

NOTICE

WITH RESPECT TO ALL COVERAGE PARTS, EXCEPT THE CRIME COVERAGE PART, THE POLICY YOU ARE APPLYING FOR IS A CLAIMS-MADE POLICY, AND SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD APPLIES.

THE CRIME COVERAGE PART APPLIES TO COVERED LOSS SUSTAINED OUT OF ACTS OR EVENTS OCCURRING DURING THE POLICY PERIOD UNLESS CERTAIN CONDITIONS CONCERNING PRIOR INSURANCE ARE MET.

DEFENSE COSTS, AS WELL AS ANY LOSSES AS DEFINED IN EACH APPLICABLE COVERAGE PART, REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

INSTRUCTIONS FOR COMPLETING THIS APPLICATION

Please read carefully and check below all Coverages you seek. Complete and submit all requested information and required attachments pertaining to the selected Coverages. All Applicants must complete Parts I and VI of this Application. Terms appearing in bold face in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. This Application and all materials submitted or required shall be held in confidence.

Desired Effective Date: _____

Desired Premium Term:

Annual Two Years Three Years

PART I

To Be Completed By All Applicants

1. a. The Company to be named in Item 1 of the Declarations (the "Company"):

b. Street Address: _____

(Do not use P.O. Box)

City: _____ State: _____ Zip Code: _____

Telephone: (____) - ____ - _____ Facsimile: (____) - ____ - _____

E-Mail Address: _____

c. Officer designated to receive correspondence and notices from the Insurer:

(Name of Officer)

(Title)

d. Background Information:

Date Business Established: _____

Nature of Service(s) or Product(s) Provided: _____

Business Type: Privately Held Publicly Traded

SIC Code: _____

e. If the Company is privately held, please complete the following:

(i) Total number of common shares outstanding: _____

(ii) Total number of common shareholders: _____

(iii) Total number of shares owned by Directors & Officers: _____

Does any shareholder own directly or beneficially five percent or more of the common shares? Yes No

If "Yes", designate name and percentage of holdings: _____

2. During the last 12 months:

a. Has the Company or any **Subsidiary** filed a registration statement with the Securities and Exchange Commission? Yes No

b. Has the Company or any **Subsidiary** been involved in any merger, consolidation, acquisition, tender offer, or divestment or sale of its stock in excess of 10% of the total stock outstanding? Yes No

If "Yes" to any of the above, provide details _____

3. Within the last 12 months have the Company's outside auditors stated that there are any material weaknesses in its system of internal controls? Yes No

If "Yes", provide details: _____

4. Please provide the following insurance information: (answer each applicable item)

a. Directors' and Officers' Liability:

Renewal or Replacement of Policy No. _____ Limit: _____ Carrier: _____
Retention(s) _____ Expiration Date: _____ Amount of Premium: _____

New

b. Employment Practices Liability Insurance:

Renewal or Replacement of Policy No. _____ Limit: _____ Carrier: _____
Retention(s) _____ Expiration Date: _____ Amount of Premium: _____

New

c. Fiduciary Liability insurance (answer each item):

Renewal or Replacement of Policy No. _____ Limit: _____ Carrier: _____
Retention(s) _____ Expiration Date: _____ Amount of Premium: _____

New

d. Commercial Crime/Fidelity:

Renewal or Replacement of Policy No. _____ Limit: _____ Carrier: _____
Retention(s) _____ Expiration Date: _____ Amount of Premium: _____

New

e. General Liability:

Limit: _____ Carrier: _____

Deductible(s) _____ Expiration Date: _____ Amount of Premium: _____

f. Has any **Claim(s)** been made under any policy or has notice of potential **Claim(s)** been given to any insurer with regard to the coverages listed in 4(a)(b)(c)(d) above? Yes No

g. Has the carrier under any coverages listed in 4(a)(b)(c)(d) above indicated an intent not to offer renewal terms? Yes No

Will the extended reporting period be exercised? Yes No

5. During the last 3 years have any of the **Insureds** been involved in:

a. any anti-trust, copyright or patent litigation? Yes No

b. any civil or criminal action or administrative proceeding charging a violation of any federal or state law or regulation? Yes No

c. any representative actions, class actions or derivative suits? Yes No

d. any other material litigation? Yes No

If "Yes" to any of the above, please attach full details.

Please attach any Notice of Annual Meeting to Stockholders within the last twelve months and the current indemnification provisions of the charter and bylaws. If the Company is not publicly traded, please submit audited financial statements for the last three years, a complete ownership list and a complete list of Directors and Officers.

PART II

OUTSIDE DIRECTORSHIP LIABILITY (INDIVIDUAL) - FOR PROFIT

Only For Applicants Seeking Coverage A.5 in the Combined Solutions Policy

Please attach a schedule setting forth (i) the name and address of the **Outside Entity**, and (ii) any litigation pending during the last three years against any of the directors and officers of the **Outside Entity**. If the **Outside Entity** is not publicly traded, please submit audited financial statements for the last three years.

**ALL APPLICANTS MUST COMPLETE AND SIGN PART VI
IF COVERAGE PARTS I AND II ARE NEW**

PART III

EMPLOYMENT PRACTICES LIABILITY

Only For Applicants Seeking Employment Practices Liability Coverage

1. During the last 3 years have any of the **Insureds** been involved in any employment or labor related litigation? Yes No
 If "Yes", please attach full details.

2. During the last 3 years have any of the **Insureds** been involved in any administrative proceeding before:
 - a. the Equal Employment Opportunity Commission? Yes No
 - b. the U.S. Department of Labor including the Office of Federal Contract Compliance Programs ("OFCCP")? Yes No
 - c. any state or local government agency whose purpose is to address employment-related **CLAIMS**? Yes No
 If "Yes" to any of the above, please state the number of each type of proceeding and, attach details for each proceeding.

3. Are any of the **Insureds** currently required to comply with any judicial or administrative agreement, order, decree or judgment relating to employment? Yes No
 If "Yes", please attach a copy.

4. State the following:
 - a. Total number of **Employees** currently: _____; 1 year ago: _____; 2 years ago: _____
 - (i) How many are full time _____ %
 - (ii) How many are part time _____ %
 - (iii) How many are loaned and/or leased _____ %
 - (iv) How many are temporary or seasonal _____ %
 - b. Total number of **Employees** (include all **Employees** listed in a (I) through a (IV)) in each of the following jurisdictions:

Texas: _____	California: _____
Florida: _____	District of Columbia: _____
 - c. Total number of **Employees** outside the U.S. (include those listed in a (i) through a (iv)) _____
 - d. Percentage of **Employees** that have turned over in the last year: _____; previous year: _____

5.
 - a. Has the Company had any layoffs, staff reductions, facility closings or consolidations during the last 3 years which resulted in termination of more than 5% of the work force at any one business location? Yes No
 - b. Has the Company publicly announced its intention to conduct in the future any such layoffs, staff reductions, facility closings or consolidations? Yes No
 If "Yes" to either question, please attach details.

6.
 - a. Does the Company use outside employment counsel for employment advice? Yes No
 If "Yes", whom? _____
 If "No", who is responsible for employment advice and defense? _____

- b. Does an attorney with expertise in employment and labor law at least annually review the Company's human resources documents, guidelines, procedures and update thereto? Yes No
 If "No", who is responsible for review? _____
7. Is the Company a federal contractor subject to Executive Order 11246? Yes No
 If "Yes", please attach details of the results of any compliance review or Investigation by OFCCP in the last three years.
8. Does the Company have written guidelines or procedures for addressing human resource or personnel management in the following areas:
- a. Hiring/interviewing? Yes No
 - b. Employee at will statement and employee contract disclaimer? Yes No
 - c. Performance appraisal? Yes No
 - d. Discipline? Yes No
 - e. Discharge? Yes No
 - f. Accommodating the disabled? Yes No
 - g. Non-union grievance procedure? Yes No
 - h. Sexual harassment? Yes No
 - i. Use of Company electronic mail, voice mail and Internet access? Yes No
 Do all **Employees** receive a copy of these guidelines or procedures? Yes No
9. Does the Company have a full-time human resources manager? Yes No
10. Do persons supervising **Employees** receive updated information and training on human resources including performance appraisals, discipline and workplace harassment, at least annually? Yes No
11. a. When an **Employee** is discharged, is officer approval required and are human resources personnel directly involved? Yes No
- b. Is an attorney consulted prior to discharging an **Employee**? Yes No
- c. Does the Company provide in references for former **Employees** any information other than dates of employment, title(s) and compensation? Yes No
- d. Does the Company have an agreement or policy requiring **Employees** to arbitrate all employment-related **Claims**? Yes No
12. Does the Company have a formal out-placement program for **Employees** terminated as a result of downsizing, layoffs or reduction-in-force? Yes No

Attach the following for the

<ul style="list-style-type: none"> ✓ Current employee handbook ✓ Employment termination procedures 	<ul style="list-style-type: none"> ✓ Current Employment application form(s) ✓ Most recent EEOC-1 reports for consolidated Company, headquarters and facilities over 250 Employees
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ALL APPLICANTS MUST COMPLETE AND SIGN PART VI IF COVERAGE PART III IS NEW

PART IV
FIDUCIARY LIABILITY

Only For Applicants Seeking Fiduciary Liability Coverage

- 1. By attachment to this Application, provide a copy of the most recent Form 5500, CPA audited report and actuarial report for each Plan for which coverage is sought.
2. Are benefits under any Plan provided exclusively through guaranteed benefit insurance policies or annuity contracts? Yes No
3. Within the last 3 years has any Plan loaned money to, or invested in, the securities of the Company or its affiliates? Yes No
4. Have current Plan assets been borrowed by or loaned or pledged to any party in interest? Yes No
5. Is Plan administration reviewed periodically to assure that there are no violations of the prohibited transactions or party-in-interest rules of the Employee Retirement Income Security Act of 1974 and amendments thereto (ERISA)? Yes No
6. Has any Plan invested more than 10% of its assets in any corporation, partnership or real estate? Yes No
7. Within the last 3 years, has any Claim been made against any Plan, any fiduciaries or administrators (as defined in ERISA) of the Company in connection with any Plan? Yes No
8. a. Do all Plan(s) currently comply with ERISA? Yes No
b. Is written documentation of meetings and discretionary decisions by fiduciaries maintained? Yes No
c. Are market values used to determine the equity of the Plan(s), as required by ERISA? Yes No

- d. Is a report to all participants about the performance of the **Plan(s)** issued annually? Yes No
- e. Has affirmative action been taken to see that all fiduciaries are aware of their responsibilities and obligations under ERISA? Yes No
- If "No" to any of the above, please attach details.

**ALL APPLICANTS MUST COMPLETE AND SIGN PART VI
IF COVERAGE PART IV IS NEW**

PART V

CRIME COVERAGE

Only for Applicants Seeking Crime Coverage

1. Rating Information

Ratable **Employees/**Locations - United States, U. S. Virgin Islands, Puerto Rico Ratable **Employees** consist of a) directors and trustees, while performing **Employee** duties; b) compensated officers; and c) compensated **Employees** (and natural persons employed by an employment contractor while performing duties on behalf of the applicant) who handle, have custody or maintain records of money, securities or other property.

Total Number of Ratable **Employees**: U. S. _____ Canada _____
 Total Number of all **Employees**: U. S. _____ Canada _____
 Total Number of Retail Locations: U. S. _____ Canada _____
 Total Number of All Locations: U. S. _____ Canada _____

Insuring Agreement 1 - Extensions for special positions or exposures.
 Check applicable boxes and insert number of **Employees** or provide requested information.

Foreign **Employees** - Attach a separate list of countries with total **Employee** counts for each

Partners _____ Non-compensated Officers _____

Volunteers - Campaign Solicitors _____ Volunteers – Others _____

Directors and Trustees (while serving on committees performing non-directorial functions)

Insuring Agreement 1 - Businesses providing temporary help or other employment or professional services on clients' **Premises**. Check box if coverage should include clients' property and complete information below. Additional underwriting information may be required should coverage be extended to include clients' property.

<u>Limit</u>	<u>Deductible</u>	<u>No. Employees</u>	<u>Describe Service(s) Provided To Clients</u>
\$	\$		

Agents Coverage:
 Complete if coverage is desired on outside firms or contracted individual performing employee functions:

<u>Name of Individual or Firm</u>	<u>Functions Performed</u>	<u>Amount of Coverage</u>

Personal Accounts Coverage:
 Check box and complete if coverage on accounts of Partners or Officers is desired.

<u>Name</u>	<u>Position</u>	<u>Amount of Personal Coverage</u>

2. Internal Control and Procedures -- All Locations

- a. (i) Indicate frequency of audits and cash accounts by an outside CPA: Annual Other (specify):
- (ii) Does the audit contain the opinion of the auditing firm? Yes No
- (iii) Does the audit include all interests and locations? Yes No

Indicate frequency of audits of cash accounts and inventory by internal staff: _____

- b. (i) Is countersignature required on all checks issued by the applicant? Yes No
 In excess of \$ _____

If "no", provide name(s), position(s) and ownership interest(s) of persons with unlimited check signing authority: _____

- (ii) Are checks prepared by check writing machine or non-erasable typewriter? Yes No

- (iii) Are bank accounts reconciled by someone not authorized to deposit or withdraw therefrom? Yes No

- c. Are securities under the control of two or more responsible **Employees**? Yes No

- d. Do all purchases require the signed approval of two or more responsible **Employees**? Yes No-maximum authority \$ _____

- e. (i) Are incoming and outgoing shipments checked, and invoices or records initialed, by more than one **Employee** before acceptance or release? Yes No

- (ii) Are drivers required to account for each shipment by means of signed receipts or returned merchandise? Yes No

f. Special Exposures

- (i) Do you, at any location, have an exposure of precious or valuable metals or stones (such as gold, platinum, palladium, rhodium, silver, diamonds, tin, elemental titanium, mercury or similarly valued material)? Yes No

If yes, please attach a separate sheet for each location showing , for each such material, the type, form (ingots, salts, solutions, etc.) and maximum exposure by weight and dollar value. Additional information may be requested.

- (ii) Is there likely to be a large increase in the number of **Employees** during the premium period due to expansion, seasonal activity, etc.? Yes No

If yes, explain: _____

3. Physical Exposures and Protection --

a. Provide the following for each location with exposures of money, securities, checks or other property kept

Address of Location #1: _____

Indicate maximum exposures:

Money \$ _____ Securities (other than checks) \$ _____ Checks \$ _____

Burglary rating of safe or vault: B C E ER None

Other (Indicate TR or TL ratings):

If safe rating cannot be located, indicate whether safe has round or square door and thickness of solid steel (exclusive of bolt work and insulation) in door and casing:

If more than one location, attach a separate sheet

b. Indicate special protection (dual safe/vault combination, alarms, guards, etc.) if any.

Please attach a copy of current UL certificate for any alarm systems.

4. Loss History -- Check if None During Last Six Years

a. List all losses, of the types to be covered, incurred within the last six years. Itemize each loss separately. Attach a separate sheet if necessary.

<u>Date Loss Discovered</u>	<u>Type of Loss</u>	<u>Amount of Loss</u>	<u>Amount Recovered From Insurance</u>	<u>Describe Circumstances of Loss and Action Taken to Help Prevent Repetition</u>
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	

b. Has any Coverage of the Type Requested been Canceled by any Insurer in the Last Six Years? (Not applicable in Missouri) Yes No

If "Yes," explain: _____

**ALL APPLICANTS MUST COMPLETE AND SIGN PART VI
IF COVERAGE PART V IS NEW**

PART VI*To Be Completed By All Applicants***ONLY CHECK NEW COVERAGES REQUESTED**

1. Solely with respect to:

- Directors and Officers Liability
- Outside Directorship Liability (Combined Solutions only)
- Employment Practices Liability
- Entity Securities Liability
- Entity Liability (Private Solutions only)
- Fiduciary Liability

None of the **Insureds** is responsible for or has knowledge of any **Wrongful Act** or fact, circumstance or situation which (s)he has reason to suppose might result in a future **Claim**, except as follows (If answer is "None", so state.): _____

It is agreed by all concerned that if any of the **Insured Persons** or **Employees** is responsible for or has knowledge of any **Wrongful Act**, fact, circumstance, or situation which s(he) has reason to suppose might result in a future **Claim**, whether or not described above, any **Claim** subsequently emanating therefrom shall be excluded from coverage under the proposed insurance as to (i) such of the **Insured Persons** or **Employees** and (ii) the Company, **Subsidiaries** and the **Plan** if such **Insured Persons** are **Executive Officers**. The responsibility or knowledge of any individual shall not be imputed to any other individual for the purposes of determining the availability of coverage.

2. It is declared that this **Application** and any materials submitted or required (which shall be maintained on file by the Insurer and be deemed attached as if physically attached to the proposed Policy) are true and are the basis of the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
3. The undersigned declares that to the best of his/her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from all of the **Insureds** to facilitate the proper and accurate completion of this **Application** for the proposed Policy. Signing of this **Application** does not bind the undersigned to purchase 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 part of such Policy. The undersigned agrees that if after the date of this **Application** and prior to the effective date of any Policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** inaccurate or incomplete, then the undersigned shall notify the Insurer of such occurrence, event or circumstance and shall provide the Insurer with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the Insurer.
4. The information requested in this **Application** is for underwriting purposes only and does not constitute notice to the Insurer under any Policy of a **Claim** or potential claim. All such notices must be submitted to the Insurer pursuant to the terms of the Policy, if and when issued.

The undersigned acknowledges that he or she is aware that **Defense Costs** reduce and may exhaust the applicable Limits of Liability. The Insurer is not liable for any **Loss** (which includes **Defense Costs**) in excess of the applicable Limits of Liability.

WARNING – ARKANSAS COLORADO, FLORIDA, HAWAII, KENTUCKY, LOUISIANA, NEW JERSEY, NEW YORK, MAINE, OHIO, OKLAHOMA, PENNSYLVANIA AND VIRGINIA RESIDENTS ONLY

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 (for New York residents only: 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.) (For Colorado Residents only: 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.) (For Hawaii residents only: 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.)

This **Application** must be signed by the Chairman of the Board, Chief Executive Officer or by the President.

Signed: _____
Title: _____
Corporation: _____
Date: _____

A POLICY CANNOT BE ISSUED TO NEW YORK RESIDENTS UNLESS
THE **APPLICATION** IS PROPERLY SIGNED AND DATED ABOVE.

Please submit this **Application**, when completed, signed and dated, to:

CNA PRO - COMMERCIAL
P.O. BOX 904
1100 CORNWALL ROAD
MONMOUTH JUNCTION, NJ 08852