



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

(Not For Use In: AR, CO, DC, FL, KY, LA, ME, MD, MN, MO, NJ, NM, NY, OH, OK, OR, PA, TN, TX or VA)

NOTICE: THE LIABILITY COVERAGE SECTIONS OF THIS POLICY PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED, UNLESS OTHERWISE PROVIDED HEREIN, BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

1. Name of **Applicant**: _____

(The term "**Applicant**", as used in this Application, means the Parent Corporation and all of its Subsidiaries, unless otherwise stated.)

2. Address: _____

3. City: _____ State: _____ Zip Code: _____

4. Nature of the **Applicant's** business: _____

5. Indicate below the **ForeFront Portfolio** coverages for which the **Applicant** seeks renewal.

- | | |
|---|--|
| <input type="checkbox"/> Directors and Officers Liability | <input type="checkbox"/> Crime |
| <input type="checkbox"/> Employment Practices Liability | <input type="checkbox"/> Kidnap/Ransom and Extortion |
| <input type="checkbox"/> Fiduciary Liability | <input type="checkbox"/> Workplace Violence Expense |
| <input type="checkbox"/> Miscellaneous Professional Liability | |
| <input type="checkbox"/> Internet Liability | |

6. Number of employees:

Total: _____ Total US: _____ Full Time: _____ Part Time: _____ In California: _____

7. **Applicant's** total revenues as of the most recent fiscal year end: \$ _____

8. **Applicant's** total assets as of the most recent fiscal year end: \$ _____

9. Cash flow from operations as of the most recent fiscal year end: \$ _____

10. Is the **Applicant** in compliance with all debt and /or loan covenants? Yes No
 If the **Applicant** answered "No" to this question, please attach a full explanation.

11. In the next 12 months is the **Applicant** contemplating (or has the **Applicant** completed within the last year) any actual or proposed merger, acquisition, or divestment, any registration for a public offering or a private placement of securities, any location, facility or office closings, consolidations or layoffs or any reorganization or arrangement with creditors under federal or state law? Yes No

If the Applicant answered "yes" to Question 11, please attach a full explanation.



I. DIRECTORS AND OFFICERS LIABILITY

- Over the past 12 months, has there been any change in the board of directors? Yes No
 If the **Applicant** answered "Yes" to this question, please attach a list of the current board and outside affiliations.
- Please list all non-director and non-officer shareholders who directly or beneficially hold common stock and the percentage owned by each (if none, so indicate)

 Non director or non officer shareholders: _____ % of voting shares owned: _____

- Has there been any change in the **Applicant's** ownership structure within the last twelve months? Yes No
 If the **Applicant** answered "Yes" to this question, attach a full description of ownership structure.

II. EMPLOYMENT PRACTICES LIABILITY

- Within the last year has the **Applicant** updated its employment practices handbook, or human resources policies and procedures or department? Yes No

 If the **Applicant** answered "Yes" to this question, please attach a copy of updated materials and a description of changes.
- Number of employees who have left the **Applicant** over the past 12 months:
 Voluntary _____ Involuntary _____

III. FIDUCIARY LIABILITY

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

Pension Benefit Plan Name	Plan assets (current year)	Defined Contribution (DC) or Defined Benefit (DB)?	Underfunded by more than 25%?(DB only)	Number of plan participants

- In the next 12 months is the **Applicant** contemplating (or has the **Applicant** completed within the last year) merging or terminating any plan(s)? Yes No
 If "Yes," please explain

IV. CRIME

- Does the **Applicant**:
 - Allow the employees who reconcile the monthly bank statements to also sign checks, handle deposits and have access to check signing machines or signature plates? Yes No
 - Have procedures in place to verify the existence and ownership of all new vendors prior to adding them to the authorized master vendor list? Yes No



(c) Verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment? Yes No

2. How often does the **Applicant** perform a physical inventory check of stock and equipment?

3. What is the limit above which the **Applicant** requires countersignature for their checks? \$ _____

V. KIDNAP/RANSOM AND EXTORTION COVERAGE

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

Countries	Annual # of trips	Average stay	# employees travelling

2. Describe the **Applicant's** security precautions taken for foreign travel:

VI. MATERIAL CHANGE

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

VII. NOTICES

The **Applicant's** submission of this Renewal Application does not obligate the Company to issue, or the **Applicant** to purchase, a renewal policy. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Renewal Application.

Fraud Notice to Applicants: Any person who, for the purpose of misleading, submits an application for insurance or a statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material to such application or claim, may be guilty of a fraudulent insurance act, which may be a crime and also may subject such person to civil penalties.

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.

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 Maryland Applicants: Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and 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.



VIII. DECLARATION AND SIGNATURE

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Renewal Application and any attachments or information submitted with this Renewal Application, are true and complete. This Renewal Application supplements the application(s) for the expiring policy, and those applications together with this Renewal Application and any information attached hereto will be the basis for, and become part of, a contract should a policy providing the requested coverage be issued and shall be deemed to be attached to and shall form a part of any such policy. The Company will have relied upon such applications, attachments, and such other information submitted therewith in issuing such policy.

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

This Renewal Application must be signed by the chief executive officer or chief financial officer of the Parent Corporation acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

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

IX. PLEASE ATTACH THE FOLLOWING REQUIRED INFORMATION:

- Most recent CPA prepared financial statements
- Most recent CPA Letter to Management and management's response (If this Letter is not issued, so indicate)
- Most recent EEO-1 Report (Applicable to Employment Practices Liability coverage only)