type="checkbox"/> Employment Practices Liability		
<input type="checkbox"/> Fiduciary Liability		
<input type="checkbox"/> Crime		
<input type="checkbox"/> Kidnap/Ransom & Extortion		\$0

**II. GENERAL INFORMATION:**

- Name of **Applicant**: \_\_\_\_\_
  - Applicant's** Principal Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
  - State of incorporation: \_\_\_\_\_ Date established: \_\_\_\_\_ Web site address: \_\_\_\_\_
  - Executive officer authorized to receive notices and information regarding the proposed policy:  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Contact's e-mail address: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_
- For Employment Practices Loss Prevention eligibility, indicate the individual responsible for human resources or employment law matters:  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_ e-mail address: \_\_\_\_\_

5. Nature of the **Applicant's** business: \_\_\_\_\_
6. Does the **Applicant** now have recognized tax-exempt status under the U.S. Internal Revenue Code?  Yes  No
7. (a) Does the **Applicant** have any subsidiaries or control any other entity or organization for which coverage is requested?  Yes  No  
**If Yes**, please attach a description of the operations, ownership, and the tax status of each such entity.
- (b) Does the **Applicant** or any subsidiary render any professional services, including but not limited to conducting any standard setting, accrediting, credentialing or licensing activities, for others for a fee?  Yes  No  
**If Yes**, please describe: \_\_\_\_\_
8. Applicant's most recent year end: Total Revenue: \_\_\_\_\_ Total Assets: \_\_\_\_\_
9. In the next 12 months (or during the past 18 months) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing):
- (a) Any reorganization or arrangement with creditors under federal or state law?  Yes  No
- (b) Any branch, location, facility, or office closings, consolidations or layoffs?  Yes  No
- If Yes** to any part of Question 9, please attach an explanation to this Application.
10. Has the **Applicant** or any person proposed for coverage been the subject of, or involved in, any of the following in the past five years:
- (a) Anti-trust, copyright or patent litigation?  Yes  No
- (b) Any criminal actions?  Yes  No
- (c) Any litigation or other proceeding involving any allegation of discrimination?  Yes  No
- If Yes** to any of the above, attach a full description of the details.
11. Other than those identified in your response to Question 10, has any claim been brought at any time during the last 5 years against: (i) any **Applicant** or (ii) any proposed insured individual in his or her capacity as a director, officer or trustee of any entity?  Yes  No  
**If Yes**, please attach a full description of the details.
12. Has the **Applicant** given notice of any claim, circumstance or potential claim to any insurer under any of the coverages to which this application relates?  Yes  No  
**If Yes**, attach a full explanation of the claim, circumstance or potential claim and amount of payment made by insurer, if any.

**Missouri Applicants/Agents: Do NOT Answer Question 13**

13. Has the **Applicant** been declined, canceled or non-renewed for any of the coverages to which this Application relates?  Yes  No  
**If Yes**, please attach an explanation.

**III. EMPLOYMENT PRACTICES INFORMATION:**

- |                                                        |              |               |
|--------------------------------------------------------|--------------|---------------|
| 1. Employee count:                                     | Current year | Previous year |
| (a) Full time employees:                               | _____        | _____         |
| (b) Part time employees (include leased and seasonal): | _____        | _____         |
| (c) Number of employees located in California:         | _____        | _____         |
| (d) Number of volunteers:                              | _____        | _____         |

2. Does the **Applicant** have written procedures in place regarding:
- (i) Equal Opportunity Employment:  Yes  No
  - (ii) Anti - Discrimination:  Yes  No
  - (iii) Anti - Sexual Harassment:  Yes  No
- If No** to any of the above, please attach a full explanation.

3. During the past 3 years, has any **Applicant** in any capacity, been involved in any of the following matters?
- (a) EEOC, NLRB or other similar administrative proceeding?  Yes  No
  - (b) Employment-related civil suit?  Yes  No
- If Yes** to either of the above, please attach a full description of the details.

4. What was the annual employee turnover rate for last 3 years?  
 Past Year: \_\_\_\_\_%      1 Year Previous: \_\_\_\_\_%      2 Years Previous: \_\_\_\_\_%

5. How many involuntary terminations have occurred in: Past Year: \_\_\_\_\_ 1 Year Previous: \_\_\_\_\_

**IV. OPTIONAL THIRD-PARTY INFORMATION:**  
**APPLICANT: Please complete this section only if requesting this coverage.**

1. Does the **Applicant** have established written policies or procedures:
- (a) Outlining employee conduct when dealing with third parties, including non-discrimination and non-harassment statements?  Yes  No
  - (b) For responding to complaints of harassment, discrimination or civil rights violations from third parties?  Yes  No
2. What percentage of the **Applicant's** employees and volunteers have direct contact with the general public? \_\_\_\_\_%
3. Has the **Applicant** ever had any action or civil suit brought against it by a customer, client or third party alleging harassment, discrimination, or civil rights violations?  Yes  No  
**If Yes**, please attach a full description of the details.

**V. FIDUCIARY INFORMATION:**

1. Please complete the following information regarding the **Applicant's** employee benefits plan(s).

Plan name (do not include health and welfare plans)	Type of plan*	Plan assets (current year)	Underfunded by more than 25%? (DBP only)	Number of plan participants

\*Types of Plans:      Defined Contribution Plan = DCP                      Employee Stock Ownership Plan = ESOP  
                                  Defined Benefit Plan = DBP                                      Excess Benefit Plan or Top Hat Plan = EBP

2. Does the **Applicant** handle any investment decisions in-house?  Yes  No  
**If Yes**, please describe: \_\_\_\_\_
3. Does each of the **Applicant's** employee benefit plans conform to the standards of eligibility, participation, vesting and other provisions of ERISA?  Yes  No  
**If No**, please explain: \_\_\_\_\_

4. Past activities:
- (a) Has any fiduciary been:
- (i) accused of, found guilty of, or held liable for a breach of trust?  Yes  No
- (ii) convicted of criminal conduct?  Yes  No
- (b) Has there been any assessment of fees, fines or penalties against any of the **Applicant's** employee benefit plans under any voluntary compliance resolution program or similar voluntary settlement program administered by the IRS, DOL or other government authority?  Yes  No
- If Yes**, to any of the above, please attach a full description of the details.

**VI. CRIME INFORMATION:**

1. Does the **Applicant**:
- (a) Maintain a list of authorized vendors?  Yes  No
- (b) Verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment?  Yes  No
- (c) Allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits?  Yes  No
2. Does the **Applicant** perform pre-employment reference checks for all its potential employees?  Yes  No  
**If No**, please attach an explanation.
3. Please describe the services the **Applicant** provides for clients:  
 \_\_\_\_\_
4. LOSS EXPERIENCE: List all employee theft, burglary, robbery, forgery, computer fraud or other crime losses discovered by the **Applicant** in the past five years. Itemize each loss separately; including date of loss, description and total amount (attach additional pages if necessary):  
 \_\_\_\_\_

**VII. KIDNAP/RANSOM AND EXTORTION INFORMATION:**

1. Please complete the following information regarding the foreign travel of the **Applicant's** employees:

Country Visited	Number of annual trips	Average stay	Number of employees

**VIII. PRIOR INSURANCE (NOTICE - APPLICABLE TO THE LIABILITY COVERAGE SECTIONS ONLY):**

1. Please complete the chart below:
- Indicate those coverages currently purchased; and
  - Attach a copy of all applications submitted to the current insurer or any prior insurers.:

<u>Liability Coverage</u>	<u>Yes</u>	<u>No</u>	<u>Insurer</u>	<u>Limit</u>	<u>Retention</u>	<u>Policy Period</u>
a. Directors & Officers And Entity Liability	<input type="checkbox"/>	<input type="checkbox"/>	_____	\$ _____	_____	_____
b. Employment Practices Liability	<input type="checkbox"/>	<input type="checkbox"/>	_____	\$ _____	_____	_____
c. Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>	_____	\$ _____	_____	_____

2. **IMPORTANT:** The Company will be relying upon the declarations and statements contained in such prior application(s) and the **Applicant** understands and agrees those declarations and statements shall be considered to be incorporated in, and form part of any policy issued by the Company.

**IX. PRIOR KNOWLEDGE (NOTICE APPLICABLE TO THE LIABILITY COVERAGE SECTIONS ONLY):**

The **Applicant** must complete the Prior Knowledge Statement below:

- If the **Applicant** answered "No" to any Liability Coverage listed above; or
- If the **Applicant** is requesting larger limits in Section I, REQUESTED COVERAGE, than are currently purchased as indicated in Item VIII (1) of this Application.

The **Applicant** understands and agrees the Prior Knowledge Statement below applies to those liability coverage types for which no coverage is currently maintained; and to those liability coverages for which the **Applicant** is requesting limits of liability greater than currently maintained.

**PRIOR KNOWLEDGE STATEMENT:** No person or entity proposed for coverage is aware of any fact, circumstance or situation which he or she has reason to suppose might give rise to a future claim that would fall within the scope of any of the proposed liability coverages for which the **Applicant** does not currently maintain insurance, or within any of the larger limits of liability sought by the **Applicant**, except: None  or

Without prejudice to any other rights and remedies of the Company, the **Applicant** understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed above, any claim or action arising from any such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Company.

**X. MATERIAL CHANGE:**

If there is any material change in the answers to the questions in this Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

**XI. DECLARATIONS, FRAUD WARNINGS AND SIGNATURE**

The **Applicant's** submission of this Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Application.

The undersigned authorized agent of the person(s) and entity(ies) proposed for this insurance declares that to the best of his or her knowledge and belief, after reasonable inquiry, the statements made in this Application and in any attachments or other documents submitted with this Application are true and complete. The undersigned agrees that this Application and such attachments and other documents shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information requested in this Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

**Notice to Arkansas, Minnesota, New Mexico and Ohio Applicants:** Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

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**Notice to 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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder 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.

**Notice to District of Columbia Applicants:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

**Notice to 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.

**Notice to Kentucky Applicants:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

**Notice to Louisiana and Rhode Island 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 fines and confinement in prison.

**Notice to Maine, Tennessee, Virginia and Washington Applicants:** 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 a denial of insurance benefits.

**Notice to Alabama and Maryland Applicants:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Notice to 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.

**Notice to Oklahoma Applicants:** Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony.

**Notice to Oregon and Texas Applicants:** Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

**Notice to 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.

**Notice to Puerto Rico Applicants:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Notice to 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 five thousand dollars and the stated value of the claim for each such violation.

Date	Signature*	Title
_____	_____	<u>Chief Executive Officer</u>

\*This Application must be signed by the chief executive officer of the Organization acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

Please attach a copy of the following for every **Applicant** seeking coverage:

- Most recent CPA prepared financial statements
- Most recent CPA Letter to Management and management's response (if this Letter is not issued, so indicate)

Produced By: Agent Name: \_\_\_\_\_ Agency: \_\_\_\_\_

Agency Taxpayer ID or SS No.: \_\_\_\_\_ Agent License No.: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_