

DIRECTORS AND OFFICERS LIABILITY-PRIVATE COMPANY  
APPLICATION



NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY THAT APPLIES ONLY TO THOSE CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER DURING THE POLICY PERIOD, OR THE DISCOVERY PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSS SHALL BE REDUCED OR TOTALLY EXHAUSTED BY PAYMENT OF DEFENSE EXPENSES.

---

**I. GENERAL INFORMATION SECTION**

---

1. (a) Name of Organization: \_\_\_\_\_

(b) Organization Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Date Organized: \_\_\_\_\_

3. Nature of Operations: \_\_\_\_\_  
\_\_\_\_\_

4. Has the Organization been involved in any merger or acquisition within the past three (3) years or is the Organization currently contemplating any merger or acquisition? Yes  No

(If "Yes", please give details) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. List all Subsidiaries of the Organization for which coverage is requested: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Stock Ownership

(a) Number of common shares outstanding: \_\_\_\_\_

(b) Number of common shares owned directly or beneficially by Directors and Officers: \_\_\_\_\_

(c) Number of common stock shareholders: \_\_\_\_\_

(d) List any shareholder that owns directly or beneficially five percent (5%) or more of the common shares (include shareholders relationship to the Organization, if any):  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: Please answer separately for each class of common stock.

(e) Preferred Stock

Attach details of preferred stock including number of shares and schedule of ownership.

---

7. Securities Offerings

(a) List details of all securities offerings (including debt offerings) made in the past five (5) years including date of offering and amount of capital raised:

\_\_\_\_\_

\_\_\_\_\_

(b) Does the Organization contemplate any securities offerings (including debt offerings) in the next twelve (12) months? Yes  No

(If "Yes", please give details) \_\_\_\_\_

\_\_\_\_\_

8. Current Directors' and Officers' Liability Insurance (answer each item)

(a) Insurer(s): \_\_\_\_\_

(b) Total Limit(s): \_\_\_\_\_

(c) Retention(s)/Deductible: \_\_\_\_\_

(d) Total Premium: \_\_\_\_\_

(e) Expiration date: \_\_\_\_\_

(f) Loss experience (Attach full details of all claims during the past five (5) years that would fall within the scope of proposed insurance) \_\_\_\_\_ If no losses, check "None": None

(g) Has any similar insurance been declined, cancelled or non-renewed? Yes  No

(If "Yes", please give details) \_\_\_\_\_

---

**II. EMPLOYMENT PRACTICES LIABILITY SECTION**

---

1. Number of Employees:	<u>Union</u>	<u>Non-Union</u>
Full time:	_____	_____
Part time:	_____	_____
Total:	_____	_____

2. List total number of Employees in the following states:

CA \_\_\_\_\_ NJ \_\_\_\_\_ NY \_\_\_\_\_ MA \_\_\_\_\_ TX \_\_\_\_\_

3. How many Employees or Officers have been terminated within the past two (2) years?

Number of Employees: \_\_\_\_\_ Number of Officers: \_\_\_\_\_

4. Turnover percentage of Employees within the past three (3) years?

Year 1: \_\_\_\_\_ Year 2: \_\_\_\_\_ Year 3: \_\_\_\_\_

- 
5. Does the Organization anticipate making any reductions in the work force within the next twelve (12) months? Yes  No

(If "Yes", please give details) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Does the Organization have a separate Human Resources Department? Yes  No

7. Does the Organization have an Employee manual or handbook governing the terms and conditions of employment? Yes  No

8. Does the Organization have a written policy regarding sexual or workplace harassment, Affirmative Action and Equal Opportunity Employment? Yes  No

9. Does the Employee handbook contain an employment-at-will statement, disclaimer of employment contract and disclaimer of benefits statement? Yes  No

---

### III. PRIOR KNOWLEDGE SECTION

---

1. Have there been, or are there now any claim(s) pending against the Organization or its Subsidiaries, or any person proposed for insurance that is based upon or arises from acts, errors or omissions in a capacity as Director, Officer or Employee of the Organization or its Subsidiaries (including but not limited to demands by past, present or potential Employees and administrative proceedings)? Yes  No

(If "Yes", please give details) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Does any person proposed for this insurance have knowledge of any fact, circumstance or situation involving the Organization, its Subsidiaries or the Directors, Officers or Employees of the Organization or its Subsidiaries which he/she has reason to believe might result in any future claim(s) which might fall within the scope of proposed insurance? Yes  No

(If "Yes", please give details) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Without prejudice to any other rights and remedies of the Insurer, the Insureds understand and agree that if such fact, circumstance, or situation exists, whether or not disclosed in response to question 2 in Section III Prior Knowledge above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under any policy issued by the Insurer.

---

The undersigned authorized Officer of the Organization, on behalf of the Organization and its Subsidiaries, and on behalf of the Directors and Officers of the Organization and its Subsidiaries declares that to the best of his/her knowledge and belief, the information, particulars, documents, representations and statements contained in, attached or referred to in this application for insurance and/or as a result of the underwriting process are true and accurate and recognizes that the Insurer, in issuing this policy, will rely on such information, particulars, documents, representations and statements.

---

Although the signing of this application does not bind the undersigned to effect insurance, the undersigned agrees, on behalf of the Organization and its Subsidiaries, and on behalf of the Directors and Officers of the Organization and its Subsidiaries, that the information, particulars, documents, representations and statements contained in, attached or referred to in this application for insurance and/or as a result of the underwriting process shall be the basis of the contract should a policy be issued and that this application will be attached to and will become part of such policy. The Insurer is hereby authorized to make any investigation and inquiry it deems necessary in connection with this application.

---

**NOTE:** This application must be signed by the Chairman of the Board or President and dated within thirty (30) days of the effective date of coverage.

The undersigned authorized Officer agrees that if the information supplied on this application changes between the date of this application and the effective date of the insurance, he/she (undersigned) will immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance.

Signature \_\_\_\_\_ Title \_\_\_\_\_  
(Chairman of the Board or President)

Date \_\_\_\_\_ Organization \_\_\_\_\_

---

---

**One copy of each of the following documents is attached and made part of the policy:**

- (a) COMPLETE COPY OF LATEST AUDITED FINANCIALS, INCLUDING AUDITORS NOTES
- (b) COPY OF LATEST INTERIM FINANCIAL STATEMENT
- (c) CURRENT LIST OF DIRECTORS AND OFFICERS
- (d) EEO-1 REPORT (IF REQUIRED BY FEDERAL LAW)
- (e) COPY OF EMPLOYMENT APPLICATION AND EMPLOYEE HANDBOOK
- (f) COPY OF THE INDEMNIFICATION PROVISION OF THE ORGANIZATION
- (g) SHAREHOLDER (COMMON STOCK AND PREFERRED STOCK) LISTING WITH OWNERSHIP PERCENTAGES

Submitted By \_\_\_\_\_ Date \_\_\_\_\_  
(Producer)

---

---

---

**SIGNATURE REQUIRED**  
**NEW YORK FRAUD STATEMENT**

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.

---

Applicant's Signature

Date

**No Signature Required**

**ARKANSAS, LOUISIANA, RHODE ISLAND, TEXAS AND WEST VIRGINIA FRAUD STATEMENT**

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.

**ALASKA FRAUD STATEMENT**

A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.

**ARIZONA FRAUD STATEMENT**

For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

**CALIFORNIA FRAUD STATEMENT**

For your protection, California law requires that you be made aware of the following: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**COLORADO FRAUD STATEMENT**

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.

**DISTRICT OF COLUMBIA FRAUD STATEMENT**

**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.

**FLORIDA FRAUD STATEMENT**

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.

**HAWAII FRAUD STATEMENT**

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

**IDAHO FRAUD STATEMENT**

Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

---

### **INDIANA FRAUD STATEMENT**

Any person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

### **KENTUCKY FRAUD STATEMENT**

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.

### **MAINE FRAUD STATEMENT**

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.

### **MARYLAND FRAUD STATEMENT**

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.

### **MINNESOTA FRAUD STATEMENT**

Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

### **NEW HAMPSHIRE FRAUD STATEMENT**

Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

### **NEW JERSEY FRAUD STATEMENT**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

### **NEW MEXICO FRAUD STATEMENT**

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.

### **OHIO FRAUD STATEMENT**

Any person who, with 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.

### **OKLAHOMA FRAUD STATEMENT**

**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.

### **OREGON FRAUD STATEMENT**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

### **PENNSYLVANIA FRAUD STATEMENT**

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.

### **TENNESSEE, VIRGINIA, AND WASHINGTON FRAUD STATEMENT**

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.