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**Private Company Directors and Officers Liability Coverage Application**

Travelers Casualty and Surety Company of America  
Hartford, Connecticut 06183

**NOTICE:** ALL LIABILITY COVERAGE PARTS FOR WHICH APPLICATION IS MADE APPLY, SUBJECT TO THEIR TERMS, ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE AGAINST "INSUREDS" DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSSES WILL BE REDUCED BY THE AMOUNTS INCURRED AS "DEFENSE EXPENSES", AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. THE COMPANY HAS NO DUTY TO DEFEND ANY "CLAIM" UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.

**GENERAL INFORMATION**

The term "Applicant" means all corporations, organizations or other entities, including subsidiaries, proposed for this insurance.

| Agency | Code | Agent Name/License Number | Policy Number |
|--------|------|---------------------------|---------------|
|        |      |                           |               |

**Applicant Information:**

Name of Applicant:

Year Applicant's Business Was Established:

Street Address:

City, State, Zip:

Website Address:

Description of Applicant's Operations: \_\_\_\_\_

Total Number of Employees:

Is the Applicant a subsidiary of a foreign parent? Yes  No

Does the Applicant currently file, or do they anticipate in the next 6 months filing, any documents with the Securities and Exchange Commission, or similar foreign authority regarding any equity or debt securities? Yes  No

**CONTACT INFORMATION FOR RISK MANAGEMENT SERVICES**

*The policy for which this application is made includes Risk Management Plus+ Online<sup>SM</sup> a loss prevention program. Please provide the name and contact information for the individuals responsible for overseeing Financial and Human Resource matters for access to the program. This service is not, and should not be, considered a substitute for competent legal counsel. Any recommendations should be reviewed with appropriate legal counsel before implementation.*

HR Contact:

HR Contact Email:

Title:

HR Contact Phone:

Chief Financial Officer:

CFO Contact Email:

Preferred Title:

CFO Contact Phone:

1. Subsidiary information and 50% or more owned joint ventures under management control:

| Name | % Owned | Year Started | Description of Operations | Entity Type* |
|------|---------|--------------|---------------------------|--------------|
|      |         |              |                           |              |
|      |         |              |                           |              |
|      |         |              |                           |              |

\*Entity Types: FP = For-Profit (other than Partnership) NP = Non-Profit GP = General Partnership LP = Limited Partnership LLC = Limited Liability Company To enter more information, please attach a separate page or an Organization Chart

2. In the next 12 months (or during the past 24 months) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) the following:
- a. Any actual or proposed merger, acquisition, or divestiture? Yes  No
  - b. Any creation of a new business, subsidiary or division? Yes  No
  - c. Any registration for a public offering or a private placement of securities? Yes  No
  - d. Any reorganization or arrangement with creditors under federal or state law? Yes  No
  - e. Any branch, location, facility, office, or subsidiary closings, consolidations or layoffs? Yes  No

*If any of the above questions were answered "Yes", please attach an explanation, including the timing, the essential terms of the event, arrangement, and the surrounding circumstances.*

## SHAREHOLDER INFORMATION

| 1. Total Shares   | Common | Preferred | Other |
|---|--------|-----------|-------|
| Authorized  |        |           |       |
| Outstanding   |        |           |       |
| Voting Shares Outstanding   |        |           |       |
| Voting Shares Owned by Directors & Officers (Direct & Beneficial) |        |           |       |
| Number of Voting Shareholders                                     |        |           |       |

**If there are multiple classes of stock, please attach a list. The list should include: Number of Shareholders and Number of Shares Held in Each Stock Class**

- 2. Does the Charter or By-laws of the Organization provide indemnification to its Directors and Officers to the fullest extent permitted by law? Yes  No
- 3. Are there any securities that are convertible to voting stock? **If "Yes", please attach an explanation** Yes  No
- 4. Please list all shareholders that own greater than 5% of any class of security:

| Shareholder | Class of Security | % Owned | Director or Officer?                                     |
|-------------|-------------------|---------|--|
|             |                   | %       | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|             |                   | %       | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|             |                   | %       | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|             |                   | %       | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|             |                   | %       | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|             |                   | %       | Yes <input type="checkbox"/> No <input type="checkbox"/> |

**If there are more Shareholders, please attach a list. The list should include: Shareholder Name, Class of Security, % Owned and indicate if they are a Director or Officer**

- 5. Is any shareholder a trust that qualifies as an Employee Stock Ownership Plan under ERISA or holds securities for the benefit of employees? **If "Yes", please attach most recent stock valuation report** Yes  No
- 6. Have there been any changes in the Board of Directors or Senior Management of the **Applicant** within the past three (3) years for reasons other than death or retirement? Yes  No   
**If "Yes", please attach an explanation**
- 7. Are there currently outstanding loans to any director or officer? Yes  No   
**If "Yes", please attach an explanation**

## FINANCIAL INFORMATION

**Note:** Omit this section if the Applicant is required to submit a separate financial statement as directed in the Required Attachments section.

| Please indicate the following as it relates to the Applicant's fiscal year end (FYE): <i>(please indicate negative figures with "(" or "-", as appropriate)</i>             | Most Recent FYE<br>(Month/Year)<br>/ | Prior FYE<br>(Month/Year)<br>/                           |
|---|--------------------------------------|--|
| 1. Current Assets   |                                      |  |
| 2. Total Assets   |                                      |  |
| 3. Current Liabilities  |                                      |  |
| 4. Long Term Debt   |                                      |  |
| 5. Retained Earnings/Fund Balance (Accumulated Deficit/Fund Deficit)  |                                      |  |
| 6. Net Equity/Net Assets (Deficit Equity)   |                                      |  |
| 7. Revenues   |                                      |  |
| 8. Net Income (Net Loss)  |                                      |  |
| 9. Is the <b>Applicant</b> currently, or has it been in the past 24 months, in violation or has it amended any debt covenant? <b>If "Yes", please attach an explanation</b> |                                      | Yes <input type="checkbox"/> No <input type="checkbox"/> |

## AUDITOR INFORMATION

Scope of CPA Financial Statement preparation: Internal  Compilation  Review  Audit  None

1. Has the **Applicant** changed outside auditors in the last three (3) years? Yes  No  N/A

**If "Yes", please attach an explanation**

2. Have the outside auditors stated there are material weaknesses in the **Applicant's** systems of internal controls? **If "Yes", please attach an explanation and provide the latest CPA letter to management and management's response** Yes  No  N/A

3. Has the **Applicant** implemented all material recommendations of the auditor? **If "No", please attach an explanation** Yes  No  N/A

4. Has any auditor issued a "going concern" opinion for the **Applicant** or any of its subsidiaries financial statements during the past three (3) years? **If "Yes", please attach an explanation** Yes  No  N/A

## LOSS INFORMATION

Has any person or entity proposed for this insurance been a party to any employment-related claims, ERISA claims, securities claims, criminal actions, administrative or regulatory proceedings, charges, hearings, demands or lawsuits during the past three years including but not limited to, shareholder, creditor, antitrust, fair trade law, copyright or patent litigation, whether or not insured? Yes  No   
**If Yes, please complete the table below**

*To the extent that any lawsuit or claim required to be disclosed in response to the question above constitutes a "Claim" as defined by the Policy, such claim was made prior to the policy period requested hereunder and therefore would be excluded from coverage.*

| Details | Amount Paid for Defense | Amount Paid for Damages | Covered by Insurance?                                    | Corrective Procedures Implemented |
|---------|-------------------------|-------------------------|--|-----------------------------------|
|         | \$                      | \$                      | Yes <input type="checkbox"/> No <input type="checkbox"/> |                                   |
|         | \$                      | \$                      | Yes <input type="checkbox"/> No <input type="checkbox"/> |                                   |
|         | \$                      | \$                      | Yes <input type="checkbox"/> No <input type="checkbox"/> |                                   |

## POLICY OPTIONS

1. Does the **Applicant's** current D&O coverage include EPL coverage? Yes  No
2. What is the **Applicant's** preference for defense coverage? Duty to Defend  Reimbursement

**NOTICE:** PRIVATE COMPANY DIRECTORS & OFFICERS LIABILITY POLICIES TYPICALLY INCLUDE EMPLOYMENT PRACTICES LIABILITY COVERAGE. IF THE APPLICANT DESIRES EMPLOYMENT PRACTICES LIABILITY COVERAGE, PLEASE COMPLETE AND ATTACH THE [EMPLOYMENT PRACTICES LIABILITY COVERAGE APPLICATION](#) WITH THIS APPLICATION. THIS APPLICATION ONLY PERTAINS TO THE PRIVATE COMPANY DIRECTORS & OFFICERS LIABILITY COVERAGE.

## CURRENT INSURANCE INFORMATION/REQUESTED INSURANCE TERMS

| Requested Limit (A) | Requested Retention (B) | Requested Effective Date (C) | Coverage Currently Purchased (D)                         | Expiring Limit (E) | Expiring Retention (F) | Expiring Premium (G) | Current Insurer (H) | Date Coverage First Purchased (I) |
|---------------------|-------------------------|------------------------------|--|--------------------|------------------------|----------------------|---------------------|-----------------------------------|
|                     |                         |                              | Yes <input type="checkbox"/> No <input type="checkbox"/> |                    |                        |                      |                     |                                   |

**1. If Liability Coverage is currently purchased as indicated in column (D) above, please answer the following question:**

As of the Date the **Applicant** first purchased this Liability Coverage, were there any facts, circumstances, or situations which might have resulted in a claim being made against any insured? Yes  No

**If "Yes", please attach an explanation**

*(Not applicable if coverage first purchased and continuously maintained more than 3 years prior to this application date)*

**2. If Liability Coverage is not currently purchased as indicated in column (D) above, please answer the following question:**

Are there any facts, circumstances, or situations which could give rise to a claim under the Liability Coverage for which the **Applicant** is applying? Yes  No

**If "Yes", please attach an explanation**

**3. With respect to the Liability Coverage being applied for above, if Requested Limit of Liability in Column (A) exceeds the Expiring Limit of Liability in Column (E):**

With respect to the higher limits requested, are there any facts, circumstances, or situations which could give rise to a claim under the Liability Coverage for which the **Applicant** is applying? Yes  No

**If "Yes", please attach an explanation**

***Without prejudice to any other rights and remedies of the Company, any claim arising from any facts or circumstances required to be disclosed is excluded from the proposed insurance.***

## REQUIRED ATTACHMENTS

As part of this Application, submit the following documents with respect to the **Applicant**:

- Most recent annual financial statement, if limit requested is \$2,000,000 or greater, or, **Applicant** has been in business less than 3 years.
- List of Directors & Officers, if limit requested is \$2,000,000 or greater
- Any Private Placement Memorandum(s) or any documents filed with the Securities and Exchange Commission in the past year
- Interim financial statement for Development Stage companies

**SIGNATURE SECTION**

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE OF THE APPLICANT DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS SET FORTH IN THE ATTACHED ST. PAUL TRAVELERS NEW BUSINESS OR RENEWAL APPLICATION FOR INSURANCE ARE TRUE AND COMPLETE AND MAY BE RELIED UPON BY ST. PAUL TRAVELERS. IF THE INFORMATION IN ANY APPLICATION CHANGES PRIOR TO THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION. THE COMPANY IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION.

THE SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO PURCHASE, THE INSURANCE. IT IS AGREED THAT THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, SHALL BE THE BASIS OF THE INSURANCE AND SHALL BE: (1) IN VA AND UT, PHYSICALLY ATTACHED TO AND PART OF THE POLICY, IF ISSUED; AND (2) IN ALL STATES OTHER THAN VA AND UT, CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY, IF ISSUED. THE COMPANY WILL HAVE RELIED UPON THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED IN CONNECTION WITH THE APPLICATION PROCESS, IN ISSUING THE POLICY.

ELECTRONICALLY REPRODUCED SIGNATURES WILL BE TREATED AS ORIGINAL.

*Attention: Insureds in AR, CO, DC, FL, KY, LA, ME, NJ, NM, NY, OH, OK, PA, TN, and VA*

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 may also be subject to a civil penalty.

*(In New York, the civil penalty is not to exceed five thousand dollars and the stated value of the claim for each such violation.)*

*(In Colorado, 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.)*

*(In Pennsylvania, 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 or concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.)*

*(In Washington, 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.)*

Signature of **Applicant's** Authorized Representative (President or CEO)

\_\_\_\_\_

Title: .

Name (Printed):

Date: .

## ADDITIONAL INFORMATION

*This page may be used to provide additional information to any question on this application. Please identify the Section and Question Number (e.g., Financial Information, #9).*