



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

NOTICE: THE LIABILITY COVERAGE SECTIONS OF HEALTH CARE PORTFOLIO PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR AN APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

APPLICATION INSTRUCTIONS:

Whenever used in this Application, the term "**Applicant**" shall mean the Parent Organization and all subsidiaries, unless otherwise stated.

I. GENERAL INFORMATION:

1. Name of **Applicant**: _____
2. Address of **Applicant**: _____
 City: _____ State: _____ Zip Code: _____ Telephone: _____
 Website: _____
3. State and Date of Incorporation: _____
4. Authorized individual (Executive Officer) to receive notices and information regarding the proposed coverage sections:
 Name: _____ Title: _____
 E-Mail Address: _____ Phone: _____ Fax: _____
5. Individual responsible for Human Resources or employment law matters:
 Name: _____ Title: _____
 E-Mail Address: _____ Phone: _____ Fax: _____

II. SPECIFIC INFORMATION:

1. Please indicate below which coverages are being requested and complete supplemental questionnaires if required.

Note: The requested coverage is not automatically provided; the terms and conditions of the coverage section, if issued, will determine actual coverage.

Coverage Requested	Limit of Liability Requested	Retention Requested
<input type="checkbox"/> Directors & Officers Liability	\$	\$
<input type="checkbox"/> Optional Entity Liability	\$	\$
<input type="checkbox"/> Optional Employment Practices Liability	\$	\$
<input type="checkbox"/> Optional Third Party Liability	\$	\$
<input type="checkbox"/> Fiduciary Liability	\$	\$
<input type="checkbox"/> Optional Separate Defense Costs Coverage	\$	\$
<input type="checkbox"/> Crime	\$	\$
<input type="checkbox"/> Kidnap/Ransom & Extortion	\$	\$

2. Describe nature of **Applicant's** business:



3. **Applicant** is a: Not-For-Profit Tax Exempt Corp. For-Profit Corp.
 Not-For-Profit Taxable Corp. Limited Liability Company
 Partnership Other (describe): _____
4. Please complete the following information:
 (a) Revenues: Previous twelve (12) months: _____ Projected next twelve (12) months: _____
 (b) Employees: Previous twelve (12) months: _____ Projected next twelve (12) months: _____
 (c) Total Assets: _____
5. Does the **Applicant** have any subsidiaries, joint ventures or affiliates or control any other entity or organization?
 Yes No
 If "Yes," please attach a description of the operations, ownership, and the tax status of each such entity, and indicate whether coverage is requested for each such entity.
6. **Applicant's** Accreditation (note all that apply): JCAHO NCQA Other _____
7. Has the **Applicant** in the past eighteen (18) months completed or agreed to, or does it contemplate during the next twelve (12) months, any of the following, whether or not such transactions were or will be completed:
 (a) Reorganization or arrangement with creditors under federal or state law? Yes No
 (b) Branch, location, facility, office, or subsidiary closings, consolidations or layoffs? Yes No
 (c) Mergers or acquisitions? Yes No
- If "Yes" to any part of Question 7, please describe the essential terms of each such transaction as an attachment.

III. DIRECTORS AND OFFICERS LIABILITY INFORMATION:

1. (a) Number of: members on board of directors; trustees; member managers; or equivalent: _____
 (b) Are they elected or appointed? _____
2. Does the **Applicant** now have tax exempt status under applicable federal, state and local law, including the U.S. Internal Revenue Code of 1986, as amended? Yes No
 If "Yes," is any challenge to the **Applicant's** tax-exempt status pending or anticipated by any party, private or governmental? Yes No
 If "Yes," please explain: _____
3. Has the **Applicant** or any person proposed for coverage been the subject of, or been involved in, any of the following during the past five (5) years:
- | | <u>Organization</u> | <u>Persons</u> |
|--|--|--|
| (a) Anti-trust, copyright or patent litigation? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Civil, criminal or administrative proceeding alleging violation of any federal or state securities laws? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Any other criminal actions? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
- If "Yes" to any of the above in Question 3, please attach a full description of the details.
4. Other than those identified in your response to Question 3, has any civil proceeding been brought at any time during the last five (5) years against (a) any **Applicant** or (b) any proposed insured individual in his or her capacity as a director, officer, trustee or member of any duly constituted committee of any entity? Yes No
 If "Yes," please attach a full description of the details.
5. Complete if **Applicant** has stock or other equivalent ownership instrument:
 (a) Total number of common shareholders: _____
 (b) Total number of common shares outstanding: _____



- (c) Total number of common shares owned by officers: _____
- (d) Total number of shares owned by directors who are not officers: _____
- (e) If any shareholder owns 5% or more of shares, designate name and percentage:

6. In the next twelve (12) months (or during the past two (2) years) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) any public or private offering of securities or issuance of debt? Yes No
 If "Yes," please attach a full description of the details, including a copy of any prospectus.
7. Does the **Applicant** have written policies and procedures in place for provider selection, including credentialing, re-credentialing, and making decisions that adversely affect a provider's credentials?
 (a) for self? Yes No
 (b) for others for a fee? Yes No
 (c) are such policies and procedures in compliance with JCAHO or NCQA guidelines? Yes No
 If "No," provide details by separate attachment.
8. (a) Within the last two (2) years has the **Applicant** closed or restricted staff admissions of a provider to any patient service department for reasons other than professional competence, including but not limited to a conflict of interest? Yes No
 If "Yes," how many? _____
- (b) Are there any formal plans for future closings or restrictions? Yes No
 If "Yes," provide details by separate attachment.
9. Does the **Applicant** have any exclusive contracts with any providers? Yes No
 If "Yes," provide details by separate attachment.
10. Does the **Applicant** control more than twenty percent (20%) in any given geographical area of:
 (a) providers in any given field of practice; (b) hospital beds; (c) health care services; or (d) if the **Applicant** provides managed care products or services, the market share of health plan members? Yes No
 If "Yes" to Question 10(a), (b), (c) or (d), please provide market share percentages by separate attachment.

IV. EMPLOYMENT PRACTICES LIABILITY AND THIRD PARTY LIABILITY INFORMATION:

Complete if coverage is requested.

	Current Year	Previous Year
1. Number of Employees and Independent Contractors:		
(a) Full-time employees:	_____	_____
(b) Part-time employees (include leased and seasonal):	_____	_____
(c) Volunteers:	_____	_____
(d) Employed Physicians:	_____	_____
(e) Independent Contractors:	_____	_____
(f) Employees located in California:	_____	_____

2. Does the **Applicant** have written procedures in place regarding:
 (a) Equal Opportunity Employment: Yes No
 (b) Anti-discrimination: Yes No
 (c) Anti-harassment: Yes No
 If "No" to any of the above, please attach a full explanation.
3. If "Yes" to any of the above in Question 2:
 (a) Are the written procedures distributed to each employee? Yes No
 (b) If "Yes" to Question 3(a), does the **Applicant** document the distribution? Yes No



4. Does the **Applicant**:
- (a) Confer with human resources department or in-house legal counsel prior to any terminations? Yes No
 - (b) Have a manual of its human resources procedures? Yes No
 If "Yes," please indicate the date it was last revised: _____
 - (c) Provide formal training for its supervisors in administering these procedures? Yes No
 Who provides this training? _____
 - (d) Provide formal anti-discrimination and anti-harassment training for all of its employees? Yes No
5. During the past 3 years, has any **Applicant** or any person proposed for coverage been involved in any capacity in any of the following matters?
- (a) EEOC, NLRB or other similar administrative proceeding? Yes No
 - (b) Employment-related civil suit? Yes No
- If "Yes" to either of the above in Question 5, please attach a full description of the details.

V. FIDUCIARY LIABILITY COVERAGE INFORMATION:

1. Please list the names and types of **Applicant's** employee benefits plan(s). Attach additional pages if needed.

Plan names (Do not include health & welfare plans)	Plan assets (current year)	Plan assets (previous year)	Type of plan*	Underfunded by more than 25%? (DB only)	Number of plan participants

* Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat EBP)

2. Does the **Applicant** handle any investment decisions in-house? Yes No
 If "Yes," please describe: _____
3. In the past two (2) years, has the **Applicant** merged or terminated any plan(s)? Yes No
 If "Yes," please attach details including transaction date, status of asset distribution, whether similar benefits are being offered, and name of insurance carrier if terminated plan benefits are secured by insurance.
4. Are any plans NOT in compliance with plan agreements or ERISA? Yes No
 If "Yes," please explain: _____
5. Past activities: _____
- (a) Has any fiduciary been:
 - (i) accused, found guilty or held liable for a breach of trust? Yes No
 - (ii) convicted of criminal conduct? Yes No
 - (b) Have any claims (other than for benefits) been made during the past three (3) years against any benefit program or any current or past fiduciaries? Yes No
 - (c) Has there been any assessment of fees, fines or penalties under any voluntary compliance resolution program or similar voluntary settlement program administered by the IRS, DOL or other government authority against any plan? Yes No
- If "Yes" to any of the above in Question 5, please attach a full description of the details.



VI. CRIME COVERAGE INFORMATION:

1. Does the **Applicant** allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits? Yes No
 If "Yes," please explain: _____
2. What is the limit above which the **Applicant** requires countersignature for their checks? \$ _____
3. Please describe the services the **Applicant** provides for clients (including, but not limited to, accounting, payroll or purchasing functions):

4. Number of: domestic locations: _____; foreign locations: _____ and countries _____
5. Does the **Applicant** perform pre-employment reference checks for all its potential employees? Yes No
6. List all employee theft, forgery, computer fraud or other crime losses discovered by the **Applicant** in the last 5 years, itemizing each loss separately. Include date of loss, description and total amount of loss. (Attach additional pages if necessary.)

VII. KIDNAP/RANSOM & EXTORTION COVERAGE INFORMATION:

1. Please complete the following regarding **Applicant's** risk profile:

List countries in which you have operations	Type of operation	Number of locations	Number of employees	Revenues
U.S. and Canada				\$
				\$
				\$
TOTAL:				\$

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

Travel destination by country	Number of annual trips	Average length of stay	Number of employees traveling

3. Does the Applicant have a nursery, pediatric floor and/or an on-site child care/day care center? Yes No
 If "Yes," provide a brief description by separate attachment of the security measures used to ensure their safety. _____
4. Has the **Applicant** had any incidents or threats with respect to infant abductions during the past five (5) years? Yes No
 If "Yes," please provide details by separate attachment.
5. List all kidnapping, extortion threat, cyber extortion, hijacking, wrongful detention or political threat events discovered by the **Applicant** in the last five (5) years, which would have been covered under the policy for which this **Application** is made, itemizing each loss separately. Include date of loss, threat or event; description of the loss, threat or event; and total amount of each loss. Attach additional pages if necessary.



VIII. CURRENT INSURANCE INFORMATION:

Coverage Sections	The Applicant currently purchases this coverage		Current Limit of Liability	Current Retention	Premium	Current Carrier
	Yes	No				
Directors & Officers And Entity Liability			\$	\$	\$	
Employment Practices Liability and Third Party Liability			\$	\$	\$	
Fiduciary Liability			\$	\$	\$	
Crime			\$	\$	\$	
Kidnap Ransom & Extortion			\$	\$	\$	
Medical Professional Liability			\$	\$	\$	
Managed Care Errors & Omissions			\$	\$	\$	

IX. CLAIMS AND REPRESENTATIONS/PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES:

- During the past five (5) years, neither the **Applicant** nor any individual or entity proposed for coverage has submitted any claims or given notice of any fact, circumstance, situation, transaction, event, act, error, or omission which they had reason to believe might or could reasonably be foreseen to give rise to a claim that might fall within the scope of insurance with any insurer or self-insurance instrument of which the requested coverages would be a direct or indirect replacement, except as follows:

If the answer is none, so state:

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE COMPANY, IT IS AGREED THAT ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 1 IS EXCLUDED FROM THE PROPOSED INSURANCE, AND THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR, OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 1 IS EXCLUDED FROM THE PROPOSED INSURANCE.

- Neither the **Applicant** nor any individual or entity proposed for coverage is aware of any fact, circumstance, situation, transaction, event, act, error or omission which they have reason to believe may or could reasonably be foreseen to give rise to a claim that may fall within the scope of the proposed insurance, except as follows:

If the answer is none, so state:

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE COMPANY, IT IS AGREED THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 2 IS EXCLUDED FROM THE PROPOSED INSURANCE.

X. MATERIAL CHANGE:

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



XI. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Application does not obligate the Company to issue, or the **Applicant** to purchase, any coverage section. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Application.

The undersigned authorized agents of the person(s) and entity(ies) 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 contract should any coverage section 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 coverage section; and that the Company will have relied on all such materials in issuing any such coverage section.

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

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 to 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 and 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 (in Oklahoma) or a felony of the third degree (in Florida).

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 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 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 New York and 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 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 (in New York) or criminal and civil penalties (in Pennsylvania).

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) and entity(ies) proposed for this insurance.

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

XII. PLEASE ATTACH A COPY OF THE FOLLOWING REQUIRED INFORMATION FOR EVERY APPLICANT SEEKING COVERAGE:

- When requesting Executive Liability, Entity Liability, Employment Practices Liability or Fiduciary Liability coverage, the most recent annual financial statements, audited if outside audits are performed.

Produced By: Agent: _____ Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address _____

City: _____ State: _____ Zip Code: _____

Submitted By: Agency: _____

Taxpayer ID or SS No.: _____ Agent License No.: _____

Address _____

City: _____ State: _____ Zip Code: _____