



**Application for
Business and Management (BAM)
Indemnity Insurance**

NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS BEING MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY CLAIM OR LOSS DISCOVERED (AS APPLICABLE IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE) MADE AGAINST ANY OF THE INSUREDS DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS COSTS, CHARGES AND EXPENSES (AS DEFINED IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE), AND COSTS, CHARGES AND EXPENSES SHALL BE APPLIED TO THE RETENTIONS.

General Instructions for Completing This Application

1. Please type or print in ink.
 2. Please read carefully and answer all questions. If a question is not applicable, so state.
 3. The Application must be signed by an executive officer.
 4. This Application and all exhibits shall be held in confidence.
 5. Please read the Policy for which application is made (the "Policy") prior to completing this Application.
 6. The terms as used herein shall have the meanings as defined in the Policy.
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I. General Information

1. Name of Parent Company: _____

Address: _____
(Number) (Street)

(City) (State) (Zip Code)

2. Standard Industrial Classification Code (SIC): _____

3. Nature of Operations: _____

4. Has the Company been in business longer than three (3) years? Yes No
5. Is the Company public-held or a public reporting company under the Securities Exchange Act of 1934? Yes No
6. Does the Parent Company own more than three (3) subsidiaries? If yes, please provide details on a separate page. Yes No
7. Has the Company in the past 18 months been involved with any actual, negotiated or attempted merger, acquisition or divestment? If yes, please provide details on a separate page. Yes No
8. Does the Company contemplate transacting any mergers or acquisitions in the next 12 months where such merger or acquisition would involve more than 50% of the total assets of the Company? If yes, please provide details on a separate page. Yes No

II. Financial Information

1. Describe the following financial information of the Company for the most recent fiscal year-end.

a) Total Assets

___ \$0 to 5,000,000
 ___ \$5,000,001 to 25,000,000
 ___ \$25,000,001 to 100,000,000
 ___ \$100,000,001 to 250,000,000
 ___ over \$250,000,000

b) Gross Revenues

___ \$0 to 5,000,000
 ___ \$5,000,001 to 25,000,000
 ___ \$25,000,001 to 100,000,000
 ___ \$100,000,001 to 250,000,000
 ___ over \$250,000,000

c) Net income ___ or net loss ___ and applicable amount:

___ \$0 to 500,000
 ___ \$500,001 to 1,000,000
 ___ \$1,000,001 to 3,000,000
 ___ \$3,000,001 to 5,000,000
 ___ over \$5,000,000

d) Cashflow from operating activities positive ___ or negative ___ and applicable amount:

___ \$0 to 500,000
 ___ \$500,001 to 1,000,000
 ___ \$1,000,001 to 3,000,000
 ___ \$3,000,001 to 5,000,000
 ___ over \$5,000,000

2. Do the current liabilities exceed current assets? If yes, please provide details on a separate page. Yes No
3. Do long-term liabilities exceed 75% of total assets? If yes, please provide details on a separate page. Yes No
4. Will more than 50% of the total long-term liabilities mature within the next 18 months? If yes, please provide details on a separate page. Yes No
5. Does the Company anticipate in the next 12 months or has the Company transacted in the last 24 months any restructuring or legal or financial reorganization or filing for bankruptcy? If yes, please provide details on a separate page. Yes No

III. Prior Insurance Information

1. Describe any current insurance maintained. The Continuity Date below means the policy inception date for which the most recent main form application was attached.

<u>Coverage</u>	<u>Yes</u>	<u>No</u>	<u>Limits</u>	<u>Continuity Date</u>
Employment	—	—	_____	_____
Directors and Officers	—	—	_____	_____
Fiduciary	—	—	_____	_____
Crime	—	—	_____	_____
Technology Media, & Professional Services	—	—	_____	_____
Miscellaneous Prof. Services	—	—	_____	_____

2. Has any insurer made any payments, taken notice of claim or potential claim or non renewed any management liability or similar insurance any time in the last 24 months? If yes, please provide details on a separate page. Yes No

IV. Prior Activities Information

1. Within the last three years, has any person or entity proposed for this insurance been the subject of or involved in any litigation, administrative proceeding, demand letter or formal or informal governmental investigation or inquiry including any investigation by the Department of Labor or the Equal Employment Opportunity Commission. If yes, please provide details on a separate page. Yes No
2. Within the last three years, has any person or entity proposed for this insurance had any crime losses. If yes, please provide details on a separate page. Yes No

V. False Information

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent **Claim** for payment for 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 company. Penalties may include imprisonment, fines, and 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 Agencies.

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 HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent **Claim** for payment of a **Loss** or benefit is a crime punishable by fines or imprisonment, or both.

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 purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MINNESOTA APPLICANTS: A person who submits an application or files a **Claim** with intent to defraud or helps commit a fraud against an **Insurer** is guilty of 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 NEW MEXICO 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 civil fines and criminal 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 commercial insurance or a statement of **Claim** for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company 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 value of the subject motor vehicle or stated **Claim** for each violation.

NOTICE TO OHIO APPLICANTS: Any person who, with the 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.

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 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 include imprisonment, fines and denial of insurance benefits.

NOTICE TO WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

VI. Other Information

1. The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this application will be attached to and become a part of such Policy, if issued. Insurer hereby are authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.
2. It is warranted that the particulars and statements contained in the Application for the proposed Policy and any materials submitted herewith (which shall be retained on files by Insurer and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
3. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the applicant will notify Insurer and, at the sole discretion of Insurer, any outstanding quotations may be modified or withdrawn.
4. It is agreed that in the event there is any misstatement or untruth in the answers to the questions contained herein, Insurer have the right to exclude from coverage any claim based upon, arising out of or in connection with such misstatement or untruth.

Signed: _____ Date: _____
(must be signed by an Executive Officer of the Company)

For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either facsimile or photocopy shall have the same force and effect as an original signature and that the original and any such copies shall be deemed one and the same document.

Please fully complete and attach the Information for the Coverage Section(s) being sought or bound.

Privacy Plus Coverage Section Information

Is the Parent Company seeking Privacy Plus coverage?

Yes No

If yes, please answer the following questions.

Note: Personal information records means all records of any natural person, including the records of clients, customers and employees (see the policy form for the definition of Private Information).

1. Please check the personal information records that you collect, store, maintain or transmit.

- Name/Address
- Date of birth
- Social security number
- Account number
- Credit card information
- Financial information
- E-mail address
- Medical records

2. Are personal information records stored electronically? If "Yes", proceed to next question. If no, proceed to question 9.

Yes No

3. Please check the computer hardware/software the Company employs to prevent unauthorized access to electronically stored personal information records. If "Other" is checked, please provide details on a separate page.

- Firewall
- Virus protection software
- Intrusion detection system
- Encryption system
- Other
- None

4. Does the Company maintain a wireless network?

Yes No

If "Yes", is the network encrypted?

Yes No

5. Is the above computer hardware/software routinely updated?

Yes No

6. Does the Company have a written policy or procedure for destroying hard drives no longer being used by the Company?

Yes No

7. Are electronically stored personal information records backed-up in an internal or external facility or process?

Yes No

If "Yes", please provide the following details.

a. Back-up records are stored:

Internally Externally

b. Back-up of records occurs:

- Daily
- Weekly
- Monthly
- Annually

8. Is the back-up of records stored in a secure location?

Yes No

9. Please check the security measures the Company employs to prevent unauthorized access to paper/physical personal information records. If other is checked, please provide details.

- Nightly alarm system
- Locking system on doors
- File cabinet locks
- Other
- None

10. Is access to personal information records restricted to only those employees who need access to these records in the performance of their employment duties? Yes No
11. Does the Company periodically test the security controls in place to prevent unauthorized access to personal information records? Yes No
12. Are personal information records, electronic or otherwise, allowed to be physically transported to any external location for any purpose other than an external backup of records? Yes No

If "Yes", please provide the following details.

- a. Does the Company have a policy or process which monitors and identifies those transported records? Yes No
- b. Are any records stored at any time in a laptop computer? Yes No
- c. Are any records stored at any time in a computer located in the personal residence of any employee? Yes No
- d. Are any records stored at any time in a computer owned by an outside vendor other than an external backup of records? Yes No
13. Does the Company have a written Privacy Policy concerning any personal information records? Yes No

If "Yes", please provide the following details.

- a. Did an outside legal firm develop or review the Privacy Policy? Yes No
- b. Is the Privacy Policy routinely reviewed and updated? Yes No
- c. Is the Privacy Policy compliant with the rules and regulations of all applicable privacy laws? Yes No

14. Please provide the following information.

- a. Approximate number of clients, customers and employees whose personal information records the Company collected, stored, maintained or transmitted during the last 12 months:
- 0 to 5,000
- 5,001 to 10,000
- 10,001 to 25,000
- 25,001 to 50,000
- 50,001 to 100,000
- above 100,000
- _____ number above 100,000

b. Revenues of the Company for the last 12 months:

\$ _____

- c. Are the revenues of the Company anticipated to increase more than 25% in the next 12 months? If "Yes", please provide details on a separate sheet of paper. Yes No

15. Within the last 5 years has the Company been subject to or suffered any losses or litigation from any:

- a. Breaches of security? Yes No
- b. Unauthorized acquisition, access, use, identity theft, mysterious disappearance, or disclosure of personal information? Yes No
- c. Violation of any privacy law, rule or regulation? Yes No
- d. Technology or extortion threats? Yes No

If "Yes", please provide details on a separate sheet of paper.