

ELEMENTS APPLICATION



NOTICE: THE POLICY WHICH YOU ARE APPLYING IS A CLAIMS-MADE POLICY. THE POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR, IF ELECTED, THE EXTENDED REPORTING PERIOD, SUBJECT TO THE POLICY PROVISIONS. DEFENSE COSTS ARE APPLIED AGAINST THE APPLICABLE RETENTIONS. 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.

1. GENERAL INFORMATION

- a. Name of Applicant _____
- b. Address _____
City: _____ State: _____ Zip Code: _____
- c. State of incorporation: _____ Date of incorporation: _____ SIC Code: _____
- d. Website address: _____

2. COVERAGE REQUESTED

Coverage Elements Requested: (Indicate with check mark)

- a. Directors & Officers Liability ()
- b. Employment Practices Liability ()
- c. Fiduciary Liability ()

Note: The requested coverage is not automatically provided. The terms and conditions of the policy, if issued, will determine actual Coverage.

3. COMPANY INFORMATION

- a. Applicant is a:
() Corporation () Partnership () Limited Liability Company
() Other (please describe): _____
- b. Total Revenues as of current fiscal year end: \$
- c. Total Assets as of current fiscal year end: \$
- d. Total Employees as of current fiscal year end:

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e. Has there been any turnover, resignation or termination of any Executive Officers, Directors and/or key employees during the past 2 years, for reasons other than death or retirement? If “Yes”, is the company currently in any dispute or disagreement with any such former Executive Officers, Directors and/or key employees? Yes () No ()

f. Is the Applicant or any of its Subsidiaries involved in any franchise agreement, joint ventures, general or limited partnerships? Yes () No ()

g. Has the Applicant in the past eighteen (18) months contemplated, completed or agreed to, or does it contemplate during the next twelve (12) months, any of the following, whether or not such transactions were or will be completed:

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

ii. Branch, location, facility, office, or subsidiary closings, consolidations or layoffs Yes () No ()

iii. Mergers, acquisitions or divestitures? Yes () No ()

iv. Registration for a public or private offering of securities? Yes () No ()

v. Issuance of any equity, debt or non-taxable bonds? Yes () No ()

If “Yes” to any part of questions e., f. or g., please attach the complete details.

i. Please list of all Subsidiaries (attach separate sheet if necessary)

Name	Nature of Business	Percentage Owned	State/Country
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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4. DIRECTORS & OFFICERS LIABILITY COVERAGE

(Complete only if Directors and Officers Liability coverage is requested).

Not necessary to complete a. through f. if the applicant has publicly available current and accurate information filed with the SEC.

a. Total Number of shareholders _____

b. List all shareholders who hold, directly or beneficially, 10% or more of the common shares outstanding: (attach separate sheet if necessary)

Name	Percentage Owned	Director (D) or Officer (O)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

c. 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 attach complete details.

d. Does the Applicant or any of its Subsidiaries have a portion of its debt purchased by the public? Yes () No ()

e Does the Applicant have any of the following committees?
Please check all that apply: () Audit () Compensation () Nomination () None

f. Has the Applicant experienced changes to its Board of Directors or to its Key Executives over the past twelve (12) months? Yes () No ()

g. Has the Applicant, any of its Subsidiaries or any person proposed for coverage been the subject of, named as a party, or involved in, any of the following during the past five (5) years:

(i) Anti-trust, copyright or patent litigation? Yes () No ()

(ii) Civil, criminal or administrative proceeding alleging violation of any federal or state securities laws? Yes () No ()

(iii) Any other civil action or administrative, alternative dispute resolution or investigative proceeding? Yes () No ()

If “Yes” to any of the questions c through g, please attach the complete details.

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5. EMPLOYMENT PRACTICES LIABILITY COVERAGE:

(Complete only if Employment Practices Liability Coverage is requested)

	Currently	Last Year
a. Total Employees:	_____	_____
Number that are		
i. Full-time	_____	_____
ii. Part-time, Temp or Seasonal	_____	_____
iii. Leased	_____	_____
iv. Union	_____	_____
v. in California	_____	_____
vi. in Texas and the District of Columbia	_____	_____
vii. Foreign		
Country _____	_____	_____
Country _____	_____	_____
b. Please list the number of employees in the following salary ranges (including any bonus and commissions)		
\$0- \$100,000	\$100,000 - \$250,000	Over \$250,000
_____	_____	_____
c. For the past 3 years, what has been the annual percentage of turnover rate of all employees (all locations)?		
Year _____, _____% Year _____, _____% Year _____, _____%		
d. Does the Applicant have a Human Resources or Personnel Department? If "No," who manages the HR function? Please provide complete details.	Yes ()	No ()
e. Does the Applicant have written procedures in place regarding:		
(i) Equal Opportunity Employment:	Yes ()	No ()
(ii) Anti-discrimination	Yes ()	No ()
(iii) Anti-harassment	Yes ()	No ()
(iv) Compliance with the ADA	Yes ()	No ()
(v) Compliance with the 1991 Civil Rights Act	Yes ()	No ()
(vi) Employee disciplinary actions	Yes ()	No ()
(vii) Terminations, layoffs and early retirements	Yes ()	No ()
(viii) Employee appraisals/review	Yes ()	No ()

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If "No" to any of the above, please advise how/if such are addressed.

f. Does the Applicant have a manual of its human resources procedures? Yes () No ()
If "Yes," has Legal Counsel reviewed the HR manual in the last two (2) years?
Yes () No ()

g. Does the Applicant have an employee handbook? Yes () No ()
If "Yes," is the employment handbook distributed to all employees or maintained on an Internet location informing employees of their employment rights? Yes () No ()

h. Is there a formalized process in place for reporting complaints/harassment? Yes () No ()
If "Yes," are employees advised that this action will not result in a retaliatory action?
Yes () No ()

i. Does the Applicant provide formal anti-discrimination and anti-harassment training for all of its employees? Yes () No ()

j. Are employment issues relating to terminations, discrimination, sexual harassment, layoffs, transfers, or promotions handled by the Human Resources Department, outside counsel and/or the Legal Department? Yes () No ()
If "No", please attach complete details as to how they are handled.

k. During the past five years, has the Applicant, any Subsidiary or any person proposed for coverage been involved in any capacity in any of the following matters?
(i) EEOC, NLRB or other similar administrative proceedings? Yes () No ()
(ii) Employment-related civil suit incidents, or regulatory complaints? Yes () No ()
(iii) Discrimination or harassment of a customer or other non employee? Yes () No ()
If "Yes" to any of the above please attach full details.

l. Are you or anyone proposed for this insurance aware of any past or current charges, inquiries, investigations, grievances or other administrative hearings in the last five years or currently before any of the following agencies and/or under any of the following acts?

- National Labor Relations Board
- Equal Employment Opportunity Commission
- Federal Labor Standards Act
- Fair Labor Standards Enforcement Act
- Title VII of the Civil Rights Act of 1964
- Civil Rights Act of 1991
- Age Discrimination in Employment Act
- Americans With Disabilities Act
- Any state or local government agency such as the Labor Department or Fair Employment Agency
- U.S. Department of Labor

Yes () No ()

If "Yes" to any, please provide details

PLEASE PROVIDE THE FOLLOWING INFORMATION:

Employee Handbook

EEO-1 Report if the total number of employees is over 100

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6. FIDUCIARY LIABILITY COVERAGE

(Complete only if Fiduciary Liability is requested)

a. Plan Information (attach separate sheet if necessary)

PLAN NAME	PLAN TYPE *	# OF PARTICIPANTS	PLAN ASSETS (CURRENT YEAR)	PLAN STATUS**

* Plan Type: Defined Benefit (DB), Defined Contribution (DC), Welfare, (W) Employee Stock Ownership (ESOP) or Other (O).(It is not necessary to include health or welfare plans).

** Plan Status: Active (A), Merged (M), Terminated (T) or Frozen (F)

b. Does the plan conform to ERISA and plan agreements? Yes () No ()

c. Are any of the defined benefit plans for which coverage is being requested under-funded by more than 10%? If yes, by what percentage is the plan under-funded? Yes () No ()

d. Do any of the plans hold or provide the option to invest in the securities of the company or any subsidiary? Yes () No ()
If yes, please list the percentage that the securities comprise that plan's total assets.

e. During the past 2 years have there been, or during the next year do you anticipate any reduction in benefits? Yes () No ()

f. During the past 2 years have there been, or during the next year do you anticipate freezing any defined benefit plan or converting it to a cash balance plan? Yes () No ()

g. Have any plans been investigated by the DOL, IRS or any other regulatory agency in the past 2 years? Yes () No ()

h. Is any plan a multiemployer or multiple employer plan? Yes () No ()

i. Are plan assets managed by an investment manager as defined in ERISA? Yes () No ()
Please list all third party investment, actuarial, legal, administrative and benefits consulting service Providers

J. Past activities:
Has any fiduciary been accused, found guilty or held liable for a breach of trust? Yes () No ()

k. Has any fiduciary been convicted of criminal conduct? Yes () No ()

l. 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 ()

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m. Have any claims (other than for benefits) been made during the past three (3) years against any benefit program or any current or past fiduciary(ies)? Yes () No ()

If "Yes" to any of the above in Question 11, please attach a full description of the details.

PLEASE PROVIDE THE FOLLOWING INFORMATION:

Plan audit or Form 5500 for all Pension Plans to be covered by this policy

7. PRIOR KNOWLEDGE (RENEWAL APPLICANTS NEED NOT ANSWER)

Does the Applicant or any individual or entity proposed for coverage have any knowledge of or information about any fact, circumstance, situation, transaction, event, act, error, omission, misstatement, misleading statement, neglect, breach of duty or other matter which could reasonably be foreseen to give rise to a claim that may fall within the scope of the proposed insurance? Yes () No ()

If yes, please provide details:

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE INSURER, IT IS AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM BASED ON, ARISING FROM, OR IN ANY WAY RELATING TO SUCH FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR, OMISSION, MISTATEMENT, MISLEADING STATEMENT NEGLECT, BREACH OF DUTY OR OTHER MATTER OF WHICH THERE IS KNOWLEDGE OR INFORMATION SHALL BE EXCLUDED FROM COVERAGE UNDER THE INSURANCE BEING APPLIED FOR.

FRAUD WARNING

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE GUILTY OF COMMITTING A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER OR THE PRESIDENT OF THE COMPANY ACTING AS THE AUTHORIZED REPRESENTATIVE OF THE PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE.

SIGNATURE

TITLE

DATE

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DECLARATIONS AND SIGNATURES

THE SIGNATORY, AS AUTHORIZED AGENT OF ALL INDIVIDUALS AND ENTITIES PROPOSED FOR THIS INSURANCE, REPRESENTS THAT, TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION AND ANY ATTACHMENTS OR INFORMATION SUBMITTED WITH THIS APPLICATION (TOGETHER REFERRED TO AS THE "APPLICATION") ARE TRUE AND COMPLETE.

THE INFORMATION IN THIS APPLICATION IS MATERIAL TO THE RISK ACCEPTED BY THE UNDERWRITER. IF A POLICY IS ISSUED IT WILL BE IN RELIANCE BY THE UNDERWRITER UPON THE APPLICATION, AND THE APPLICATION WILL BE THE BASIS OF THE CONTRACT. THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND, ALONG WITH THE APPLICATION, WILL BE CONSIDERED PHYSICALLY ATTACHED TO, PART OF, AND INCORPORATED INTO THE POLICY, IF ISSUED. THE UNDERWRITER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. THE UNDERWRITER'S ACCEPTANCE OF THIS APPLICATION OR THE MAKING OF ANY SUBSEQUENT INQUIRY DOES NOT BIND THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE OR ISSUE A POLICY.

THE INFORMATION PROVIDED IN THIS APPLICATION IS FOR UNDERWRITING PURPOSES ONLY AND DOES NOT CONSTITUTE NOTICE TO THE UNDERWRITER UNDER ANY POLICY OF A CLAIM OR POTENTIAL CLAIM.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE UNDERWRITER, AND THE UNDERWRITER MAY MODIFY OR WITHDRAW ANY QUOTATION OR AGREEMENT TO BIND INSURANCE.

Fraud Warning

ALABAMA, ARKANSAS, LOUISIANA, MARYLAND, NEW JERSEY, NEW MEXICO and VIRGINIA: 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. In Alabama, Arkansas, Louisiana and Maryland, that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

COLORADO: 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 Agencies.

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DISTRICT OF COLUMBIA, KENTUCKY and 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 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. In District of Columbia, penalties include imprisonment and/or fines. In addition, the Insurer may deny insurance benefits if the Applicant provides false information materially related to a claim. In Pennsylvania, the person may also be subject to criminal and civil penalties.

FLORIDA and OKLAHOMA: Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

KANSAS: An act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an Insurer, purported Insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for personal or commercial insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto is considered a crime.

MAINE: 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 denial of insurance benefits.

OHIO: Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an Application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OREGON: 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 may be guilty of a crime and may be subject to fines and confinement in prison.

TENNESSEE and 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 may include imprisonment, fines and/or denial of insurance benefits.