

# Application

## DIRECTORS, OFFICERS AND PRIVATE COMPANY LIABILITY INSURANCE POLICY INCLUDING EMPLOYMENT PRACTICES AND SECURITIES LIABILITY PRIVATE EDGE APPLICATION

FL- 024 DO PE



NOTICE: THE POLICY PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

IF A POLICY IS ISSUED, IT WILL BE ON A CLAIMS-MADE BASIS.

### I. GENERAL INFORMATION

1. NAME AND ADDRESS OF APPLICANT: \_\_\_\_\_

2. STATE OF INCORPORATION: \_\_\_\_\_ DATE OF INCORPORATION: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

3. TYPE OF BUSINESS ENTITY (PLEASE CHECK APPLICABLE DESCRIPTION)

CORPORATION

LIMITED LIABILITY COMPANY

SOLE PROPRIETORSHIP

OTHER (PLEASE SPECIFY: \_\_\_\_\_ )

4. YEARS OF OPERATION: \_\_\_\_\_ NATURE OF BUSINESS: \_\_\_\_\_

5. PRINCIPAL PRODUCTS OR SERVICES: \_\_\_\_\_ PRIMARY SIC CODE(S): \_\_\_\_\_

6. NUMBER OF LOCATIONS: DOMESTIC(WITHIN THE U.S., CANADA AND TERRITORIES): \_\_\_\_\_

FOREIGN: \_\_\_\_\_

7. DOES THE APPLICANT OPERATE ANY RETAIL OUTLETS? YES  NO

8. NAME AND ADDRESS OF PARENT CORPORATION (IF NOT APPLICANT): \_\_\_\_\_

9. A) AMOUNT OF INSURANCE REQUESTED: \$ \_\_\_\_\_

B) SELF-INSURED RETENTION DESIRED (EACH LOSS): \$ \_\_\_\_\_

### II. COMPANY INFORMATION

#### 10. STOCK OWNERSHIP

A) ARE ANY OF THE APPLICANT'S SECURITIES OR THOSE OF ITS SUBSIDIARIES PUBLICLY TRADED OR THE SUBJECT OF A "SHELF REGISTRATION"?

YES  NO  If "YES", please state which securities are publicly traded or the subject of a "shelf registration"

EQUITY  DEBT  MIXED (ATTACH EXPLANATION)

EXCHANGE(S) \_\_\_\_\_ TICKET SYMBOL(S) \_\_\_\_\_

If included as an attachment, check here .)

B) TOTAL NUMBER OF VOTING SHARES OUTSTANDING: \_\_\_\_\_

C) TOTAL NUMBER OF VOTING SHAREHOLDERS: \_\_\_\_\_

D) TOTAL NUMBER OF VOTING SHARES OWNED BY ITS DIRECTORS (DIRECT AND BENEFICIAL): \_\_\_\_\_

E) TOTAL NUMBER OF VOTING SHARES OWNED BY ITS OFFICERS (DIRECT AND BENEFICIAL) WHO ARE NOT DIRECTORS: \_\_\_\_\_

F) DOES ANY SHAREHOLDER OWN FIVE PERCENT (5%) OR MORE OF THE VOTING SHARES DIRECTLY OR BENEFICIALLY? YES  NO

If so, designate name and percentage of holdings: \_\_\_\_\_

If no such shareholders, please check here: "none" .)

G) ARE THERE ANY OTHER SECURITIES CONVERTIBLE TO VOTING STOCK? YES  NO

If so, describe fully: \_\_\_\_\_

(If none, please check here:  "none".)

11. A) ATTACH A COMPLETE LIST OF ALL DIRECTORS OF THE APPLICANT BY NAME AND AFFILIATION WITH OTHER CORPORATIONS.

B) ATTACH A COMPLETE LIST OF ALL OFFICERS OF THE APPLICANT BY NAME AND AFFILIATION WITH OTHER CORPORATIONS.



B) NEITHER THE APPLICANT NOR ANY OF ITS SUBSIDIARIES HAS KNOWLEDGE OR INFORMATION OF ANY ACT, ERROR OR OMISSION WHICH MIGHT GIVE RISE TO A CLAIM(S) UNDER THE PROPOSED POLICY EXCEPT AS FOLLOWS:

(Attach complete details. If they have no such knowledge or information, check here: [ ] "none".)

18. HAS THE APPLICANT, ANY OF ITS SUBSIDIARIES OR ANY DIRECTOR OR OFFICER:

- A) BEEN INVOLVED IN ANY ANTITRUST, COPYRIGHT OR PATENT LITIGATION? YES [ ] NO [ ]
- B) BEEN CHARGED IN ANY CIVIL OR CRIMINAL ACTION OR ADMINISTRATIVE PROCEEDING WITH A VIOLATION OF ANY FEDERAL OR STATE ANTITRUST OR FAIR TRADE LAW? YES [ ] NO [ ]
- C) BEEN CHARGED IN ANY CIVIL OR CRIMINAL ACTION OR ADMINISTRATIVE PROCEEDING WITH VIOLATION OF ANY FEDERAL OR STATE SECURITIES LAW OR REGULATION? YES [ ] NO [ ]
- D) BEEN INVOLVED IN ANY REPRESENTATIVE ACTIONS, CLASS ACTIONS, OR DERIVATIVE SUITS? YES [ ] NO [ ]

IF ANY OF THE ABOVE, 18 (A) – 18 (D), IS "YES", ATTACH FULL DETAILS

IT IS AGREED THAT WITH RESPECT TO QUESTIONS 17 AND 18 ABOVE, IF SUCH KNOWLEDGE, INFORMATION OR INVOLVEMENT EXISTS ANY CLAIM OR ACTION ARISING THERE FROM IS EXCLUDED FROM THE PROPOSED COVERAGE.

II. COMPANY INFORMATION

19. PLEASE PROVIDE THE FOLLOWING INFORMATION REGARDING EMPLOYEES, INCLUDING DIRECTORS AND OFFICERS:

A) TOTAL NUMBER OF EMPLOYEES:

	NON UNION	UNION (IF APPLICABLE)
FULL TIME:	_____	_____
PART TIME:	_____	_____
SEASONAL:	_____	_____
TEMPORARY:	_____	_____
LEASED:	_____	_____
INDEPENDENT CONTRACTORS:	_____	_____
DOMESTIC (WITHIN THE U.S., CANADA AND TERRITORIES):	_____	_____
FOREIGN:	_____	_____
TOTAL:	_____	_____

B) NUMBER OF EMPLOYEES IN TEXAS \_\_\_\_\_ CALIFORNIA \_\_\_\_\_ MICHIGAN \_\_\_\_\_

C) IS THE APPLICANT OR ANY OF ITS SUBSIDIARIES SUBJECT TO A COLLECTIVE BARGAINING AGREEMENT? YES [ ] NO [ ]

If "YES", how many Employees are also subject to this agreement? \_\_\_\_\_

D) DO THE APPLICANT'S OR ANY OF ITS SUBSIDIARIES' EMPLOYEES BELONG TO A UNION? YES [ ] NO [ ]

Please list the name of the Union that the largest number of Employees belongs to: \_\_\_\_\_

E) IS THE APPLICANT'S OR ANY OF ITS SUBSIDIARIES' EMPLOYEES EMPLOYED UNDER A WRITTEN EMPLOYMENT CONTRACT? YES [ ] NO [ ]

If "YES", how many are there? \_\_\_\_\_

F) FOR THE PAST 3 YEARS, WHAT HAS BEEN THE ANNUAL PERCENTAGE TURNOVER RATE OF EMPLOYEES (ALL LOCATIONS):

DOMESTIC:	_____ %	_____ %	_____ %
	YEAR 1 _____	YEAR 2 _____	YEAR 3 _____
FOREIGN:	_____ %	_____ %	_____ %
	YEAR 1 _____	YEAR 2 _____	YEAR 3 _____

G) HOW MANY OFFICERS AND OTHER EMPLOYEES HAVE RESIGNED, BEEN TERMINATED (WITH OR WITHOUT CAUSE) OR RETIRED WITHIN THE LAST 24 MONTHS (ALL LOCATIONS)?

OFFICERS: \_\_\_\_\_ OTHER EMPLOYEES: \_\_\_\_\_

IV. HUMAN RESOURCES

20. DOES THE APPLICANT OR ANY OF ITS SUBSIDIARIES HAVE A HUMAN RESOURCES DEPARTMENT? YES [ ] NO [ ]

IF "YES", PLEASE ANSWER THE FOLLOWING QUESTIONS REGARDING THE APPLICANT'S OR ANY OF ITS SUBSIDIARIES' HUMAN RESOURCES DEPARTMENT. (If "NO", how is this function handled? Please attach full details.)

A) NUMBER OF HUMAN RESOURCES DEPARTMENTS: \_\_\_\_\_

B) NUMBER OF EMPLOYEES: \_\_\_\_\_

21. DOES THE APPLICANT HAVE A HUMAN RESOURCES MANUAL OR EQUIVALENT WRITTEN MANAGEMENT GUIDELINES? YES [ ] NO [ ]  
 (If no such manual exists, check here: [ ] "none".) (If "YES", does it address the following issues?):

LEGALLY PROHIBITED DISCRIMINATION YES [ ] NO [ ]

SEXUAL HARASSMENT YES [ ] NO [ ]

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT YES [ ] NO [ ]

COMPLIANCE WITH THE 1991 CIVIL RIGHTS ACT YES NO YES [ ] NO [ ]

COMPLIANCE WITH THE FAMILY MEDICAL LEAVE ACT YES [ ] NO [ ]

EMPLOYEE DISCIPLINARY ACTIONS YES [ ] NO [ ]

TERMINATIONS, LAYOFFS AND EARLY RETIREMENTS YES [ ] NO [ ]

EMPLOYEE APPRAISALS/REVIEWS YES [ ] NO [ ]

(For all "NO" answers, how are these issues handled and by whom? Please attach full details.)

22. ARE ALL MANAGEMENT AND SUPERVISORY EMPLOYEES PROVIDED WITH A COPY OF SUCH MANUAL? YES [ ] NO [ ]

23. DO THESE STAFF MEMBERS RECEIVE TRAINING IN THE PROPER IMPLEMENTATION OF YOUR PERSONNEL POLICIES AND PROCEDURES?  
 YES [ ] NO [ ]

24. A) ARE EMPLOYMENT ISSUES RELATING TO TERMINATIONS, DISCRIMINATION, SEXUAL HARASSMENT, LAYOFFS, TRANSFERS, AND PROMOTIONS HANDLED BY THE HUMAN RESOURCES DEPARTMENT?  
 (If "NO", please provide details on how these issues are handled.) YES [ ] NO [ ]

B) WHEN DOES OUTSIDE COUNSEL BECOME INVOLVED? \_\_\_\_\_ (PLEASE ATTACH DETAILS.)

C) HOW FREQUENTLY DOES OUTSIDE COUNSEL BECOME INVOLVED?

[ ] ALWAYS [ ] SOMETIMES [ ] NEVER

25. IS AN APPLICATION REQUIRED FOR NEW EMPLOYEES? YES [ ] NO [ ]  
 (If "YES", please attach copies.)

26. A) DOES THE APPLICANT HAVE AN EMPLOYEE HANDBOOK? YES [ ] NO [ ]  
 (If "YES", please attach a copy.)

B) IS THE EMPLOYEE HANDBOOK DISTRIBUTED TO ALL EMPLOYEES? YES [ ] NO [ ]

27. IS THE APPLICANT CURRENTLY UNDERGOING OR DOES THE APPLICANT CONTEMPLATE UNDERGOING DURING THE NEXT 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 full details.)

28. PLEASE PROVIDE ON A SEPARATE ATTACHMENT FULL DETAILS OF ALL WRONGFUL TERMINATION, DISCRIMINATION AND SEXUAL HARASSMENT CLAIMS, WHICH AMOUNTED TO \$25,000 OR GREATER PAYMENT, MADE AGAINST THE APPLICANT OR ANY OF ITS SUBSIDIARIES OR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES DURING THE LAST FIVE YEARS, INCLUDING AMOUNTS OF ANY JUDGMENTS OR SETTLEMENTS AND COSTS OF DEFENSE. (If no such claims, check here: [ ] "None".)

29. A) PLEASE PROVIDE ON A SEPARATE ATTACHMENT FULL DETAILS ON ALL INQUIRES, INVESTIGATIONS, GRIEVANCE FILINGS OR OTHER ADMINISTRATIVE HEARINGS PREVIOUSLY FILED DURING THE LAST FIVE YEARS OR CURRENTLY BEFORE ANY LOCAL, STATE OR FEDERAL AGENCY GOVERNING EMPLOYER RESPONSIBILITY TO EMPLOYEES. (If none, check here: [ ] .)

B) PLEASE PROVIDE ON A SEPARATE ATTACHMENT FULL DETAILS ON ALL CUSTOMER/CLIENT LAWSUITS PREVIOUSLY FILED DURING THE LAST FIVE YEARS. (If none, check here [ ] .)

30. CURRENT INSURANCE (IF NONE, MOST RECENT). If included as attachment herein, check here [ ] (ATTACHED).

	D & O INSURANCE	EPL INSURANCE
A) NAME OF INSURANCE COMPANY		
B) LIMIT OF LIABILITY		
C) SELF-INSURED RETENTION		
D) POLICY EXPIRATION DATE		
E) PREMIUM (INDICATE ONE YEAR OR MORE)		

31. HAS ANY INSURANCE CARRIER REFUSED, CANCELED OR NO RENEWED ANY DIRECTORS AND OFFICERS OR EMPLOYMENT PRACTICES INSURANCE COVERAGE? [MISSOURI APPLICANTS NEED NOT REPLY] YES [ ] NO [ ]
32. NAME OF RISK MANAGER AND GENERAL COUNSEL (OR EQUIVALENT POSITION) AND NUMBER OF YEARS IN CURRENT POSITION:
33. NAME AND LOCATION (CITY) OF OUTSIDE LAW FIRM(S) FOR THE FOLLOWING:
- SECURITIES CLAIMS: \_\_\_\_\_
- EMPLOYMENT PRACTICES CLAIMS: \_\_\_\_\_
- OTHER (PLEASE SPECIFY): \_\_\_\_\_
34. ATTACH COPIES OF THE FOLLOWING FOR THE APPLICANT AND, TO THE EXTENT AVAILABLE, EACH OF ITS SUBSIDIARIES:
- A) LATEST ANNUAL REPORT OR AUDITED FINANCIAL STATEMENT.
- B) LATEST INTERIM FINANCIAL STATEMENT AVAILABLE.
- C) ALL PROXY STATEMENTS AND NOTICES OF ANNUAL MEETING OF STOCKHOLDERS WITHIN THE LAST TWELVE MONTHS.
- D) COPY (CERTIFIED BY CORPORATE SECRETARY) OF THE INDEMNIFICATION PROVISIONS OF THE CHARTER AND THE BY-LAWS. ALSO ATTACH COPY OF ANY CORPORATE INDEMNIFICATION AGREEMENT.
- E) LATEST CPA MANAGEMENT LETTER ALONG WITH APPLICANT'S RESPONSES TO ANY RECOMMENDATIONS MADE THEREIN.
- F) EMPLOYEE HANDBOOK
- G) HUMAN RESOURCES MANUAL/GUIDELINES
- H) PROCEDURES RESPECTING APPLICANTS FOR EMPLOYMENT, EMPLOYEE DISCIPLINE, TERMINATION, ALLEGED HARASSMENT OR DISCRIMINATION
- I) LATEST EEO-1 REPORT

THE UNDERSIGNED AUTHORIZED EXECUTIVE OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED EXECUTIVE AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND BECOME PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION, REGARDLESS OF WHETHER SUCH DOCUMENTS ARE ATTACHED TO THE POLICY, ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

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 SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO ARKANSAS AND NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF 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, 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 IN 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 MAINE 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 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 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.

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: 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 (365:15-1-10,3683613.1).

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: ANY PERSON WHO KNOWINGLY AND WITH THE INTENT TO DEFRAUD PROVIDES FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, ASSISTS, OR MAKES A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME INCIDENT OF DAMAGE OR LOSS, WILL COMMIT A FELONY AND IF CONVICTED WILL BE SENTENCED FOR EACH VIOLATION WITH A FINE OF NO LESS THAN FIVE THOUSAND (\$5,000) DOLLARS AND NOT EXCEEDING TEN THOUSAND (\$10,000) DOLLARS, OR BE SENTENCED TO IMPRISONMENT FOR A THREE (3) YEAR TERM, OR BOTH PENALTIES. IN THE EVENT OF AGGRAVATING CIRCUMSTANCES, THE TERM COULD BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IN THE EVENT OF INTERVENING EXTENUATING CIRCUMSTANCES IT COULD BE REDUCED UP TO A MINIMUM OF TWO (2) YEARS.

SIGNED: \_\_\_\_\_ DATE: \_\_\_\_\_  
(Applicant)

TITLE: \_\_\_\_\_ CORPORATION: \_\_\_\_\_  
(Must be signed by Chairman of the Board or President) (Corporate Seal)

ATTEST: \_\_\_\_\_ BROKER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN WHERE INDICATED. IF A POLICY IS ISSUED, THIS SIGNED STATEMENT WILL BE ATTACHED TO THE POLICY.

THE UNDERSIGNED AUTHORIZED EXECUTIVE OF THE APPLICANT HEREBY ACKNOWLEDGES THAT HE/SHE IS AWARE THAT THE LIMIT OF LIABILITY CONTAINED IN THIS POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY THE COSTS OF LEGAL DEFENSE AND, IN SUCH EVENT, THE INSURER SHALL NOT BE LIABLE FOR THE COSTS OF LEGAL DEFENSE OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT SUCH EXCEEDS THE LIMIT OF LIABILITY OF THIS POLICY.

THE UNDERSIGNED AUTHORIZED EXECUTIVE OF THE APPLICANT HEREBY FURTHER ACKNOWLEDGES THAT HE/SHE IS AWARE THAT LEGAL DEFENSE COSTS THAT ARE INCURRED SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

SIGNED: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_ (Applicant)

\_\_\_\_\_  
(Must be signed by Chairman of the Board or President)