



**BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH EXECUTIVE RISK INDEMNITY INC. (THE "COMPANY")**

**NOTICE: THE D&O ELITE<sup>SM</sup> DIRECTORS AND OFFICERS LIABILITY POLICY PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS." 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:**

1. Whenever used in this Application, the term "**Applicant**" shall mean the Parent Organization and all organizations applying for coverage.
2. Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.

**I. GENERAL INFORMATION:**

1. Name of Parent Organization: \_\_\_\_\_  
 \_\_\_\_\_ Public \_\_\_\_\_ Private \_\_\_\_\_ Not-for-Profit
2. Address of Parent Organization: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
3. Web address: \_\_\_\_\_
4. Name and Address of Primary Contact: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**II. SPECIFIC INFORMATION:**

1. Please attach a copy of the following:
  - The Parent Organization's most recent: Annual Report, including audited financial statements; Quarterly Report (form 10Q on file with the SEC); and proxy statement, and (if different) the most recent definitive proxy statement filed with the SEC;
  - The Parent Organization's most recent CPA letter to management on internal controls, together with management's response;
  - The Parent Organization's primary directors & officers insurance policy including the application;
  - Each **Applicant's** charter, by-laws and indemnification provisions for its directors and officers; and
  - Each **Applicant's** environmental policy and most recent environmental audit or assessment report.



2. Current Insurance:

Provide the following information with respect to the insurance coverage currently maintained by the Parent Organization, if applicable:

a. Directors and Officers Liability

|                        | Limits | Retention | Premium | Policy Period |
|------------------------|--------|-----------|---------|---------------|
| Primary Insurer:       |        |           |         |               |
| First Excess Insurer:  |        |           |         |               |
| Second Excess Insurer: |        |           |         |               |

Total limits (primary and excess) \_\_\_\_\_; *if additional excess layers, please attach a separate sheet.*

b. Environmental Impairment Liability Insurance

|                  | Limits | Retention | Premium | Policy Period |
|------------------|--------|-----------|---------|---------------|
| Primary Insurer: |        |           |         |               |

Total limits (primary and excess) \_\_\_\_\_; *if additional excess layers, please attach a separate sheet.*

3. Is any **Applicant** currently a general partner in any limited or general partnership? Yes  No

*If "Yes" please explain with full details as an attachment to this Application.*

4. Recent, Pending and Contemplated Changes:

- a. Whether or not such discussions have been publicly disclosed, is any **Applicant** or any individual proposed for coverage currently involved in discussions with any other party concerning any actual or potential:

- (i) merger, acquisition, or tender offer? Yes  No
- (ii) public offering of securities (whether or not such securities are required to be registered under the Securities Act of 1933)? Yes  No
- (iii) reorganization or material change in any arrangement with lenders, bondholders, financiers or other significant creditors? Yes  No
- (iv) restatement of audited financial statements? Yes  No

- b. Has any **Applicant** replaced its outside auditors at any time during the last 3 years? Yes  No

- c. Does any **Applicant** currently anticipate replacing its outside auditors? Yes  No

*If "Yes" to any question above, please explain with full details as an attachment to this Application.*

- d. Does each **Applicant** maintain a formal corporate governance policy? Yes  No



e. Is each **Applicant** fully compliant with its respective Exchange Listing Requirements? Yes  No

*If "No" to any question above, please explain with full details as an attachment to this Application.*

5. Past Activities/Lawsuits/Proceedings:

a. During the last 5 years, has any **Applicant** or individual proposed for coverage, in any capacity, been involved in any of the following matters?

(i) Antitrust, copyright or patent litigation? Yes  No

(ii) Civil, criminal or administrative proceeding or formal or informal investigation concerning compliance or noncompliance with any federal or state securities law or regulation? Yes  No

(iii) Any other criminal action or proceeding? Yes  No

(iv) Class action, derivative suit or other representative proceeding? Yes  No

*If "Yes" to any of these, please explain with full details as an attachment to this Application.*

b. Other than those identified in response to Section 5 a, has any claim been brought at any time during the last 5 years against any individual proposed for coverage in his or her capacity as a director or officer of any entity? Yes  No

*If "Yes", please explain with full details as an attachment to this Application.*

6. **REPRESENTATION: PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES/SITUATIONS:**

No person proposed for coverage is aware of any fact, circumstance, or situation which he or she has reason to suppose might give rise to any claim that would fall within the scope of the proposed coverage, except: **NONE** or

Without prejudice to any other rights and remedies of the Company, each **Applicant**, on its own behalf and on behalf of all persons proposed for coverage, understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed in response to question 6 above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Company.

**III. MATERIAL CHANGE:**

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



#### IV. NOTICES:

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

**Notice to Arkansas, Louisiana, Maryland, 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 of District of Columbia, Maine, Tennessee and Virginia 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 Florida 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 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 false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act which is a crime.

**Notice to Louisiana and 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.

**Notice to Maryland Applicants:** Any person who, with intent to defraud or knowing that he/she is facilitating fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

**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 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.

**Notice to Oklahoma Applicants:** Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of any insurance policy containing any false incomplete 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.

**V. DECLARATION AND SIGNATURE:**

The undersigned authorized agents of the person(s) proposed for this insurance declare that to the best of their 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 agree 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.

By execution of this Application, the **Applicants** and all present and future subsidiaries agree to indemnify all persons proposed for insurance and to advance defense costs and expenses to the fullest extent permitted or required by law.

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.

This Application must be signed by the chief executive officer and chief financial officer of the Parent Organization acting as the authorized representatives of the person(s) proposed for this insurance.

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

Produced By:

Agent: \_\_\_\_\_ Agency: \_\_\_\_\_

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

Address (Street, City, State, Zip): \_\_\_\_\_

Submitted By:

Agency: \_\_\_\_\_

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

Address (Street, City, State, Zip): \_\_\_\_\_