

**BY COMPLETING THIS NEW BUSINESS APPLICATION THE APPLICANT IS APPLYING FOR COVERAGE WITH FEDERAL INSURANCE COMPANY (THE "COMPANY")**

**NOTICE: THE LIABILITY COVERAGE PARTS 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 THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE NEW BUSINESS APPLICATION CAREFULLY BEFORE SIGNING.**

**NEW BUSINESS APPLICATION INSTRUCTIONS**

- Whenever used in this New Business Application, the term "**Applicant**" shall mean the parent organization and all subsidiaries, unless otherwise stated.
- Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.  
  
For Directors & Officers and Entity Liability Coverage attach:  
(a) Most recent annual financial statement, audited if outside audits are performed.  
(b) List of directors and senior executive officers by name and outside affiliation, if applicable.
- All **Applicants** must complete the relevant sections of this Application and of the Supplemental Application in accordance with the specific coverages being requested.

**I. NAME, ADDRESS AND CONTACT INFORMATION**

- Name of **Applicant**: \_\_\_\_\_
- Address of **Applicant**: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
- Applicant's** Web Site: \_\_\_\_\_
- Name and address (if different than above) of Primary Contact (Executive Officer authorized to receive notices and information regarding the proposed policy):  
Name: \_\_\_\_\_ Title: \_\_\_\_\_ Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_ e-Mail: \_\_\_\_\_
- For Employment Practices Loss Prevention eligibility, indicate the individual responsible for human resources or employment law matters:  
Name: \_\_\_\_\_ Title: \_\_\_\_\_ Telephone: \_\_\_\_\_ e-Mail: \_\_\_\_\_

**II. INSURANCE INFORMATION**

- Please indicate below, by placing an "X" in the box, which coverages are being requested and complete relevant portions of this Application and the Supplemental Application as applicable.

Application	Coverage Requested	Limit Requested	Limit Currently Purchased	Retention Currently Purchased	Current Insurer
<b>New Business Application</b>	<input type="checkbox"/> Directors & Officers and Entity Liability	\$	\$	\$	
	<input type="checkbox"/> Employment Practices Liability	\$	\$	\$	
	<input type="checkbox"/> Fiduciary Liability	\$	\$	\$	
	<input type="checkbox"/> Crime	\$	\$	\$	
	<input type="checkbox"/> Kidnap Ransom and Extortion	\$	\$	\$	

Application	Coverage Requested	Limit Requested	Limit Currently Purchased	Retention Currently Purchased	Current Insurer
<b>Supplemental Application</b>	<input type="checkbox"/> Miscellaneous Professional Liability	\$	\$	\$	
	<input type="checkbox"/> Employed Lawyers Liability	\$	\$	\$	
	<input type="checkbox"/> CyberSecurity	\$	\$	\$	
	<input type="checkbox"/> Workplace Violence Expense	\$	\$	\$	

2. If the **Applicant** is applying for any Liability Coverage Part(s) as indicated in Question II. 1. above, please attach a copy of all applications containing a signed warranty and any other warranty statements completed in the past 3 years and submitted to any prior insurers. Please note, CyberSecurity includes a Liability Coverage Part.

**III. GENERAL RISK INFORMATION**

1. State of incorporation: \_\_\_\_\_ Years of operation: \_\_\_\_\_

2. Nature of the **Applicant's** business: \_\_\_\_\_

3. Primary SIC Code: \_\_\_\_\_

4. Are there any subsidiaries with operations that are unrelated to the primary business of the **Applicant**?  Yes  No

If "Yes", please attach an explanation.

5. Is this organization formed as a partnership or limited partnership or does it or any of its subsidiaries act as a general partner for another organization?  Yes  No

If "Yes", please complete the Risk Information for Partnerships in the Supplemental ForeFront Portfolio 3.0<sup>SM</sup> Application.

6. Please complete the following information: Total worldwide employees: \_\_\_\_\_ Number of in-house counsel: \_\_\_\_\_

7. (a) Please indicate total REVENUES at most recent fiscal year end: \_\_\_\_\_

(b) Additional Financial Information: Please provide the following information for the **Applicant** for the most recent fiscal year end (indicate month/year): \_\_\_\_\_ Month \_\_\_\_\_ Year

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

8. (a) Has the **Applicant** in the last 12 months completed any:

(i) Reorganization or arrangement with creditors under federal or state law?  Yes  No

(ii) Branch, location, facility, office, or subsidiary closings, consolidations or reductions in workforce?  Yes  No

(b) Is the **Applicant** currently anticipating any of the above?  Yes  No

If the **Applicant** answered "Yes" to any part of Question 8, please attach an explanation.

9. Does the **Applicant** perform any professional services for a fee?  Yes  No

If "Yes", please explain: \_\_\_\_\_

**IV. COVERAGE SPECIFIC RISK INFORMATION**

**A. DIRECTORS AND OFFICERS LIABILITY INFORMATION**

1. Ownership

(a) Please complete the following information for the **Applicant** (attach separate sheets if needed):

Names of director or officer shareholders, indicate name and title	Voting Shares Owned
	%
	%
List any shareholders (include individual and corporate names) who are not directors and not officers	Voting Shares Owned
<input type="checkbox"/>	%
<input type="checkbox"/>	%
<input type="checkbox"/>	%

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

If "Yes", please attach an explanation.

(b) Has the **Applicant** in the past 12 months had any:

(i) Public or private offering of securities?  Yes  No

(ii) Change in directors or senior executive officers?  Yes  No

(c) Is the **Applicant** currently anticipating any of the above?  Yes  No

If "Yes" to either of the above in Question 2(b) or 2(c), 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 laws?  Yes  No

(iv) Any other criminal actions?  Yes  No

If the **Applicant** answered "Yes" to any of the above in Question 3(a), please attach a full description of the details.

(b) Other than those identified in your response to Question 3 (a), has any claim been brought at any time during the last five years against (i) any **Applicant** or (ii) any proposed insured individual in his or her capacity as a director or officer of any entity?  Yes  No

If "Yes", please attach a full description of the details.

**B. EMPLOYMENT PRACTICES LIABILITY INFORMATION**

- |    |   |                     |                      |
|----|---|---------------------|----------------------|
| 1. | Employee count  | <b>Current year</b> | <b>Previous year</b> |
|    | (a) Full time U.S. employees:                                 | _____               | _____                |
|    | (b) Part time U.S. employees (include leased and seasonal):   | _____               | _____                |
|    | (c) Number of employees in (a) and (b) located in California: | _____               | _____                |
|    | (d) Number of U.S. independent contractors:                   | _____               | _____                |
|    | (e) Number of outside U.S. employees:                         | _____               | _____                |

2. U.S. Salary Ranges

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

3. Policies and Procedures

- (a) Does the **Applicant** have written procedures in place regarding:
- |                                  |  |
|----------------------------------|--|
| (i) Equal Opportunity Employment | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (ii) Anti-discrimination         | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (iii) Anti-sexual harassment     | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If any of the above answers are no, please attach a full explanation.

4. Past Activities

- (a) During the past three years has any **Applicant**, in any capacity, been involved in any of the following matters?
- |   |  |
|---|--|
| (i) EEOC or other similar administrative proceeding?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (ii) Employment-related civil suit or claim resulting in payment (including defense costs) over \$10,000? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If "Yes" to either of the above in Question 4, please attach a full description of the of the details including date, type of claim, allegations, current status, defense costs incurred and any judgment or settlement amounts.

**C. FIDUCIARY LIABILITY COVERAGE INFORMATION**

1. Plan Information

- (a) Please list the names and types of **Applicant's** employee benefits plan(s). Attach additional pages if needed. If the **Applicant** has an ESOP, please complete the Supplemental ESOP Application.

Plan names (Do not include health & welfare plans)	Plan assets (current year)	Type of plan*	(DB only) What is the current funded % under the Pension Protection Act? Indicate if "at risk"	Number of plan participants

\*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) Are any plans NOT in compliance with plan agreements or ERISA?  Yes  No  
If "Yes," please explain: \_\_\_\_\_

2. 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 any fiduciary been:
- (i) accused, found guilty or held liable for a breach of trust?  Yes  No
- (ii) convicted of criminal conduct?  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
- (d) Have any claims (other than for benefits under 29 C.F.R. § 2560.503-1(h) or similar procedures pursuant to applicable law) been made during the past five years against:
- (i) any **Applicant**;  Yes  No
- (ii) any benefit program; or  Yes  No
- (iii) any past or present individual in his or her capacity as a fiduciary of any employee benefit plan?  Yes  No

If "Yes" to any of the above in Question 2, please attach a full description of the details.

**D. CRIME COVERAGE INFORMATION**

1. Number of U.S. locations: \_\_\_\_\_ Outside U.S. locations: \_\_\_\_\_

List countries:

\_\_\_\_\_

\_\_\_\_\_

2. Internal Controls

- (a) Does the **Applicant**:
- (i) Allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits?  Yes  No  
If "Yes," please explain: \_\_\_\_\_
- (ii) Perform pre-employment reference checks for all its potential employees?  Yes  No  
If "No", please explain: \_\_\_\_\_

If applicable to the **Applicant's** business, please answer Questions 2 (b) through 2 (d)

- (b) How often does the **Applicant** perform a physical inventory check of stock and equipment? \_\_\_\_\_
- (c) Who performs these reconciliations? \_\_\_\_\_
- (d) Does the **Applicant**:
- (i) Maintain a list of authorized vendors?  Yes  No
- (ii) 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

- (iii) Allow the same individual who verifies the existence of vendors to also have the authority to edit the authorized master vendor list?  Yes  No
- (iv) Verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment?  Yes  No
- (v) Strictly comply with dual recorded authorization for all outgoing wire transfers?  Yes  No

3. Independent Contractors

- (a) Number of independent contractors (natural persons only): \_\_\_\_\_
- (b) Are reference checks performed for independent contractors?  Yes  No  
 If "No", please explain: \_\_\_\_\_
- (c) Do independent contractors have custody or control over any funds, accounts or property of the **Applicant**?  Yes  No  
 If "Yes", please explain: \_\_\_\_\_
- (d) Are independent contractors subject to the same internal control procedures that apply to the **Applicant's** employees?  Yes  No  
 If "No", please explain: \_\_\_\_\_

4. Client Services

- (a) Please describe the services the **Applicant** provides for clients:  
 \_\_\_\_\_  
 \_\_\_\_\_
- (b) Does the **Applicant** have custody or control over any funds, accounts, or materials of any of its clients?  Yes  No  
 If "Yes", please describe (attach separate sheet if necessary): \_\_\_\_\_

5. Past Activities

- (a) Please attach a list 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 .

**E. KIDNAP RANSOM & EXTORTION COVERAGE INFORMATION**

1. Please complete the following information regarding the **Applicant's** risk profile

Country	Number of employees	Number of Independent Contractors	Type of operation or, if no in-country operations, average stay	If no in-country operations, number of annual trips	Number of Locations

For Question 1 above, please attach a separate schedule of locations/travel if needed.

2. Past Activities

List all kidnapping, extortion threats, cyber extortion, hijacking, wrongful detention, or political threats discovered by the **Applicant** in the last five years which would have been covered under the Policy for which this Application is made, itemizing each loss separately: Check if "None"

\_\_\_\_\_  
 \_\_\_\_\_

**V. WARRANTY: PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES/SITUATIONS**

1. The **Applicant** must complete the warranty statement below:

- For any **Liability** Coverage Part for which coverage is requested and is not currently purchased, as indicated in Section II, INSURANCE INFORMATION, Question 1 of this Application; or
- If the **Applicant** is requesting larger limits than are currently purchased, as indicated in Section II, INSURANCE INFORMATION, Question 1 of this Application.

The statement applies to those coverage types for which no coverage is currently maintained; and any larger limits of liability requested.

For Alaska, Florida, Georgia, Kansas, Kentucky, Maine, Nebraska, New Hampshire, North Carolina, Oklahoma, Oregon, Virginia, Washington and West Virginia Residents ONLY: the title of this section and any other reference to "Warranty" is deleted and replaced with "**Applicant** Representation".

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:

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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.

**VI. MATERIAL CHANGE**

If there is any material change in the answers to the questions in this New Business Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

**VII. 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 inquiry, the statements made in this New Business 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.

**Notice to Arkansas, 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 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 and Rhode Island 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, 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 company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**Notice to 5`UWUa U`UbX`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 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.

**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 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 Puerto Rico Applicants:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**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.

**SIGNATURE OF APPLICANT'S AUTHORIZED REPRESENTATIVE**

Date

Signature\*

Title

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



\*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.

**Produced By:**

Agent: \_\_\_\_\_

Agency: \_\_\_\_\_

Agency Taxpayer ID or SS No.: \_\_\_\_\_ Agent License No.: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Submitted By:**

Agency: \_\_\_\_\_

Agency Taxpayer ID or SS No.: \_\_\_\_\_ Agent License No.: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_