



# DIRECTORS & OFFICERS COVERAGE

## PRIVATE ENTITIES PROPOSAL FORM

Name of Company: \_\_\_\_\_

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

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

Internet Website address: \_\_\_\_\_

The Officer designated as agent of the Company and of all Insured Persons to receive any and all notices from the Insurer or their authorized representatives concerning this insurance:

Name \_\_\_\_\_ Title \_\_\_\_\_

### Part I – BACKGROUND INFORMATION

1. The Company has continuously operated since: \_\_\_\_\_

2. (a) Nature of business: \_\_\_\_\_

(b) Primary SIC Code(s): \_\_\_\_\_

3. Stock ownership: (if **Mutual**, check here  and move on to Question No. 4.)

(a) Number of common shares outstanding: \_\_\_\_\_

(b) Number of common shareholders: \_\_\_\_\_

(c) Number of common shares owned by the Directors and Officers: \_\_\_\_\_

(d) Does any shareholder own, directly or beneficially, 10% or more of any class of the Company's stock?  Yes  No  
**If "Yes"**, in an attachment to this Proposal Form, provide name(s), percentage of holdings and, if applicable, indicate the shareholder's representative on the board of directors.

4. Have there been any changes in senior management (Board Chairman, President, Executive Vice President, etc.) in the last three years for reasons other than death or retirement at the normal retirement age?  Yes  No  
**If "Yes"**, provide details in an attachment to this Proposal Form.

5. In an attachment to this Proposal Form, provide a listing of the names and principal business affiliations, including directorships of other corporations, for all Directors and Senior Officers of the Company.

6. By attachment to this Proposal Form, provide the name, percentage of direct or indirect ownership, and nature of operations of all Subsidiaries (including Subsidiaries of Subsidiaries). **If "None"**, please indicate:  None

**IT IS UNDERSTOOD AND AGREED THAT COVERAGE IS NOT PROVIDED FOR SUBSIDIARIES UNLESS LISTED IN THE ATTACHMENT REQUESTED ABOVE.**

7. During the last three years, has the Company or its Subsidiaries been involved, or is the Company or its Subsidiaries presently involved or contemplating becoming involved, during the next 12 months, in any of the following:
- (a) consolidation or merger with any other entity?  Yes  No
  - (b) acquisition of the assets of an entity which did or will increase the assets of the Company by 25% or more?  Yes  No
  - (c) sale, distribution or divestiture of any subsidiary which accounted for 10% or more of annual revenue?  Yes  No
  - (d) bankruptcy proceeding, reorganization or other arrangement with creditors under federal or state law?  Yes  No
  - (e) **if mutual**, conversion to a stock company or the formation of a mutual holding company?  Yes  No
- If "Yes" to any of the above**, provide details of each transaction in an attachment to this Proposal Form.
8. During the last three years, has any regulatory agency denied or indicated that they would deny any contemplated merger, acquisition or divestment involving the Company or its Subsidiaries?  Yes  No  
**If "Yes"**, provide details in an attachment to this Proposal Form.
9. During the last 18 months, has the Company or its Subsidiaries completed or is the Company or its Subsidiaries considering completing within the next 12 months a filing for a public offering of securities either pursuant to the Securities Act of 1933 or exempt from registration under U.S. SEC Regulations?  Yes  No  
**If "Yes"**, provide a copy of the prospectus or provide details of the Company's plans.

**Part II – EMPLOYMENT PRACTICES INFORMATION**

10. (a) Total number of employees: \_\_\_\_\_ (b) Total number of union employees: \_\_\_\_\_  
(c) Total number of leased employees: \_\_\_\_\_  
(d) Total salary expense for the most recent year-end: \_\_\_\_\_  
(e) Most recent annual turnover rate: \_\_\_\_\_ (f) Historical average annual turnover rate: \_\_\_\_\_
11. List the three states with the largest number of employees:  
(1) State: \_\_\_\_\_ Number of employees: \_\_\_\_\_  
(2) State: \_\_\_\_\_ Number of employees: \_\_\_\_\_  
(3) State: \_\_\_\_\_ Number of employees: \_\_\_\_\_
12. Provide the number of employees and officers whose employment has been terminated by the Company in the past two years:  
Most recent year: Number of employees: \_\_\_\_\_ Number of Officers: \_\_\_\_\_  
Year prior: Number of employees: \_\_\_\_\_ Number of Officers: \_\_\_\_\_
13. Has the Company completed within the last 12 months, or is the Company considering within the next 12 months, any layoffs or early retirement programs including those resulting from company reorganizations or facility closings?  Yes  No  
**If "Yes"**, provide details in an attachment to this Proposal Form.
14. Does the Company have a Human Resources Department?  Yes  No  
**If "No"**, describe how human resource functions are administered in an attachment to this Proposal Form.
15. Does the Company have a human resources manual?  Yes  No  
**If "Yes"**, does this manual contain policies and procedures addressing the following areas:
- (a) Compliance with the Americans with Disabilities Act?  Yes  No
  - (b) Compliance with Title VII of the U.S. Civil Rights Act of 1964 and the 1991 Civil Rights Act?  Yes  No
  - (c) Prohibited discriminatory practices in hiring, promotion, and compensation?  Yes  No
  - (d) Employee performance evaluations?  Yes  No
  - (e) Employee disciplinary actions and discharge?  Yes  No
  - (f) Sexual harassment and the work environment?  Yes  No
  - (g) Employee grievance reporting and resolution processes?  Yes  No
- If "No" to any of the above**, please provide details in an attachment to this Proposal Form.
16. Do all managerial and supervisory personnel:
- (a) have a copy of the human resources manual?  Yes  No
  - (b) receive training in the implementation of these policies and procedures?  Yes  No
- If "No"**, explain how human resources policies and procedures are communicated to managers and supervisors in an attachment to this Proposal Form.
17. Are all employees provided with a handbook that addresses the areas detailed in item 15 above?  Yes  No  
**If "No"**, explain how human resources policies and procedures are communicated to employees in an attachment to this Proposal Form.

**Part III – EMPLOYEE BENEFIT PLAN INFORMATION (Note: Required only if the Company is requesting the extension of Fiduciary Liability coverage as part of the Policy. If not applicable, skip to Part IV)**

18. In an attachment to this Proposal Form, provide the name, the total asset value, and the investment advisory firm employed, on each Employee Benefit Plan sponsored by the Company or its Subsidiaries for which coverage is desired (hereinafter referred to as the Plans).
19. If the Company sponsors an Employee Stock Ownership Plan or Trust, is the Trustee of such Plan represented on the Board of Directors?  Not Applicable  Yes  No
20. Has the Company or any Subsidiary terminated or contemplated terminating any Employee Benefit Plan within the past three years or within the next 12 months?  Yes  No  
**If “Yes”,** provide details in an attachment to this Proposal Form.
21. Has any Plan had, at any time during the current year and last five years, a funding deficiency?  Yes  No  
**If “Yes”,** provide the name of the Plan, amount of the deficiency and current status in an attachment to this Proposal Form.
22. Have the Plans been amended to comply with the “Employee Retirement Income Security Act of 1974” (ERISA), where applicable and are the Plans reviewed and/or audited periodically to ensure compliance?  Yes  No  
**If “No”,** provide details in an attachment to this Proposal Form.

**Part IV – PRIOR ACTIVITIES**

23. Have there been during the last five years, or are there now pending, any civil, criminal, administrative or arbitration proceedings (including any proceeding initiated before the Equal Employment Opportunity Commission) brought against:
- (a) the Company or its Subsidiaries?  Yes  No
- (b) any person proposed for this insurance in their capacity as either Director, Officer, or employee of the Company or its Subsidiaries?  Yes  No
- (c) the Plans of the Company or its Subsidiaries?  Yes  No
- If “Yes” to any of the above,** provide details in an attachment to this Proposal Form.

**IT IS AGREED THAT ANY CLAIM ARISING FROM ANY PRIOR OR PENDING PROCEEDING IS EXCLUDED FROM THE PROPOSED COVERAGE.**

24. Is the undersigned or any Director or Officer proposed for this insurance aware of any fact, circumstance or situation involving the Company or its Subsidiaries, the Directors or Officers of the Company or its Subsidiaries, or the Plans of the Company or its Subsidiaries which he or she has reason to believe might result in any future Claim under the Policy to which this Proposal Form will be attached?  Yes  No  
**If “Yes”,** please provide details in an attachment to this Proposal Form.

**IT IS AGREED THAT IF KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION EXISTS, ANY CLAIM SUBSEQUENTLY ARISING THEREFROM SHALL BE EXCLUDED FROM COVERAGE.**

**Part V – REGULATORY INFORMATION (Required for Insurance Companies and Financial Institutions only. If not applicable, skip to Part VI)**

25. During the last two years, have any Directors or Officers been alerted to any of the following conditions:
- (a) Problems involving extensions of credit to Directors, Officers, or corporations controlled thereby?  Yes  No
- (b) Significant violations of laws or regulations?  Yes  No
- (c) Conflict of interest transactions?  Yes  No
- If “Yes” to any of the above,** provide details and current status in an attachment to this Proposal Form.
26. Have all criticisms noted in the last regulatory examination been reviewed and appropriate corrective steps taken by the Board of Directors?  Yes  No  
**If “No”,** provide details in an attachment to this Proposal Form.
27. During the past five years, has the Company or any Subsidiary received an Order to Cease and Desist from any regulatory agency, or otherwise entered into any other type of written agreement with any regulatory agency concerning the operation of the Company or any Subsidiary?  Yes  No  
**If “Yes”,** provide details in an attachment to this Proposal Form.

**Part VI – INSURANCE INFORMATION**

28. Provide the following insurance information:

Professional Liability      Limit \_\_\_\_\_      Retention \_\_\_\_\_      Policy Period \_\_\_\_\_

29. Current or Previous Executive Liability Insurance Coverages:

(a) Directors and Officers Liability:

Insurer	Limit	Retention	Premium	Policy Period
_____	_____	_____	_____	_____

(b) Fiduciary Liability:

Insurer	Limit	Retention	Premium	Policy Period
_____	_____	_____	_____	_____

(c) Employment Practices Liability (as separate policy or part of D&O or CGL policies):

Insurer	Limit	Retention	Premium	Policy Period
_____	_____	_____	_____	_____

In regard to the policies listed in item 29 above:

(a) has any claim been made or has any notice been given to any insurer?       Not Applicable     Yes     No

(b) has any insurer cancelled or non-renewed any of the above coverages?       Not Applicable     Yes     No

**If “Yes” to any of the above, provide details in an attachment to this Proposal Form.**

The undersigned Officer of the Company declares that to the best of his or her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from each and every Director and Officer proposed for this insurance to facilitate the proper and accurate completion of this Proposal Form. The undersigned further agrees that if any significant adverse change in the condition of the applicant is discovered between the date of this Proposal Form and the effective date of the Policy, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately. The signing of this Proposal Form does not bind the undersigned to purchase the insurance.

It is agreed by the Company and the Insured Persons that the particulars and statements contained in this Proposal Form and any information provided herewith (which shall be on file with the Insurer and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further understood and agreed by the Company and the Directors and Officers that the statements in this Proposal Form or any information provided herewith are their representations, that they are material and that this Policy is issued in reliance upon the truth of such representations; provided, however, that except for material facts or circumstances known to the person who subscribed this Proposal Form, any misstatement or omission in this Proposal Form or information provided herewith in respect of a specific Wrongful Act by a particular Director or Officer or his or her cognizance of any matter which he or she has reason to believe might afford grounds for a future Claim against him or her shall not be imputed to any other Director or Officer for purposes of determining the validity of this Policy as to such other Director or Officer.

**This Proposal Form must be signed by the Chairman of the Board, President, Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer of the Company.**

_____	_____	_____
Signature	Title	Date