



**BY COMPLETING THIS RENEWAL APPLICATION YOU ARE APPLYING FOR COVERAGE WITH
 FEDERAL INSURANCE COMPANY (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 RENEWAL APPLICATION CAREFULLY BEFORE SIGNING.

RENEWAL APPLICATION INSTRUCTIONS

Whenever used in this Renewal 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 Health Care PortfolioSM coverages for which the **Applicant** seeks renewal:
 - Directors & Officers Liability
 - Optional Entity Liability
 - Optional Employment Practices Liability
 - Optional Third Party Liability
 - Fiduciary Liability
 - Optional Separate Defense Costs Coverage
 - Crime
 - Kidnap/Ransom & Extortion
 - Outside Directorship Liability (additional applications are required)
 - Supplemental Regulatory Coverage (an additional application is required)
2. **Applicant's** total revenue as of the most recent fiscal year end: \$ _____
3. **Applicant's** total assets as of the most recent fiscal year end: \$ _____
4. Cash flow from operations as of the most recent fiscal year end: \$ _____



5. Has the **Applicant** in the past twelve (12) 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 and/or acquisitions? Yes No
 - d) Entering into new governmental contracts? Yes No
 - e) Conversion from non-profit to for-profit status? Yes No
 - f) Undertaking new areas of business? Yes No

If "Yes" to any part of Question 5, please describe the essential terms of each such transaction as an attachment.

III. DIRECTORS AND OFFICERS LIABILITY INFORMATION:

1. In the next twelve (12) months (or during the past twelve (12) months) 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.
2. a) Over the past twelve (12) months, has there been any change in the board of directors? Yes No
 b) Current number of: members on board of directors; trustees; member managers; or equivalent _____
 c) Current total outstanding shares, units, or interest _____
 If "Yes" to Question 2(a) above, please explain: _____
3. Please list all non-director and non-officer shareholders who directly or beneficially hold common stock and the percentage owned by each (if none, so indicate).
- | | |
|---|--------------------------------|
| Non director or non officer shareholders: | Number of voting shares owned: |
| _____ | _____ |
| _____ | _____ |
4. 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: _____
5. Has there been any change in the **Applicant's** ownership structure within the last 12 months? Yes No
 If "Yes," attach a full description of ownership structure.
6. a) Within the 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.
7. Over the past twelve (12) months has **Applicant** entered into any exclusive contracts with any providers?
 If "Yes," provide details by separate attachment. Yes No
8. Over the past twelve (12) months has **Applicant** controlled 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; Yes No
 - or (d) if the **Applicant** provides managed care products or services, the market share of health plan members?



If "Yes" to Question 8(a), (b), (c) and/or (d), please provide market share percentages by separate attachment.

IV. EMPLOYMENT PRACTICES INFORMATION:

1. Employee & Independent Contractor count: **Current Year**
- (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. Within the last year has the **Applicant** updated its employment practices handbook, or human resources policies and procedures or department? Yes No

If the **Applicant** answered "Yes," please attach a copy of updated materials and a description of changes.

3. Number of employees who have left the **Applicant** over the past 12 months:
 Voluntary _____ Involuntary _____

V. FIDUCIARY LIABILITY COVERAGE INFORMATION:

1. Please list the names and types of **Applicant's** employee benefits plan(s)

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. In the next 12 months is the **Applicant** contemplating (or has the **Applicant** completed within the last year) merging or terminating any plan(s)? Yes No
 If "Yes," please explain: _____

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. Does the **Applicant** have procedures in place to verify the existence and ownership of all new vendors prior adding them to the authorized master vendor list? Yes No
3. Does the **Applicant** verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment? Yes No
4. How often does the **Applicant** perform a physical inventory check of stock and equipment? _____
5. What is the limit above which the **Applicant** requires countersignature for their checks? \$ _____



VII. KIDNAP/RANSOM & EXTORTION COVERAGE INFORMATION:

1. 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

2. Describe the **Applicant's** security precautions taken for foreign travel: _____

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.

VIII. MATERIAL CHANGE:

If any information provided in this Renewal Application changes materially before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

IX. DECLARATIONS, FRAUD WARNINGS AND SIGNATURE:

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

The undersigned authorized agent of the person(s) and entity(ies) proposed for this insurance declares that to the best of his or her knowledge and belief, after reasonable inquiry, that the statements made in this Renewal Application and in any attachments or other documents submitted with this Renewal Application are true and complete. The undersigned agrees that this Renewal Application, such attachments and other documents, and all other signed applications submitted by the **Applicant** to the Company for the proposed insurance or any other insurance contract of which the proposed insurance is a direct or indirect renewal or replacement 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.

The information requested in this Renewal Application is for underwriting purposes only and does not constitute notice to the Company under any policy 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 Renewal 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>

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

- Most recent annual financial statements, audited if outside audits are performed;
- Most recent audited pension financial statements for each defined benefit plan (applicable to Fiduciary Liability coverage only);
- Most recent CPA Letter to Management and management's response (if this Letter is not issued, so indicate);
- Most recent EEO-1 Report (applicable to Employment Practices Liability coverage only).

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): _____