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Executive Risks Surplus Application

THE LIABILITY COVERAGE PARTS, IF PURCHASED, ARE ON A CLAIMS MADE AND REPORTED BASIS AND COVER ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF EXERCISED, AND REPORTED TO THE INSURER AS REQUIRED BY THE POLICY. THE LIMITS OF LIABILITY AND ANY RETENTION SHALL BE REDUCED BY AMOUNTS INCURRED AS DEFENSE COSTS. PLEASE READ CAREFULLY.

INSTRUCTIONS

1. This application and all attachments shall be deemed to be attached to and form a part of the policy, if issued.
2. Complete the General Information and Claims History sections, as well as the sections for the specific products for which you'd like to receive a quote.
3. If applicant is in the Medical or Education industries, please also complete questions on pages 9 -10 as appropriate.

General Information

1 **NAME OF ORGANIZATION**

2 **WEBSITE(S)**

3 What is the organization's address?

ADDRESS

CITY | **STATE** | **ZIP CODE**

4 **INDUSTRY (PROVIDE ALL INDUSTRIES FOR SUBSIDIARIES, IF APPLICABLE)**

5 **CORPORATE STRUCTURE** ☐ PRIVATELY HELD ☐ NOT FOR PROFIT ☐ PUBLICLY TRADED ☐ PARTNERSHIP ☐ JOINT VENTURE

6 How many years has the organization been in business?

7 Is the organization (or any subsidiary) contemplating any merger, acquisition, or consolidation in the next 12 months? ☐ YES ☐ NO ☐ NOT SURE

If yes, please attach an explanation.

8 What is the total number of full-time and part-time employees (including leased, seasonal, and temporary)?

9 What was the average salary, including bonuses and commissions, for all employees, officers, owners, and partners in the organization's most recent year-end?

Directors and Officers Liability

Private Companies: Please answer questions 1 – 4

1 What percentage of the organization is owned by the Directors and/or Officers?

☐ LESS THAN 50% ☐ 50 - 79% ☐ 80-99% ☐ 100% ☐ NOT SURE

1A Are there any shareholders that own 10% or more of voting shares who are NOT a Director or Officer? ☐ YES ☐ NO ☐ NOT SURE

2 Has there been any change in ownership in the past 36 months? ☐ YES ☐ NO ☐ NOT SURE

If yes, please explain.

3 Does the organization have an Employee Stock Ownership Plan? ☐ YES ☐ NO ☐ NOT SURE

4 Does another entity own or control the organization? ☐ YES ☐ NO ☐ NOT SURE

4A If yes, provide the name of the entity

4B If yes, are they a foreign entity? ☐ YES ☐ NO ☐ NOT SURE

4C If yes, are they a private equity firm? ☐ YES ☐ NO ☐ NOT SURE

Financials

Private Companies quoting D&O: Please answer questions 1 - 9

1 What is the date of the financial statement?

2 What is the financial statement reporting period?

☐ 12 MONTHS ☐ 11 MONTHS ☐ 10 MONTHS ☐ 9 MONTHS ☐ 8 MONTHS ☐ 7 MONTHS
☐ 6 MONTHS ☐ 5 MONTHS ☐ 4 MONTHS ☐ 3 MONTHS ☐ 2 MONTHS ☐ 1 MONTH ☐ NOT SURE

3	Current Assets	**4**	Current Liabilities
5	Total Assets	**6**	Total Liabilities
7	Total Revenue	**8**	Net Income

Please attach a financial statement if available.

9 Does the organization have any long-term debt maturing in the next 18 months? ☐ YES ☐ NO ☐ NOT SURE

9A If yes, for what amount?

9B Will more than 50% of total long-term debt mature within the next 18 months? ☐ YES ☐ NO ☐ NOT SURE

If yes, please explain.

9C Is the organization currently (or has the organization in the past 12 months been) in breach of debt covenants? ☐ YES ☐ NO ☐ NOT SURE

If yes, please attach an explanation.

Not-For-Profit Organizations quoting D&O: Please answer questions 10-12

10	Total Assets	11	Total Revenue

12 Does the organization have government revenue? ☐ YES ☐ NO ☐ NOT SURE

12A If yes, what percentage of total revenue is coming from government sources?

☐ LESS THAN 20% ☐ 20 - 50% ☐ MORE THAN 50% ☐ NOT SURE

Financials (continued)

Not-for-Profit Organizations with more than $10M in assets quoting D&O: Please answer questions 1- 8

1 What is the date of the financial statement?

2 What is the financial statement reporting period?

- ☐ 12 MONTHS
- ☐ 11 MONTHS
- ☐ 10 MONTHS
- ☐ 9 MONTHS
- ☐ 8 MONTHS
- ☐ 7 MONTHS
- ☐ 6 MONTHS
- ☐ 5 MONTHS
- ☐ 4 MONTHS
- ☐ 3 MONTHS
- ☐ 2 MONTHS
- ☐ 1 MONTH
- ☐ NOT SURE

3	Current Assets	**4**	Current Liabilities
5	Total Assets	**6**	Total Liabilities
7	Total Revenue including contributions and grants	**8**	Change in Net Assets

Please attach a financial statement if available.

Employment Practices Liability

1 How many individuals are there in each of the following categories?

1A Full-time Employees (excluding Union)		**1B** Part-time Employees (excluding Union)	
1C Union Employees (Full-time & Part-time)		**1D** Foreign Employess	
1E Independent Contractors		**1F** Volunteers	

2 How many employees are there in California?

3 Does the organization have the following:

3A Employment application?	YES	NO	NOT SURE
3B HR Department?	YES	NO	NOT SURE
3C Employee Handbook?	YES	NO	NOT SURE

Fiduciary

1 What are the organization's total plan assets?

2 What type of plans does the organization have? Select all that apply

- DEFINED CONTRIBUTION
- DEFINED BENEFIT
- EMPLOYEE STOCK OWNERSHIP (ESOP)
- WELFARE
- PROFIT SHARING
- OTHER
- FOREIGN PLAN

2A If Defined Benefit, what percentage of the Defined Benefit plan is funded?

- 100% OR MORE
- 91-99%
- 80-90%
- 70-79%
- LESS THAN 70%
- NOT SURE

3 Have there been any delinquent plan contributions? YES NO NOT SURE

Crime

1 What is the organization's total revenue?

2 Is there a separation of duties in place so no one individual can control the banking process from beginning to end (for example, reconcile bank statements, make deposits, make withdrawals, sign checks)? YES NO NOT SURE

3 Is approval by more than one person required to initiate a funds transfer? YES NO NOT SURE

4 Is the responsibility for authorizing vendors, approving invoices, and processing payments assigned to different people? YES NO NOT SURE

5 How many locations does the organization have?

- LESS THAN 10
- 10 - 25
- MORE THAN 25

Social engineering

6 Does the organization require a secondary means of communication to validate the authenticity of the following?

6A Funds transfer requests (ACH, wire, etc.) before processing a request in excess of $5,000 YES NO

6B Any request to change banking details (ACH, wire, payroll distribution, etc.) YES NO

Claims History

1 Within the last three years, has the organization had any losses for employee theft, forgery, computer fraud, or other crime? (Crime coverage only) ☐ YES ☐ NO ☐ NOT SURE

If yes, please attach Loss Runs.

Companies with D&O, EPL, Fiduciary, or Crime coverage in place: Please answer questions 2 – 10

2	D&O EXPIRATION DATE	D&O PENDING OR PRIOR DATE	D&O EXPIRING LIMIT

3 Has the policyholder, any subsidiary, or any persons proposed for coverage been the subject of or been involved in a claim brought against the policyholder or individual in her or his capacity as a director or officer of any entity in the past three years? ☐ YES ☐ NO ☐ NOT SURE

If yes, please attach an explanation.

4 How many D&O claims has the organization had in the past three years?

5 What is the total cost of all D&O claims in the past three years, including defense and settlement amounts?

6	EPL EXPIRATION DATE	EPL PENDING OR PRIOR DATE	EPL EXPIRING LIMIT

7 Has the Policyholder or any subsidiary proposed for coverage been involved in EEOC or any other similar administrative proceeding? ☐ YES ☐ NO ☐ NOT SURE

If yes, please attach an explanation.

8 Has the Policyholder or any subsidiary proposed for coverage been involved in any action or civil suit brought against them by a customer, client, or third party alleging harassment, discrimination, or civil rights violation? ☐ YES ☐ NO ☐ NOT SURE

If yes, please attach an explanation.

9 How many EPL claims has the organization had in the past three years?

10 What is the total cost of all EPL claims in the past three years, including defense and settlement amounts?

If yes, please attach an explanation.

11	FIDUCIARY EXPIRATION DATE	FIDUCIARY PENDING OR PRIOR DATE	FIDUCIARY EXPIRING LIMIT

12 During the past three years, has the policyholder or any subsidiary, insured person, fiduciary, or benefit program proposed for coverage been involved in, subject of, accused, found guilty, or held liable for a breach of trust? ☐ YES ☐ NO ☐ NOT SURE

If yes, please attach an explanation.

13 How many Fiduciary claims has the organization had in the past three years?

14 What is the total cost of all Fiduciary claims in the past three years, including defense and settlement amounts?

Claims History

15 **CRIME EXPIRATION DATE**

16 How many Crime claims has the organization had in the past three years?

17 What is the total cost of all Crime claims in the past three years, including defense and settlement amounts?

18 Please attach Loss Runs for all coverages currently in place.

Companies <u>with no</u> D&O, EPL, Fiduciary, or Crime coverage: Please answer question 11

19 Is any person or entity proposed for coverage aware of any fact, circumstance, or situation which they have reason might give rise to any claim that would fall within the scope of the proposed insurance?

☐ YES ☐ NO ☐ NOT SURE

If yes, please attach an explanation.

Directors and Officers Liability

Companies in the Medical Industry: Please answer questions 1 - 6

1 Has the organization or any of its subsidiaries voluntarily disclosed to any governmental entity or is it aware of any violations or potential violations of the following?
a) Civil False Claims Act
b) Physician Ownership and Referral Act (The Stark Act)
c) Any similar law or regulation?

☐ YES ☐ NO ☐ NOT SURE

2 Does the organization perform Provider Selection activities such as credentialing and peer review?

☐ YES ☐ NO ☐ NOT SURE

If yes, please explain.

2A If yes, does the organization have written policies and procedures in place for provider selection activities?

☐ YES ☐ NO ☐ NOT SURE

3 Does the organization have a formal written regulatory policy in place?

☐ YES ☐ NO ☐ NOT SURE

3A If yes, has the policy been updated in the past 2 years?

☐ YES ☐ NO ☐ NOT SURE

4 Does the organization have any exclusive contract arrangements with any providers?

☐ YES ☐ NO ☐ NOT SURE

If yes, please explain.

5 Within the last two years has the organization closed or restricted staff admissions of a provider to any patient service department for reasons other than professional competence, including but not limited to a conflict of interest?

☐ YES ☐ NO ☐ NOT SURE

If yes, please explain.

6 Are there any formal plans for future closings or restrictions?

☐ YES ☐ NO ☐ NOT SURE

If yes, please explain.

Directors and Officers Liability

Companies in the Education Industry: Please answer questions 7 - 11

7 How many students have been enrolled in this educational institution during the following years? ☐ NOT SURE

Curent year | Prior year

8 Have any campuses, schools, or study programs (including music art or athletics) been closed, reduced, or discontinued in the past 24 months? ☐ YES ☐ NO ☐ NOT SURE

9 Will any campuses, schools, or study programs (including music art or athletics) be closed, reduced, or discontinued in the next 12 months? ☐ YES ☐ NO ☐ NOT SURE

10 What is the year of the last accreditation? ☐ NOT SURE

By which body?

11 Has any accreditation body threatened or taken any probationary or censure activity? ☐ YES ☐ NO ☐ NOT SURE

If yes, please explain.

The Company and the **Insured Persons** declare that the statements set forth herein are true. The signing of this **Application** does not bind the **Insurer**, the **Policyholder**, or its Insured Persons to effect insurance. The undersigned agrees that this **Application**, its attachments, and any materials submitted therewith are true, complete, and accurate as of the date thereof. These representations shall be the basis of the contract should a policy be issued and shall be deemed attached to and shall form part of the **Policy**. The **Application**, its attachments, and any materials submitted therewith are considered physically attached to the **Policy** and will be deemed incorporated therein. The **Insurer** is hereby authorized to make any investigation and inquiry in connection with this **Application** that it deems necessary.

The undersigned, on behalf of the **Company** and all **Insured Persons**, agrees that if the information in the Declarations and representations contained in this **Application** and its attachments materially changes between the date of this **Application** and the inception of the proposed coverage, the undersigned will immediately report in writing to the **Insurer** such change, and the **Insurer** may withdraw or modify any outstanding quotations or agreements to bind coverage. The undersigned acknowledges and agrees that the **Insurer's** receipt of such written report, prior to inception of the proposed coverage, is a condition precedent to coverage.

Prior to signing this **Application**, review the applicable statutory fraud notices as they may apply to the applicant's place of domicile.

MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE **POLICYHOLDER** ON BEHALF OF ALL **INSUREDS**.

WARNING

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

Policyholder/Applicant's Signature:	
Print Name of Authorized Representative:	
Title	Date
Email	