

# Carolina Casualty Insurance Company

4600 Touchton Road East, Building 100, Suite 400, Jacksonville, FL 32246

## Renewal Proposal Form

### Directors' and Officers' and Corporate Liability Insurance

#### CLAIMS MADE WARNING FOR APPLICATION

**THIS PROPOSAL FORM IS FOR A CLAIMS MADE POLICY, RELATING TO CLAIMS MADE AGAINST THE INSUREDSDURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE.**

Whenever printed in this Proposal Form, the terms in boldface type shall have the same meanings as indicated in the Policy. This Proposal Form is to be completed with respect to the entire **Company**. **Company** as used herein is defined to include the **Parent Organization** and any **Subsidiaries**.

Name of **Parent Organization**

Street Address

Suite

City

County

State

Zip Code

The Officer designated as agent of the **Company** and of all insured **Directors and Officers** to receive any and all notices from the **Insurer** or their authorized representatives concerning this insurance:

Name

Title

E-mail Address

#### Stock Ownership Information (Provide details to all "Yes" answers by attachment)

1. Is the **Company** publicly held or a public reporting company under the Securities Exchange Act of 1934?  
If "Yes", provide the following information regarding the **Company's** outstanding common stock.  Yes  No
  - (a) What exchanges? (AMEX, NASDAQ, NYSE, OTCBB, Other): \_\_\_\_\_  
Ticker Symbol: \_\_\_\_\_
  - (b) Stock traded since (date of initial public offering): \_\_\_\_\_
  - (c) Total number of shares of common stock outstanding: \_\_\_\_\_
  - (d) Number of shares of common stock owned directly or beneficially by the **Directors and Officers**: \_\_\_\_\_
2. Does any shareholder, who does not have representation on the **Company's** board of directors, own, or have the right to own, directly and/or beneficially 25 percent or more of the **Company's** outstanding common stock?  Yes  No
3. Within the last 12 months, has the **Company** received or is the **Company** aware of any actual or contemplated SEC Rule 13d filing under the Securities Exchange Act of 1934?  Yes  No
4. Within the next 12 months, does the **Company** anticipate filing any Registration Statement with any Governmental Authority for an offering of securities?  Yes  No

#### Corporate Structure Information (Provide details to all "Yes" answers by attachment)

5. Form of organization:  Corporation  Sole Proprietorship  Joint Venture  
 Partnership  Limited Liability Corporation  Other: \_\_\_\_\_
6. The **Company** has been in continuous operation since: \_\_\_\_\_
7. What is the **Company's** Federal Employer Identification Number ("FEIN") or Taxpayer Identification Number: \_\_\_\_\_
8. (a) What is the **Company's** Primary U.S. Standard Industrial Classification ("SIC") Code or North American Industry Classification System (NAICS) Code? \_\_\_\_\_  
(b) Describe the **Company's** nature of operations: \_\_\_\_\_
9. (a) Within the last 12 months, has the **Company** been involved in any merger, consolidation, acquisition, tender offer, or divestment?  Yes  No  
(b) Within the next 12 months, is the **Company** considering any merger, consolidation, acquisition, tender offer, or divestment?  Yes  No
10. Which of the following professional services does the **Company** offer for others for a fee? If "None", so state.  None  
 Consulting  Investment Advisor  Real Estate Agent / Broker  Other: \_\_\_\_\_  
 Data Processing  Insurance Agent / Broker  Securities Broker / Dealer
11. Is the **Company** engaged in any of the following activities? If "None", so state.  None  
 Captive Insurance Company operations  Insurance Company operations  
 Franchising  Activities that fall under The Investment Company Act of 1940  
 General Partnership operations

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12. What percentage of the **Company's** revenue are generated or expected to be generated directly from the Internet over the next 18 months? \_\_\_\_\_ %
13. How many patents does the **Company** own or hold? \_\_\_\_\_
14. (a) Within the last 3 years, has the **Company** been involved in any bankruptcy proceeding?  Yes  No
- (b) Within the next 12 months, is the **Company** contemplating filing a petition for protection under the bankruptcy code?  Yes  No
15. Within the last 3 years, has there been any change (resignations, departures, retirements, etc.) in the position of the Chairman of the Board, President, Chief Executive Officer or Chief Financial Officer?  Yes  No
- If "Yes", provide the following details by attachment: Name of individual and date of change.
16. Current number of employees: \_\_\_\_\_ Full Time: \_\_\_\_\_ Part Time: \_\_\_\_\_

### Loss Control Information

17. Indicate the formal written policies or procedures the Board of Directors has implemented that address the following areas. If "None", so state.  None
- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Audit Committee      | <input type="checkbox"/> Insider Trading         | <input type="checkbox"/> Related Party Transactions |
| <input type="checkbox"/> Conflict of Interest | <input type="checkbox"/> Investor Communications | <input type="checkbox"/> Revenue Recognition        |
| <input type="checkbox"/> Employment Practices | <input type="checkbox"/> Merger / Tender Offer   |   |

### Litigation and Claim Information (Provide details to all "Yes" answers by attachment)

#### **Directors and Officers and Company Litigation and Claim Information:**

18. During the last 5 years, have the **Company** and the **Directors and Officers** been named together as parties in any civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any demands involving alleged violations of:
- (a) federal or state copyright or patent laws or regulations?  Yes  No
- (b) federal or state security laws or regulations?  Yes  No
- (c) federal or state anti-trust or fair trade laws or regulations?  Yes  No
19. During the last 5 years, have the **Company** and the **Directors and Officers** been named together as parties in any other civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any other written demands for money or services?  Yes  No

#### **Company only Litigation and Claim Information:**

20. During the last 5 years, has the **Company** only, excluding those actions naming the **Company** and the **Directors and Officers** described in Question 18. above, been named as a party in any civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any demands involving alleged violations of:
- (a) federal or state copyright or patent laws or regulations?  Yes  No
- (b) federal or state security laws or regulations?  Yes  No
- (c) federal or state anti-trust or fair trade laws or regulations?  Yes  No
21. During the last 5 years, has the **Company** only, excluding those actions naming the **Company** and the **Directors and Officers** described in Question 19. above, been named as a party in any other civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any other written demands for money or services?  Yes  No
22. If "Yes" to any part of Questions 20. or 21., has notice been given under any Directors' and Officers' Liability Policy with respect to all such actions?  N/A  Yes  No

#### **Directors and Officers only Litigation and Claim Information:**

23. During the last 5 years, have any of the **Directors and Officers** only, excluding those actions naming the **Company** and the **Directors and Officers** described in Question 18. above, been named as a party in any civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any demands involving alleged violations of:
- (a) federal or state copyright or patent laws or regulations?  Yes  No
- (b) federal or state security laws or regulations?  Yes  No
- (c) federal or state anti-trust or fair trade laws or regulations?  Yes  No
24. During the last 5 years, have any of the **Directors and Officers** only, excluding those actions naming the **Company** and the **Directors and Officers** described in Question 19. above, been named as a party in any other civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any other written demands for money or services?  Yes  No

#### **Other Litigation and Claim Information:**

25. During the last 5 years, have any of the **Directors and Officers**, as a director or officer of any other entity, been named as a party in any civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any demands involving alleged violations of federal or state security laws or regulations?  Yes  No

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**IF "YES" TO ANY PART OF QUESTIONS 18. THROUGH 25. PROVIDE FULL DETAILS FOR EACH ALLEGATION, EVEN IF THE MATTER HAS BEEN SETTLED OR OTHERWISE RESOLVED, BY PROVIDING THE FOLLOWING INFORMATION FOR EACH ALLEGATION BY ATTACHMENT:**

- |                |                           |   |  |                          |
|----------------|---------------------------|---|--|--------------------------|
| (a) Allegation | (b) Date Claim first made | (c) Paid damages/expenses including attorneys' fees | (d) Outstanding damages/expenses including attorneys' fees | (e) Total costs incurred |
|----------------|---------------------------|---|--|--------------------------|

**Previous Insurance Information (Provide details to all "Yes" answers by attachment)**

27. Provide the following information regarding the **Company's** Directors' and Officers' Liability insurance for the current policy year. If "None", so state.  None
- |                          |                        |                           |                   |                |
|--------------------------|------------------------|---------------------------|-------------------|----------------|
| <u>Insurance Carrier</u> | <u>Expiration Date</u> | <u>Limit of Liability</u> | <u>Retentions</u> | <u>Premium</u> |
|--------------------------|------------------------|---------------------------|-------------------|----------------|
28. Has the Extended Reporting Period (or Discovery Period) been exercised for the **Company's** most recent Directors' and Officers' Liability Policy?  Yes  No

**Documents Required**

29. Provide details to all "Yes" answers by attachment  
 30. All filings with the SEC within the past 18 months

**Please Read Carefully**

The undersigned Chairman of the Board of Directors, President, or Chief Executive Officer declares that the statements set forth herein are true and correct and that thorough efforts have been made to obtain sufficient information from each and every **Director and Officer** proposed for this insurance to facilitate the proper and accurate completion of this Proposal Form.

The undersigned agrees that the particulars and statements contained in the Proposal Form and any material submitted herewith, and any public documents filed by the **Insured** on the SEC's Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR"), are their representations and that they are material and are the basis of the insurance contract. The undersigned further agrees that the Proposal Form shall be considered attached to and a part of the Policy. Any material submitted with the Proposal Form, and material obtained from EDGAR, shall be maintained on file (either electronically or paper) with the **Insurer** and shall be deemed to be attached hereto as if physically attached.

It is further agreed that:

- if any significant change in the condition of the applicant is discovered between the date of this Proposal Form and the Policy inception date, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the **Insurer** immediately;
- the information contained in this Proposal Form shall not be used by the **Company** and/or any of the **Directors and Officers** of the **Company** as notice as provided for in section VII. of the Policy, nor will the **Insurer** recognize and/or accept the information contained herein as notice as provided for in section VII. of the Policy;
- this Proposal Form has been completed as respects the entire Company; and
- the signing of this Proposal Form does not bind the undersigned to purchase the insurance.

	Dated:
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Chairman of the Board of Directors, President, or Chief Executive Officer

This Carolina Casualty Insurance Company Proposal Form, including any material submitted herewith, shall be held in strictest confidence.

**A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL FORM IS PROPERLY SIGNED AND DATED.**

Please submit this Proposal Form including appropriate documentation to:

Monitor Liability Managers, Inc., 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039

	Dated:
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Submitted by (PRODUCER)

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AGENT'S NAME (Print Name)

AGENT'S LICENSE NUMBER

## **Carolina Casualty Insurance Company**

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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 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 NEW MEXICO, 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 APPLICANTS OF KENTUCKY:** ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A CRIME AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO APPLICANTS OF FLORIDA, MINNESOTA, NEW JERSEY, OHIO, AND OKLAHOMA:** ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO DISTRICT OF COLUMBIA, MAINE, MASSACHUSETTS, 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 INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.