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ACE AdvantageSM

APPLICATION FOR PRIVATE COMPANY LIABILITY INSURANCE

Instructions for Completing This Application

Please read carefully and check below all Coverages you seek. Fully answer all questions and submit all requested information for each Coverage you seek. All applicants must complete the General Information and the final section of this Application. Terms appearing in bold face in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. This Application, including all materials submitted herewith, shall be held in confidence.

GENERAL INFORMATION

1. a. The Company to be Named in Item 1. of the Declarations (the "Company"):

Street Address:

City: _____ State: _____ Zip Code: _____

b. Officer designated to receive correspondence and notices from the Insurer:

(Name of Officer)

(Title)

2. State of Incorporation: _____

3. Year of Incorporation: _____

4. Primary SIC Code: _____

5. Type of Organization: Corporation Partnership Sole Proprietorship
 LLC/LLP Other: _____

6. Please provide the following information regarding current insurance coverage;

Insurance	Carrier	Limits (in MMs)	Premium	Expiration Date
D&O Liability				
Crime/Fidelity				
EPL				
Fiduciary Liability				

PRIVATE COMPANY LIABILITY APPLICATION

Please attach copies of the following with respect to the Company and Subsidiaries:

- Current Indemnification Provisions, the Charter, and By-Laws,
- Audited Financial Statements for the last three (3) years
- Offering Memorandum of any public or private debt or equity offerings within the past twelve (12) months
- A schedule of all Subsidiaries to be insured under this policy
- List of directors of **Company**, including their principal business affiliations and the number of years they have been a director of the **Company**.

Please answer the following questions:

1. Number of Voting Shareholders _____
2. Number of Non-Voting Shareholders _____
3. Number of Common Shares Outstanding _____
4. Are there any other securities which are convertible to common stock? Yes No
5. Is there any shareholder or group of affiliated shareholders who own 5% or more of the **Company's** outstanding common equity shares, directly or beneficially?
If "YES", attach full details. Yes No
6. Has the **Company** completed or agreed to complete in the past thirty-six (36) months, or does the **Company** plan to complete in the next twelve (12), a public debt or equity offering or private placement of debt or equity?
If "YES", attach full details. Yes No
7. During the last three years, have any of the **Insureds** been involved in:
 - a. any anti-trust, copyright or patent litigation? Yes No
 - b. any civil, criminal or administrative proceeding charging a violation of any federal or state securities law or regulation? Yes No
 - c. any other criminal proceeding? Yes No
 - d. any representative actions, class actions or derivative suits? Yes No
 - e. any other material litigation? Yes No
 - f. any Claim or potential Claim noticed under any Directors' and Officers' Liability policy? Yes NoIf "YES", attach full details.
8. **Missouri Residents are not required to answer this question.** Yes No
Has the current or any previous Directors' and Officers' Liability insurer canceled or indicated an intent not to renew any Directors' and Officers' Liability policy?
If "YES", attach full details.
9. Is any person proposed for coverage aware of any fact or circumstance or any actual or alleged act, error or omission which he or she has reason to suppose might give rise to a future claim that would fall within the scope of the proposed coverage? If "YES", attach full details. Yes No

It is agreed that if such fact or circumstance or actual or alleged act, error or omission exists, whether or not disclosed, any claim arising therefrom is excluded from the proposed coverage.

EMPLOYMENT PRACTICES LIABILITY APPLICATION

Please attach copies of the following:

- Current Employee Handbook
- Current Employee Application Form(s)
- Copy of the **Company's** Employment Termination procedures
- Most recent EEOC-1 Report for consolidated **Company**, headquarters, and all facilities over 500 employees

1. During the last 3 years have any of the **Insureds** been involved in any employment or labor related litigation? Yes No

2. During the last 3 years have any of the **Insureds** been involved in any administrative proceedings before:
 - a. the Equal Employment Opportunity Commission? Yes No
 - b. the U.S. Department of Labor including the Office of Federal Contract Compliance Programs ("OFCCP")? Yes No
 - c. any state or local government agency whose purpose is to address employment-related claims Yes No

3. Are any of the **Insureds** currently required to comply with any judicial or administrative agreement, order, decree or judgment relating to employment? Yes No

4. Please provide the following information:

Total # of Employees:	Current Yr	1 st Prior Yr	2 nd Prior Yr
employed by the Insured :			
employed in CALIFORNIA:			
employed in TEXAS:			
employed in WASHINGTON DC:			
employed OUTSIDE THE USA:			
% of Employee Turnover	%	%	%

3. Does the **Company** uses an outside employment legal counsel for employment advice and/or defense? Yes No

4. Has the **Company** had in the past 12 months or is planning to have during the next 12 months, layoffs, staff reductions, facility closings or consolidations which resulted in termination of more than 5% of the work force at any one location? Yes No

5. Has the **Company** any prospective Insureds have been involved in employment or labor related litigation, during the last 3 years? Yes No

6. Does the **Company** have written guidelines or procedures for addressing human resources or personnel management? Yes No

7. Does the **Company** distribute to employees a copy of these guidelines or procedures? Yes No

8. Does the **Company** have a full-time human resources manager? Yes No

9. Does the **Company** provide its supervisors and managers updated information and training on human resources issues, including performance appraisals, discipline, and workplace harassment, at least annually? Yes No

10. Does the **Company** have an agreement or policy requiring employees to arbitrate all employee-related claims? Yes No
11. Is the **Company** a federal contractor subject to Executive Order 11246? Yes No
12. When an employee is discharged:
- a. Is officer approval required and is human resources personnel directly involved? Yes No
 - b. Is an attorney consulted prior to discharging an employee? Yes No
 - c. Does the **Company** provide in references for former employees any information other than the dates of employment, title(s) and compensation? Yes No

FIDUCIARY LIABILITY APPLICATION

Please attach copies of the following:

- Copies of the latest CPA-audited financial statements, with investment portfolios. (If plan assets are held in a master trust, submit master trust investment portfolio.);
- Copies of the most recent 5500s for all Plans to be Insured
- For each plan (or plan feature) that is designed to invest primarily in securities of the Sponsor Organization, the latest CPA-audited financial statement (with investment portfolio) and a completed ESOP Questionnaire;
- Written plan description(s) and latest financial statement(s), if applicable, for any non-qualified plan(s);
- Latest annual report for the Sponsor Organization;
- Latest interim financial statements for the Sponsor Organization.

1. Total assets of the Sponsor Organization \$
2. Total assets of all plans \$

3. Types of Plans to be Insured (check all that apply):
 - Defined Benefit Plan Defined Contribution Plan
 - Welfare Benefit Plan Employee Savings Plan
 - ESOP Other
4. Is the plan(s) a MULTIEMPLOYER or MULTIEMPLOYEE Plan? Yes No
5. Does the plan(s) employ the investment, trustee, actuarial, legal administrative, or benefits consulting services of any outside providers? Yes No
6. Has any plan requested or contemplated filing a request for termination? Yes No
7. In the past two years, has there been any amendment(s) to any plan(s), or has any amendment been contemplated, that has resulted in or may result in any change or reduction of benefits, including but not limited to an increase in participants' share of costs? Yes No
8. Has any plan or portion of any plan been spun off (sold), transferred, or terminated? Yes No
9. In the last 12 months has there been, or is there now under consideration, any merger, acquisition, restructuring or consolidation of or by the sponsor organization or any or its subsidiaries that has resulted in or may result in plan participants transferring to another plan, company or subsidiary? Yes No
10. Are all defined benefit plans adequately funded in accordance with ERISA or any applicable similar common or statutory law of the United States, Canada or any state or other jurisdiction anywhere in the world, as attested to by an actuary? Yes No
11. Are there any overdue employer contributions for any plan, or has any plan requested or contemplated filing a request for a waiver of contributions? Yes No

12. Has there been, or is there now pending, any claim(s) against any proposed insured arising out of any plan? Yes No
13. Does any proposed insured have knowledge or information of any act, error or omission which might give rise to a claim under the proposed policy? Yes No
14. Is there any known violation(s) of ERISA or any similar common or statutory law of the United States, Canada or any state or other jurisdiction anywhere in the world to which a Plan is subject? Yes No
15. Has there been or is there now pending any inquiry, investigation or communication which could give rise to a claim under this policy? Yes No

It is agreed that with respect to questions 14–17 above that if such claim, knowledge, information, violation, inquiry, investigation, or communication exists, any claim or action arising therefrom is excluded from this proposed coverage.

COMMERICAL CRIME APPLICATION

Please attach copies of the following:

- Last audited financial statements with all notes and schedules
- Copy of CPA management letter or, if applicable, auditor’s opinion letter, and any management letter responding to same.

1. Has there been a change of control or management in the last three (3) years? Yes No
 If "Yes," attach complete details.

2. Please enter the following information:

	U.S.A.	Canada	Foreign	Total
Annual Sales or Gross Revenues				
Number of Locations				
Number of Employees				

Audit Procedures

3. Is there an actual Independent CPA audit in accordance with GAAP? Yes No
4. Is the most recent audit “unqualified”? Yes No
5. Are all locations audited? Yes No
6. Is the audit report distributed to senior management and the board of directors? Yes No
7. Is there a CPA letter to management or auditor’s opinion letter? Yes No
8. Has management replied to any recommendations made in the letter? Yes No
9. Does the Applicant have an internal audit department or staff? Yes No
10. Is there a formal audit program? Yes No

Internal Controls

11. Does the Applicant require at least two (2) signatures on checks? Yes No
12. Do employees who reconcile monthly bank statements also:
- a) sign checks? Yes No
 - b) handle bank deposits? Yes No
 - c) have access to check signing machines or signature plates? Yes No
13. Are records maintained so that duplicate checks can be obtained for replacement? Yes No
14. Are checks stamped “For Deposit Only” as they are received? Yes No

- 15. Are invoices stamped "Paid" at the time checks are issued? Yes No
- 16. Is there an exposure of precious metals or stones (e.g., gold, silver, copper, platinum, diamonds or similar high-value materials)? Yes No
- 17. Is high-value product inventoried regularly? Yes No
- 18. Is the payroll prepared by persons other than those who distribute it to employees? Yes No
- 19. Are at least twenty percent (20%) of all the accounts receivable periodically verified by direct contact with the customer? Yes No
- 20. Are all persons engaged in purchase or sale activities prohibited from taking part in shipping and receiving activities? Yes No
- 21. Are all shipping and receiving activities reconciled to all applicable sale or purchase orders? Yes No

Computer Controls

- 22. Is there a mechanism to prevent repeated attempts of unauthorized access to a computer program? Yes No
- 23. Are exception reports generated for unauthorized attempts or repeated attempts to access a computer program and/or network? Yes No
- 24. Within the information system area, are the duties of the development staff (programmers) and operational staff (operators) segregated? Yes No
- 25. Are pre-authorization controls maintained for all programmers and operators Yes No
- 26. Are individuals responsible for authorizing checks also able to produce computerized checks? Yes No
- 27. Are computer operators rotated periodically? Yes No
- 28. Does the Applicant have an employee data-security standards manual? Yes No
- 29. Do audit practices include any tests to detect unauthorized programming changes? Yes No

Securities and Trading Activities

- 30. State the value of all negotiable securities owned or held by the Applicant \$ _____
- 31. Are securities subject to joint control by two (2) or more employees? Yes No
- 32. Is any person(s) whose conduct would be insured by the proposed insurance responsible for trading or directing the trading of securities on the Applicant's behalf? Yes No
- 33. Are controls in place so person(s) responsible for trading may not engage in unauthorized trading activities? Yes No
- 34. Are statements from securities brokers reconciled by a person different from the person responsible for trading securities? Yes No

35. If safe deposit boxes are used, has the bank been instructed to require that two (2) or more individuals be present before any entry of the box is permitted? Yes No

Present Crime Program and Loss Experience

36. Does the Applicant screen employees for prior acts of dishonesty? Yes No

37. Please identify all losses incurred within the last three (3) years of the type which would potentially be covered under the proposed insurance:

Description of Loss	Date of Loss	Amount of Loss	Preventative Measures Taken

TO BE COMPLETED BY ALL APPLICANTS

None of the **Insureds** is responsible for or has knowledge of any **Wrongful Act** or fact, circumstance or situation which (s)he has reason to suppose might result in a future **Claim**, except as follows:

If "NONE", Please check this box

It is agreed by all concerned that if any of the **Insured** is responsible for or has knowledge of any **Wrongful Act**, fact, circumstance, or situation which (s)he has reason to suppose might result in a future **Claim**, whether or not described above, any such **Claim** subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

This Application shall be maintained on file by the Insurer, shall be deemed attached as if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the proposed Policy.

The persons signing this Application declare that to the best of their knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all **Insureds** to facilitate the proper and accurate completion of this Application for the proposed Policy. Signing of this Application does not bind the undersigned to purchase the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued. The undersigned agrees that if after the date of this Application and prior to the effective date of any Policy based on this Application, any occurrence, event or other circumstance should render any of the information contained in this Application inaccurate or incomplete, then the undersigned shall notify the Insurer of such occurrence, event or circumstance and shall provide the Insurer with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the Insurer.

The information requested in this Application is for underwriting purposes only and does not constitute notice to the Insurer under any Policy of a **Claim** or potential **Claim**. All such notices must be submitted to the Insurer pursuant to the terms of the Policy, if and when issued.

The undersigned acknowledges that he or she is aware that **Defense Costs** reduce and may exhaust the applicable Limits of Liability. The Insurer is not liable for any **Loss** (which includes **Defense Costs**) in excess of the applicable Limits of Liability.

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent **Claim** for payment for 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 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.

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 HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent **Claim** for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

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 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 APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MINNESOTA APPLICANTS: 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.

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 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 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 OHIO APPLICANTS: Any person who, with the 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.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: Any person who knowingly, and with intent to injure, defraud, or deceive any **Insurer**, makes any **Claim** for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

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 TENNESSEE & 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.

NOTICE TO ALL APPLICANTS:

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING

ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE COMPANY THAT ALL STATEMENTS MADE IN THIS APPLICATION ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED IN THIS APPLICATION OR CONCEALED. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED.

This portion of the application must be signed by the Chairman of the Board or by the President.

Signed: _____
Title: _____
Corporation: _____
Date: _____

A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.

Please submit this Application, when completed, signed and dated to:

ACE USA Professional Risk
D&O Division
140 Broadway
40th Floor
New York, NY 10005

FOR MISSOURI RESIDENTS ONLY:

PLEASE ACKNOWLEDGE AND SIGN THE FOLLOWING DISCLOSURE TO YOUR APPLICATION FOR INSURANCE:

I UNDERSTAND AND ACKNOWLEDGE THAT THE ATTACHED POLICY CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT DEFENSE COSTS WILL REDUCE MY LIMITS OF INSURANCE AND MAY EXHAUST THEM COMPLETELY. SHOULD THAT OCCUR, I SHALL BE LIABLE FOR ANY FURTHER LEGAL DEFENSE COSTS AND DAMAGES.

Signed: _____
Title: _____
Corporation: _____
Date: _____