



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

NOTICE: THE LIABILITY COVERAGE SECTIONS OF POWER SOURCESM FOR HEALTH CARE PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY 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 Corporation 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 incorporation: _____ Date established: _____
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.
Note: The requested coverage is not automatically provided; the terms and conditions of the coverage section, if issued, will determine actual coverage.

Application	Coverage Included	Limit of Liability Requested
<input type="checkbox"/> Power Source Application	<input type="checkbox"/> Directors and Officers Liability	\$ _____
	<input type="checkbox"/> Employment Practices Liability	\$ _____
	<input type="checkbox"/> Fiduciary Liability	\$ _____
	<input type="checkbox"/> Crime	\$ _____
	<input type="checkbox"/> Kidnap/Ransom and Extortion	\$ _____
	<input type="checkbox"/> Workplace Violence Expense	\$ _____



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

3. **Applicant** is a: Not-For-Profit Tax Exempt Corp. For-Profit Corp. Partnership
Not-For-Profit Taxable Corp. Limited Liability Company
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. 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: _____

2. 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 2, please attach a full description of the details.

3. Other than those identified in your response to Question 2, 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.

4. Please complete the following information (Attach separate sheet, if necessary):

Names of Director or Officer Shareholders	Voting Shares Owned
_____	% _____
Shareholders (include individual and corp. names) who are both non-directors and non-officers owning 5% or more of voting shares	Voting Shares Owned
_____	% _____

5. 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.

6. Does the **Applicant** have any exclusive contracts with any providers? Yes No

If Yes, provide details by separate attachment.

7. Does the **Applicant** control more than twenty percent (20%) of the market share in any given geographical area of:

- (a) providers in any given field of practice, or (b) health care services? Yes No

If Yes to Question 7(a) or (b), please provide market share percentages by separate attachment.

8. (a) Name of Compliance Officer and title: _____

- (b) Does the Compliance Officer have direct access to the CEO or board? Yes No

9. Compliance Program in effect? Yes No

If Yes, date implemented? _____

If Yes, please submit copy of Compliance Program.

10. In the past 5 years, has any **Applicant** proposed for this insurance:

- (a) been subjected to any type of audit investigating whether it allegedly:
- (i) received overpayments for services provided? Yes No
 - (ii) received payments for services not provided? Yes No
 - (iii) violated any law? Yes No



- (b) entered into a criminal or civil settlement with the United States or with some party acting on behalf of the United States by which claims against such **Applicant** were resolved? Yes No

If Yes to Question 10(a) or (b), please explain: _____

IV. EMPLOYMENT PRACTICES LIABILITY AND THIRD PARTY LIABILITY INFORMATION:
Complete if coverage is requested.

1. Number of Employees and Independent Contractors:	Current Year	Previous 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. 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. 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 3, 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*	Under funded 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. WORKPLACE VIOLENCE COVERAGE INFORMATION:

1. Does the **Applicant**:
- (a) Have an Employee Assistance Program (EAP)? Yes No
 - (b) Have a progressive discipline policy? Yes No
 - (c) Have an employee complaint/grievance resolution procedure? Yes No



- (d) Have a customer complaint/grievance resolution procedure? Yes No
- (e) Have a written policy on workplace violence that is circulated to all employees? Yes No
- (f) Train supervisory and management employees to recognize report and respond to potentially hostile employees or situations? Yes No
- (g) Have a process for performing background checks for potential employees? Yes No

If Yes, please explain:

2. What security precautions does the **Applicant** have in place to limit access to its premises from hostile or volatile persons?

WORKPLACE VIOLENCE LOSS EXPERIENCE:

3. List all workplace violence 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.) Check if none:

IX. 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 Corporate Liability			\$ _____	\$ _____	\$ _____	_____
Employment Practices Liability and Third Party Liability			\$ _____	\$ _____	\$ _____	_____
Fiduciary Liability			\$ _____	\$ _____	\$ _____	_____
Crime			\$ _____	\$ _____	\$ _____	_____
Kidnap Ransom & Extortion			\$ _____	\$ _____	\$ _____	_____
Workplace Violence			\$ _____	\$ _____	\$ _____	_____
Medical Professional Liability			\$ _____	\$ _____	\$ _____	_____
Managed Care Errors & Omissions			\$ _____	\$ _____	\$ _____	_____

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



- 1. 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.

- 2. 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.

XI. 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.

XII. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Application does not obligate the Insurer to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Insurer 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 to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Application and any attachments or information submitted with this Application, are true and complete. The undersigned agree that this Application and its attachments shall be the basis of a contract should a policy providing the requested coverage be issued and shall be deemed to be attached to and shall form a part of any such policy. The Insurer will have relied upon this Application, its attachments, and such other information submitted therewith in issuing such policy.

The information provided 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.

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

Date

Signature*

Title

 Chief Executive Officer

*This Application must be signed by the chief executive officer of the **Applicant** acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

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

- When requesting Directors & Officers Liability, Corporate Liability, Employment Practices Liability or Fiduciary Liability coverage, the most recent annual financial statements, audited if outside audits are performed.



<u>Produced By:</u>		
Agent: _____	Agency: _____	
Agency Taxpayer ID or SS No.: _____	Agent License No.: _____	
Address _____		
City: _____	State: _____	Zip Code: _____
<u>Submitted By:</u>		
Agency: _____		
Agency Taxpayer ID or SS No.: _____	Agent License No.: _____	
Address _____		
City: _____	State: _____	Zip Code: _____