



Management Liability New Business Application

NOTICE: LIABILITY COVERAGE PARTS PROVIDE CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO THE INSURER IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE RETENTION. PAYMENTS OF DEFENSE COSTS ARE SUBJECT TO, REDUCE, AND MAY COMPLETELY EXHAUST THE AVAILABLE LIMIT OF LIABILITY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

I. GENERAL INFORMATION:

Name of Applicant:

Address:

Nature of Business and SIC or NAIC Code:

Year of Incorporation:

Website:

If the Applicant shown above has any subsidiaries or controls any other entity or organization for which coverage is requested, please complete the following (attach a separate sheet if necessary):

NAME	NATURE OF BUSINESS	DATE CREATED OR ACQUIRED	% OWNED BY APPLICANT	STATE/COUNTRY OF INCORPORATION

**Please note, entities that do not meet the base form definition of "Subsidiary" are not covered unless scheduled onto the policy via endorsement. If coverage being requested for any entity for which the Applicant owns less than 50%, additional information will be required.*

II. CURRENT INSURANCE INFORMATION/REQUESTED TERMS:

COVERAGE	LIMITS REQUESTED	CURRENTLY PURCHASED	DATE COVERAGE FIRST PURCHASED	CURRENT LIMITS	CURRENT RETENTION	CARRIER & EXP PREMIUM
Directors & Officers Liability						
Employment Practices Liability						
Fiduciary Liability						
Crime						
K&R						

If Liability Coverage is not currently purchased, please answer the following question:

1. Is the Applicant, or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under the Liability Coverage for which the Applicant is applying? **Yes** **No**

If the Requested Limit exceeds the Expiring Limit, please answer the following question:

2. Solely with respect to any higher limits requested or that may ultimately be issued for the proposed insurance, is the Applicant or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under the Liability Coverage for which the Applicant is applying? **Yes** **No**

If the response is YES to any of the above, please provide additional details.

IT IS AGREED THAT IF ANY SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM BASED ON, ARISING FROM, OR IN ANY WAY RELATING TO SUCH ERROR, MISSTATEMENT, MISLEADING STATEMENT, ACT, OMISSION, NEGLIGENCE, BREACH OF DUTY OR OTHER MATTER OF WHICH THERE IS KNOWLEDGE OR INFORMATION SHALL BE EXCLUDED FROM COVERAGE REQUESTED. HOWEVER, THIS EXCLUSION SHALL APPLY UNDER A SPECIFIC COVERAGE PART ONLY TO THE EXTENT THAT THE "LIMITS REQUESTED" ARE HIGHER THAN THE "CURRENT LIMITS" PURCHASED FOR THAT COVERAGE PART.

III. LOSS HISTORY:

**Minimum of current dated 5-year loss history is required. A completed Claim Supplemental form is required for all open claims & closed paid claims.*

1. Have there been any actual claims (covered or not covered) that may fall within the scope of the coverage requested? **Yes** **No**
2. Has any Insurer canceled or refused to renew any Directors and Officers, Employment Practices, Fiduciary, Crime, Kidnap & Ransom or similar insurance within the past 36 months? **Yes** **No**

If the response is YES to any of the above, please provide additional details.

IV. FINANCIAL INFORMATION:

PLEASE INDICATE NEGATIVE FIGURES USING "()" OR "-"	MOST RECENT FYE (MONTH/YEAR)	PRIOR FYE (MONTH/YEAR)
Current Assets		
Goodwill		
Total Assets		
Current Liabilities		
Long Term Debt		
Total Liabilities		
Retained Earnings		

Shareholder Equity		
Total Revenues		
EBIT		
Net Income		
Interest Expense		
Cash Flow from Operations		

- Scope of financial statement preparation:
Internal CPA Compilation CPA Review CPA Audit None
- Has any auditor issued a “going concern” opinion during the past 3 years? **Yes** **No**
If the response is YES, please provide additional details.

V. APPLICANT INFORMATION:

- Total number of locations:
- Total number of current employees:

NON-UNION FT	NON-UNION PT	INDEPENDENT CONTRACTOR	UNION	FOREIGN*

- If foreign locations/employees exist, please provide country(ies).
- Of the above how many employees are in CA?

Has the Applicant experienced within the past 24 months, or does the Applicant anticipate in the next 12 months, any of the following events:

- Merger, acquisition, sale of any assets or other similar transaction? **Yes** **No**
- Any financial restructuring, reorganization or filing for bankruptcy? **Yes** **No**
- Any downsizing, layoffs, reduction in force, plant or office closings? **Yes** **No**
- Any public or private offering of securities (including, but not limited to, IPO, Secondary Exchanges or Crowd Funding/Crowd Financing)? **Yes** **No**
- Breach or violation of any debt covenant or loan agreement or any other material contractual obligation? **Yes** **No**

If the response is YES to any of the above, please provide additional details.

VI. DIRECTORS & OFFICERS LIABILITY:

List all shareholders:

NAME	% HELD	ENTITY TYPE (IF NOT AN INDIVIDUAL – E.G. CORP, VC, TRUST, PARTNERSHIP OR OTHER)	IS THE INDIVIDUAL A DIRECTOR/OFFICER OR DOES THE ENTITY HAVE DIRECT REPRESENTATION ON THE BOD? Y/N

**If necessary, please attach a separate sheet or provide cap table*

Has the Applicant, or any natural person for whom this insurance is intended, been involved in:

1. Any antitrust, copyright or patent litigation? **Yes** **No**
2. Any civil or criminal action or administrative proceeding alleging a violation of any federal or state security law or regulation? **Yes** **No**
3. Any representative actions, class actions or derivative suits? **Yes** **No**
4. Any other litigation? **Yes** **No**

If the response is YES to any of the above, please provide additional details.

VII. EMPLOYMENT PRACTICES LIABILITY:

1. How many employees have total compensation (including any bonus and commissions) above \$200,000 annually?

Provide number of employees: (within the past 12 months)

VOLUNTARY TERMINATIONS	INVOLUNTARY TERMINATIONS	RIF/DOWNSIZING/LAYOFFS

For layoffs:

2. Was severance available to all affected? **Yes** **No**
3. Did all severance recipients sign a release? **Yes** **No**

If the response is NO to either question, please provide additional details.

4. Is an employee handbook distributed to all employees and are employees required to sign/acknowledge receipt? **Yes** **No**

If the response is "NO," does the Applicant Company have written procedures in place regarding Sexual Harassment & Discrimination?

Does the Applicant:

5. Have a stand-alone Human Resources Department? **Yes** **No**
6. Review all terminations with Legal Counsel? **Yes** **No**
7. Employ any outside employment risk management services? **Yes** **No**
8. Have written policies outlining employee conduct when dealing with third parties? **Yes** **No**

9. Have written policies/procedures for dealing with complaints from third parties for issues involving harassment or discrimination? **Yes** **No**

If the response is NO to any of the above, please provide additional details.

Has the Applicant experienced any complaints, charges or hearings involving:

10. Any Civil complaint as respects Employment Practices Liability, including any Class or Multi-Claimant Action? **Yes** **No**

11. Any Federal, State or Local Government agency as respects Employment Practices Liability? **Yes** **No**

If the response is YES to any of the above, please provide additional details.

VIII. FIDUCIARY LIABILITY:

For each plan to be covered, please list the following:

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)

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

During the past 24 months (or during the next 12 months) has the Applicant, any plan or plan fiduciary:

1. Been (will be) amended in a way that will result in a reduction in benefits? **Yes** **No**
2. Been (will be) merged with another plan, terminated or sold? **Yes** **No**
3. Been accused or found guilty of a breach of fiduciary duty or violation of ERISA? **Yes** **No**
4. Been investigated by the DOL, IRS or any other regulatory agency in the past 2 years? **Yes** **No**
5. Had any other litigation against any Plan or Plan Fiduciary? **Yes** **No**

If the response is YES to any of the above, please provide additional details.

For DB plans:

6. Is there any investment of plan assets in more than 10% of any corporation or partnership? **Yes** **No**
If YES, please provide additional details.
7. What is the funded percentage?

IX. CRIME:

1. Are background checks performed on potential employees? **Yes** **No**

2. Is there an internal audit department or someone with internal audit responsibilities? **Yes** **No**
3. Are disbursement and banking controls segregated so no one employee (other than the owner) can control a process from beginning to end? (e.g. request check, approve voucher, sign check, make withdrawals and account reconciliation)? **Yes** **No**
4. Are bank accounts reconciled at least monthly? **Yes** **No**
5. Is an authorized vendor list utilized to assist in detecting payments to fictitious suppliers? **Yes** **No**
6. Is the responsibility for authorizing vendors, approving invoices and processing payments segregated amongst different individuals? **Yes** **No**
7. Are changes to vendor payment account information confirmed via the contact information originally supplied when the vendor was initially contracted and not the contact information included in the change request? **Yes** **No**
8. Are automated inventory systems and physical inventories reconciled? **Yes** **No**
9. Is dual authorization required for all wire transfers? **Yes** **No**
10. Are there written procedures for the proper handling of wire transfers? **Yes** **No**
11. Are employees that are responsible for wire transfers provided with regular anti-fraud training to include how to detect phishing, social engineering and other types of deception fraud schemes?
Yes **No**
12. Are wire transfers reconciled daily? **Yes** **No**
13. If the Applicant operates its own plants or warehouses, are there security guards, alarms and video cameras to protect inventory in plants and warehouses? **Yes** **No**

If the response is NO to any of the above, please provide additional details.

14. Does the Applicant use precious metals, stones, gems, or other high value items in their operations? **Yes** **No**

If YES, is access to this high value material restricted, controlled and monitored?

Complete the below if **Theft of Clients' Property Off Premises** coverage is requested:

15. Number of employees that will be working at the client's premises:
16. Will these employees have access to any client's money, securities, banking systems, purchasing systems, payroll systems, accounting systems and/or wire transfer systems? **Yes** **No**

If YES, please provide additional details.

17. Will these employees have access to restricted areas of the client's premises, will this be limited by usage of keycards, locks, etc.? **Yes** **No**

X. KIDNAP & RANSOM/EXTORTION:

With respect to the Applicant, or any natural person for whom this insurance is intended:

1. Has there ever been a prior kidnapping, extortion or detention incident or threat? **Yes** **No**
2. Are there any current threats or incidents regarding kidnapping, extortion or detention? **Yes** **No**
3. Are any operations to be insured involved in the production of food, beverages or pharmaceuticals (including toothpaste, mouthwash, etc.)? **Yes** **No**

If the response is YES to any of the above, please provide additional details.

Please complete the following for each foreign (non-U.S.) location (if none, leave the grid blank):

COUNTRY, CITY & DESCRIPTION OF OPERATIONS	# OF EMPLOYEES

Please complete the following regarding travel to foreign countries (if none, leave the grid blank):

COUNTRY & CITY(IES)	# OF TRIPS PER YEAR	AVERAGE LENGTH OF STAY	# OF EMPLOYEES

**If the Applicant has foreign locations or travel, describe security precautions on a separate sheet.*

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES AND ACKNOWLEDGES THAT:

- ❖ THE POLICY CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT DEFENSE COSTS WILL REDUCE THE LIMIT OF LIABILITY AND MAY EXHAUST IT COMPLETELY AND SHOULD THAT OCCUR, THE INSURED SHALL BE LIABLE FOR ANY FURTHER LOSS, INCLUDING DEFENSE COSTS. IN ADDITION, DEFENSE COSTS ARE APPLIED AGAINST THE RETENTION.
- ❖ THE STATEMENTS SET FORTH HEREIN ARE TRUE AND COMPLETE (1). THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, THE UNDERSIGNED WILL, IN ORDER FOR THE INFORMATION TO BE TRUE AND COMPLETE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS, AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE (2). THE "EFFECTIVE DATE" IS THE DATE THE COVERAGE IS BOUND OR THE FIRST DAY OF THE POLICY PERIOD, WHICHEVER IS LATER. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE DEEMED ATTACHED TO AND BECOME A PART OF THE POLICY (3). ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

1- In New Hampshire the truth and completeness shall be to the best of her/his knowledge.

2- In Maine this sentence ends at the word "quotations."

3- The application shall actually attach in the following states: North Carolina

THIS APPLICATION MUST BE SIGNED BY THE APPLICANT'S CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, OWNER, CONTROLLER, PRESIDENT OR BOARD CHAIRMAN.

Print name:

Signature:

Title:

Date:

Additionally required of applicants in Florida, Iowa & New Hampshire

Name of Agency:

Address:

Name of Agent:

Agent License # (FL only):

Agent Signature (FL & NH only):

****IF YOU ARE ELECTRONICALLY SUBMITTING THIS APPLICATION TO AXONPRO, APPLY YOUR ELECTRONIC SIGNATURE TO THIS FORM BY CHECKING THE ELECTRONIC SIGNATURE AND ACCEPTANCE BOX BELOW. BY DOING SO, YOU HEREBY CONSENT AND AGREE THAT YOUR USE OF A KEY PAD, MOUSE, OR OTHER DEVICE TO CHECK THE ELECTRONIC SIGNATURE AND ACCEPTANCE BOX CONSTITUTES YOUR SIGNATURE, ACCEPTANCE, AND AGREEMENT AS IF ACTUALLY SIGNED BY YOU IN WRITING AND HAS THE SAME FORCE AND EFFECT AS A SIGNATURE AFFIXED BY HAND. AUTHORIZED REPRESENTATIVE'S ELECTRONIC SIGNATURE AND ACCEPTANCE***

Maryland Applicants Only - A binder or policy is subject to a 45-day underwriting period beginning on the effective date of coverage. An Insurer may cancel a binder or policy during the underwriting period if the risk does not meet our underwriting standards of the Insurer. If the Insurer discovers a material risk factor during the underwriting period, the Insurer shall recalculate the premium for the policy or binder based on the material risk factor as long as the risk continues to meet the underwriting standards of the Insurer.

FRAUD WARNING STATEMENTS

ATTENTION ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, RHODE ISLAND AND WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

ATTENTION COLORADO APPLICANTS: 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 POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER 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.

ATTENTION FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

ATTENTION KANSAS APPLICANTS: INSURANCE FRAUD IS A CRIMINAL OFFENSE IN KANSAS. A "FRAUDULENT INSURANCE ACT " MEANS 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 ELECTRONIC, ELECTRONIC IMPULSE, FACSIMILE, MAGNETIC, ORAL, OR TELEPHONIC COMMUNICATION OR 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 COMMERCIAL OR PERSONAL 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.

ATTENTION KENTUCKY, OHIO AND PENNSYLVANIA APPLICANTS: 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 SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

ATTENTION LOUISIANA, MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: 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 A DENIAL OF INSURANCE BENEFITS.

ATTENTION NEW HAMPSHIRE AND NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION TO THE BEST OF HER/HIS KNOWLEDGE ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

ATTENTION NEW MEXICO APPLICANTS: 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 AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

ATTENTION OKLAHOMA APPLICANTS: WARNING, ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

ATTENTION OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAY BE VIOLATING STATE LAW.

ATTENTION NEW YORK APPLICANTS: 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 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.