

Application

MANAGEMENT LIABILITY

Public Company | Renewal

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RENEWAL APPLICATION

Public Company Management Liability Insurance

Application for claims-made and reported Management Liability Insurance policy, limited to only those claims first made against the insured and reported in writing to the insurer during the policy period or an extended reporting period, if applicable.

This application applies to many coverage parts. Accordingly, it is only necessary to complete those portions of this application that explicitly apply to:

- (i) all coverage parts; AND
- (ii) those particular coverage parts for which coverage is currently being sought.

It is agreed that in granting coverage under this Policy, the Insurer has relied upon the information and materials described below and any other material submitted by the Applicant in connection with the underwriting of this Policy.

Applicant Name _____

Street Address _____ Suite _____

City _____ County _____ State _____ Zip Code _____

Mailing Address *(if different)* _____ Suite _____

City _____ County _____ State _____ Zip Code _____

FEIN _____ Website Address _____

Officer designated to receive correspondence & notices from the Insurer:

Primary Contact _____ Title _____

Email _____ Telephone _____ Fax _____

A. GENERAL INFORMATION

Applicable to all Coverage Parts

1. State of Incorporation:

2. Date Established:

3. SIC/NAIC:

4. Form of Business (Mark ONE)

☐

Public Company

☐

Joint Venture

☐

Partnership

5. Nature of Operations:

CURRENT COVERAGE:

	Carrier	Limit	Retention	Shared Limits (Y/N)	Expiration Date	Prior & Pending Litigation Date
Directors & Officers		\$	Securities: \$			
			M&A: \$			
Employment Practices		\$	\$			
Fiduciary		\$	\$			

REQUESTED COVERAGE:

	Coverage Requested	Limit	Retention	Shared Limits (Y/N)	Expiration Date	Prior & Pending Litigation Date
Directors & Officers	YES <input type="checkbox"/> NO <input type="checkbox"/>	\$	Securities: \$			
			M&A: \$			
Employment Practices	YES <input type="checkbox"/> NO <input type="checkbox"/>	\$	\$			
Fiduciary	YES <input type="checkbox"/> NO <input type="checkbox"/>	\$	\$			

B. FINANCIAL INFORMATION

1. Unless publicly available, provide the following financial information (*in USD \$*) with respect to the Applicant:

	Most Recent Year End (MM/YY):	Prior Year End (MM/YY):
Current Assets	\$	\$
Total Assets	\$	\$
Current Liabilities	\$	\$
Total Liabilities	\$	\$
Retained Earnings / Deficit	\$	\$
Equity	\$	\$
Revenues	\$	\$
Operating Income / Loss	\$	\$
Net Income / Loss	\$	\$
Cash Flow From Operations	\$	\$

2. Is the Applicant currently (*or in last 24 months*) in violation of or made any amendments to any debt covenants? YES ☐ NO ☐

If **YES**, please attach details.

3. Has the Applicant changed outside auditors in the last 3 years? YES ☐ NO ☐

If **YES**, please attach details.

4. During the past 3 years, has an outside auditor stated there is a material weakness in the Applicant's systems or controls, or issued a "going concern" opinion for the Applicant's financial statements?

YES ☐ NO ☐

If **YES**, attach explanation, include the CPA letter and management response.

5. Has the Applicant implemented the auditor's recommendations? YES ☐ NO ☐

If **NO**, please attach details.

C. DIRECTORS & OFFICERS COVERAGE

1. Is the Applicant engaged in any of the following activities?

Franchising	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
General Partnership Operations	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Joint Venture(s)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

If **YES**, provide participation or ownership structure details by attachment.

2. Is the Applicant publicly held or a public reporting company under the Securities Exchange Act of 1934?

YES ☐ NO ☐

If **YES**, provide the following information regarding the company's outstanding common stock:

- a. What exchanges? (AMEX, NASDAQ, NYSE, OTCBB, Other):
- b. Ticker Symbol:
- c. Stock traded since (date of initial public offering):
- d. Total number of shares of stock outstanding:
- e. Number of shares of stock owned directly or beneficially by the Insured Persons:

3. Does any shareholder, who does not have representation on the Applicant's Board of Directors, own, or have the right to own, directly and/or beneficially 10 percent or more of the Applicant's outstanding stock?

YES ☐ NO ☐

4. Within the past 12 months, has the Applicant received or is the Applicant aware of any actual or contemplated SEC Rule 13d filing under the Securities Exchange Act of 1934?

YES ☐ NO ☐

5. Within the next 12 months, is the Applicant contemplating a public disclosure concerning any action or potential public offering of securities (whether or not such securities are required to be registered under the Securities Exchange Act of 1933)?

YES ☐ NO ☐

6. Has the Applicant experienced changes to its Board of Directors or its Key Executives over the past year?

YES ☐ NO ☐

If **YES**, please attach details.

7. Does the Applicant have any of the following committees?

Audit YES ☐ NO ☐

Compensation YES ☐ NO ☐

Nominating YES ☐ NO ☐

8. Are there currently outstanding loans to any Director or Officer?

YES ☐

NO ☐

If **YES**, please attach details.

9. In the next 12 months (or in the past 24 months) is the Applicant contemplating or contemplated any of the following:

a. any actual or proposed merger, acquisition, or divestiture?

YES ☐

NO ☐

b. any creation of a new organization, subsidiary, or division?

YES ☐

NO ☐

If **YES** to any above, attach details.

D. EMPLOYMENT PRACTICES COVERAGE

1. Number of Employees:

	Current Year Union	Current Year Non-Union	Previous Year Union	Previous Year Non-Union
Full Time Employees				
Part Time / Seasonal / Temporary Employees				
Independent Contractors				
Foreign Employees				
Total Employees <i>(includes all above)</i>				

2. Percentage of employees in the following states:

	Current Year	Previous Year		Current Year	Previous Year
California	%	%	New Jersey	%	%
Florida	%	%	New York	%	%
Michigan	%	%	Texas	%	%

3. Percentage of employees earning the following annual salary:

Under \$50,000	\$50,001 - \$100,000	\$100,001 and over
%	%	%

4. Employee turnover percentage for the last three (3) years:

Current Year:	%	1st Previous Year:	%	2nd Previous Year:	%
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5. Does the Applicant have a Human Resource Department? YES ☐ NO ☐

If **NO**, attach details as to how are these issues handled, and by whom.

6. Does the Applicant or any of its subsidiaries have an Employee Handbook, a Human Resource Manual or equivalent written management guidelines? YES ☐ NO ☐

If **YES**, does it address the following:

- | | | | | |
|---|-----|--------------------------|----|--------------------------|
| a. Discrimination | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| b. Sexual Harassment | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| c. Compliance with Americans with Disabilities Act | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| d. Compliance with the 1991 Civil Rights Act | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| e. Compliance with the Family Medical Leave Act | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| f. Employee Disciplinary Actions, Terminations, Layoffs | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| g. Employee Appraisals / Reviews | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |

7. Has Legal Counsel reviewed the Human Resource Guidelines in the last 2 years?

YES ☐ NO ☐

8. Is there a formalized process in place for reporting complaints / harassment?

YES ☐ NO ☐

9. Are employment issues relating to terminations, discriminations, sexual harassment, layoffs, transfers, or promotions handled by the Human Resource Department, outside counsel and/or the legal department?

YES ☐ NO ☐

10. Is the Applicant or any of its subsidiaries currently undergoing, or does the Applicant or any of its Subsidiaries contemplate undergoing during the next twelve (12) months, any employee layoffs or early retirements *(including ones resulting from any type of company restructuring or office, plant or store closing)* ?

YES ☐ NO ☐

If **YES**, please attach details.

11. When an employee is terminated, are severance packages offered in exchange for releases not to sue?

YES ☐ NO ☐

12. Does the Applicant or any of its subsidiaries have procedures in place to assist terminated or laid off employees find work? YES ☐ NO ☐

13. Provide most recent EEO-1 report.

E. FIDUCIARY COVERAGE

Complete the following questions for each plan for which coverage is being requested:

Plan Name	Plan Type*	Plan Assets	# of Participants	Percent Funded (DB only)	Plan Status **
		\$		%	
		\$		%	
		\$		%	
		\$		%	
		\$		%	

* Plan Type: **DC** = Defined Contribution | **DB** = Defined Benefit | **ESOP** = Employee Stock Ownership Plan | **W** = Welfare | **O** = Other

** Plan Status: **A** = Active | **F** = Frozen | **M** = Merged | **T** = Terminated

1. Is each plan reviewed at least annually to assure there are no violations of ERISA? YES ☐ NO ☐

2. Do all plans conform to the standards and requirements of ERISA? YES ☐ NO ☐

3. Has any plan:

a. been the subject of any investigation by the Department of Labor, IRS, or similar agency?

YES ☐ NO ☐

b. had its tax exempt status withdrawn or threatened to be withdrawn by the IRS?

YES ☐ NO ☐

c. filed for exemption from a prohibited transaction

YES ☐ NO ☐

d. received an adverse opinion as to its financial condition by an independent public accountant?

YES ☐ NO ☐

If **YES** to any above, please attach details.

4. Does any plan hold securities of the Insured? YES ☐ NO ☐

If **YES**, attach details as to why and ability for participants to diversify.

Questions 5 & 6 are for Defined Benefit Plans Only

5. Has any Defined Benefit Plan:

- a. experienced an event reportable to the Pension Benefit Guaranty Corporation?

YES ☐ NO ☐

- b. not been certified by an actuary to be adequately funded in accordance with ERISA's minimum funding standard?

YES ☐ NO ☐

- c. been converted into a cash balance plan or is any such conversion expected in the next 12 months?

YES ☐ NO ☐

If **YES** to any above, please attach details.

6. Are there any outstanding or delinquent plan contributions or plan loans, leases or debt obligations that are in default or classified as uncollectible? YES ☐ NO ☐

Questions 7, 8 & 9 are for ESOP Plans Only

7. Date ESOP established:

8. Is the ESOP plan leveraged? YES ☐ NO ☐

If **YES**, what percentage? %

9. Provide most recent ESOP valuation and audit.

G. LOSS INFORMATION

1. During the past five (5) years and with respect to each liability coverage requested, has the company, any individual, or any other entity proposed for coverage under this insurance policy previously or currently been involved in or been a party to, or subject of, any administrative or regulatory proceedings or investigation, civil or criminal charges, hearings, demands or lawsuits?

YES ☐ NO ☐

If **YES**, attach full details.

It is agreed that any claim based upon, arising out of, directly or indirectly resulting from, or in any way involving any fact or circumstance set forth or that should have been set forth in question 1 above will be excluded from the proposed coverage.

H. ATTESTATION

Please Read Carefully

The undersigned, acting on behalf of the applicant and all proposed insureds, declare that the statements set forth herein are true and accurate and that thorough efforts have been made to obtain sufficient information from each proposed insured in order to facilitate proper and accurate completion of this application.

The undersigned agree that the application and all other materials submitted to the insurer are their statements, are incorporated in and constitute a part of the policy, and shall be deemed attached to the policy as if physically attached. The undersigned represent that the statements and representations in the application and all other materials submitted to the insurer shall be deemed material to the acceptance of the risk and that the policy is issued in reliance upon the truth and accuracy of such statements and representations. It is agreed by the undersigned, this application, together with any other materials submitted to the insurer, have been completed as respects to the entire applicant and all proposed insureds.

The undersigned further declare that if any significant change in the condition of the Applicant or proposed insureds is discovered, between the date this Application was signed and the effective date of the policy, which would render the information in this Application inaccurate or incomplete, any such information will immediately be reported in writing to the insurer and the insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The undersigned and insurer agree that the signing of this application does not bind the undersigned to purchase the insurance.

SIGNATURE

By: _____

Name *(Please type or print):* _____

Title *(Must be Signed by President, CEO, CFO or Managing Partner):* _____

Date Signed: _____

I. FRAUD WARNING

All States (Unless a State-Specific Fraud Warning Applies)

NOTICE TO 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 act, which is a crime and may subject such person to criminal and civil penalties.

State-Specific

NOTICE TO ARKANSAS, NEW MEXICO AND WEST VIRGINIA 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 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 insurance 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 authorities. **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 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 purpose of defrauding the insurance company. Penalties may include imprisonment, fines or a denial of insurance benefits. **NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully 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 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 OHIO APPLICANTS:** 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. **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 (365:15-1-10, 36 §3613.1). **NOTICE TO OREGON APPLICANTS:** 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. **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 AND WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurance company. Penalties include imprisonment, fines and denial of insurance benefits. **NOTICE TO VERMONT 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 act, which may be a crime & may subject such person to criminal and civil 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.