

PRIVATE COMPANY MANAGEMENT LIABILITY APPLICATION

I. GENERAL INFORMATION

Name of **Applicant**: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Applicant Web Site: _____

II. GENERAL RISK INFORMATION

1. Years of Operation: _____

2. Nature of the **Applicant's** business: _____

SIC Code: _____

3. Does the **Applicant** have ownership interest of 50% or more in any entity or have management control over any entity? ☐ Yes ☐ No

If "Yes", please provide: Name(s) of entity(ies), percentage owned, year started, description of operations, entity type (for profit, not-for-profit, general partnership, limited partnership, limited liability company)

4. Please complete the following employee information:

	Full Time Employees	Part Time Employees
ALL OTHER STATES		
CALIFORNIA		
ILLINOIS		
TOTAL US EMPLOYEES		
FOREIGN EMPLOYEES		

5. Has the **Applicant** completed in the last 12 months or is the **Applicant** contemplating:

- (a) Proposed merger, acquisition, or divestment? ☐ Yes ☐ No
- (b) Change in outside auditors? ☐ Yes ☐ No
- (c) A reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
- (d) Branch, location, facility, office, or subsidiary closings, consolidations, layoffs, or reductions in workforce? ☐ Yes ☐ No

If the **Applicant** answered "Yes" to any part of Question 5, please attach an explanation.

(e) Does the **Applicant** perform any professional services for a fee? ☐ Yes ☐ No

If "Yes", please explain:

6. Please provide the following information for the **Applicant's** most recent fiscal year end

Month _____ Year _____

Current Assets	\$
Total Assets	\$
Current Liabilities	\$
Long Term Debt	\$
Total Liabilities	\$
Retained Earnings	\$
Revenues	\$
Shareholders Equity	\$
Net Income	\$
Cash Flow From Operating Activities	\$

III. DIRECTORS AND OFFICERS AND ENTITY LIABILITY INFORMATION

1. Ownership

Please complete the following information for the **Applicant**

Names of director or officer shareholders, indicate name and title	Voting shares owned
	%
	%
	%
	%
List any shareholders (include any individual and corporate names) that are not directors or officers	
	%
	%
	%
	%

Please indicate, by checking the box (☐) in the table above, if related by family to another shareholder or to a director or officer of **Applicant**.

2. Recent, Pending or Contemplated Changes

- (a) Is the **Applicant** currently, or during the past 12 months has the **Applicant** been, in breach or in violation of any debt covenant? ☐ Yes ☐ No
- (b) In the past 24 months, has the **Applicant** had any public or private offering of securities? ☐ Yes ☐ No
- (c) In the past 24 months, has the **Applicant** had any change in directors or senior officers? ☐ Yes ☐ No
- (d) Breach or Violation of any debt covenant? ☐ Yes ☐ No

If the **Applicant** answered "Yes" to any part of Question 2, please attach a full description with details, including any private placement memoranda or any documents filed with the Securities and Exchange Commission in the past year.

3. Past Activities

- (a) 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 years:
- (i) Anti-trust, copyright or patent litigation? ☐ Yes ☐ No
- (ii) Deceptive trade practices or consumer fraud? ☐ Yes ☐ No
- (iii) Civil, criminal or administrative proceeding alleging violation of any federal or state securities law? ☐ Yes ☐ No
- (iv) Any other criminal actions? ☐ Yes ☐ No

If the **Applicant** answered "Yes" to any part of Question 3, please attach a full description.

IV. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. Please provide the Applicant's voluntary, and involuntary, terminations and percentage rate in the past 12 months:

Voluntary Termination # _____ Percentage _____ %

Involuntary Termination # _____ Percentage _____ %

2. U.S. Salary Ranges

Employee Salary Range	% in Range Current Year	% in Range Previous Year
Up to \$60,000		
\$61,000 to \$120,000		
Over \$120,000		

3. Policies and Procedures

Does the **Applicant** have written procedures in place regarding:

- (a) Equal Opportunity Employment ☐ Yes ☐ No
- (b) Anti-Discrimination ☐ Yes ☐ No
- (c) Anti-Sexual Harassment ☐ Yes ☐ No
- (d) Employment at Will ☐ Yes ☐ No
- (e) Progressive Discipline ☐ Yes ☐ No
- (f) Handling complaints of sexual harassment or discrimination ☐ Yes ☐ No
- (g) ADA accommodations ☐ Yes ☐ No
- (h) Classification of the status of each employee as Non-Exempt or Exempt under the rules and regulations of the Fair Labor Standards Act of 1938 ☐ Yes ☐ No
- (i) Background checks in hiring process ☐ Yes ☐ No

4. Layoffs or Reduction in Workforce

(a) Has the **Applicant** during the past 12 months experienced (or is the **Applicant** planning in the next 12 months) layoffs or a reduction in workforce?

☐ Yes ☐ No

5. Do you, or others on your behalf or at your direction, collect, store, use or transmit biometric information or biometric identifiers?

☐ Yes ☐ No

6. If "Yes", do you receive written consent and a release from each individual?

☐ Yes ☐ No

V. FIDUCIARY LIABILITY COVERAGE INFORMATION

1. Plan Information

(a) In the table below, please list the names and types of **Applicant's** employee benefit plan(s). Attach additional pages if needed. NOTE: If the Applicant has an ESOP, please complete the Supplemental ESOP Application.

Plan Names	Plan Assets (Current Year)	Type of Plan*	DB Plan Only - & Funding Stats	Number of Plan Participants	Compliant w ERISA

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

(b) Does the **Applicant** handle any investment decisions in-house?

☐ Yes ☐ No

If "Yes", please describe _____

(c) In the next 12 months is the **Applicant** contemplating (or has the **Applicant** completed within the last 12 months) a merger, freezing, terminating or converting any DB plan to cash balance?

☐ Yes ☐ No

If the **Applicant** answered "Yes" to Question 1 (c), please attach a full description of the details including transaction date, status of asset distribution, whether there was any reduction in benefits, communication sent to plan participants, and name of insurance carrier if terminated plan benefits are secured by insurance.

(d) Has the **Applicant** been subject to an investigation by the DOL, IRS or similar regulatory body in the last three years?
☐ Yes ☐ No

2. Plan Administration

Name of DC Plan	Name of Recordkeeper	Recordkeeping Fees (Per Capita)	Name of Investment Consultant/ Manager

3. Past Activities

(a) In the past three years has the **Applicant** merged, terminated or frozen 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.

(b) 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 the **Applicant** answered "Yes" to any part of Question 2, please attach a full description of the details including date, type of claim, allegations, current status, defense costs incurred and any judgement or settlement amounts.

VI. CRIME COVERAGE INFORMATION

1. Number of U.S. Locations _____

2. Outside U.S. Locations _____

List Countries where employees are located and the number: _____

3. Indicate the total amount of specified property *INSIDE* the premises for all locations combined:

(a) Cash _____

(b) Retail Checks _____

(c) Credit Card Receipts _____

Indicate the total amount of specified property being transported by a messenger *OUTSIDE* the premises:

(a) Cash _____

(b) Retail Checks _____

(c) Credit Card Receipts _____

4. Is there an internal audit department? ☐ Yes ☐ No

5. Internal Controls

(a) 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:

(b) Does the **Applicant** perform pre-employment reference and background checks for all its potential employees? ☐ Yes ☐ No If "No", please explain:

(c) Have computer access controls been implemented that include the following: (check all that apply)

(i) Passwords are required to be alpha/numeric and 6-9 characters in length ☐

(ii) User ID's are revoked immediately upon termination of employment ☐

(iii) Multifactor Authentication (MFA) on all external access to the Applicants computer systems ☐

(iv) None of the above ☐

- (d) Does the company require that all employees verify, via a telephone call to an established contact at the original source, that any change to delivery or wire instructions is legitimate? ☐ Yes ☐ No
- (e) Please confirm that a second employee's signoff is required for all changes to delivery or wire transfer instructions, and that the appropriate documentation is obtained. ☐ Yes ☐ No
If "No", please explain: _____
- (f) Does the **Applicant** use precious metal, gemstone or other high value items in the course of its business?
Yes ☐ No ☐ If "Yes", please complete a Precious Metals Supplementary Application.

6. Does the **Applicant**:

- (a) Maintain a list of authorized vendors? ☐ Yes ☐ No
- (b) Have a procedure in place to verify the existence and ownership of new vendors prior to adding them to the authorized master vendor list? ☐ Yes ☐ No
Allow the same individual who verifies the existence of vendors to also have the authority to edit the authorized master vendor list? ☐ Yes ☐ No
- (c) Verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment? ☐ Yes ☐ No
- (d) Strictly comply with dual recorded authorization for all outgoing electronic funds transfers? ☐ Yes ☐ No

7. Past Activities

Please attach a list of all employee theft, forgery, computer fraud or other crime losses discovered by the **Applicant** in the last five years, itemizing each loss separately. Include date of loss, description and total amount of loss; or indicate NONE ☐.

VII. CURRENT INSURANCE INFORMATION

Liability Coverage	Requested Limit	Requested Retention	Coverage Currently Purchased	Expiring Limit	Expiring Retention	Prior & Pending Litigation Date
Directors & Officers, and Entity Liability	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Employment Practices	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Fiduciary	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Crime	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	N/A

Expiring Insurer: _____ Expiring Premium: _____

VIII. WARRANTY: PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES/SITUATIONS

1. No person or entity proposed for coverage is aware of any fact, circumstance, or situation which he or she has reason to suppose might give rise to any claim that would fall within the scope of the proposed Liability Coverage Part(s):
NONE ☐ or, except _____

Without prejudice to any other rights and remedies of the Company, the Applicant understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed in response to Question 1. above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Company.

IX. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES

The **Applicant's** submission of this New Business Application does not obligate the Company 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 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 inquire, 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 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 New Business Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

SIGNATURE OF APPLICANT'S AUTHORIZED REPRESENTATIVE

_____ Date	_____ Signature*	_____ Title
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*This New Business Application must be signed by the Chief Executive Officer, President, or Chief Financial Officer of the **Applicant's** parent organization acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.