



Application For ACE EXPRESS Private Company Management Indemnity Package

NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY CLAIM OR LOSS DISCOVERED (AS APPLICABLE IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE) MADE AGAINST ANY OF THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS COSTS, CHARGES AND EXPENSES (AS DEFINED IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE), AND COSTS, CHARGES AND EXPENSES SHALL BE APPLIED TO THE RETENTIONS.

General Instructions for Completing This Application

1. Please type or print in ink.
2. Please read carefully and answer all questions. If a question is not applicable, so state.
3. The Application must be signed by an executive officer.
4. This Application and all exhibits shall be held in confidence.
5. Please read the Policy for which application is made (the "Policy") prior to completing this Application.
6. The terms as used herein shall have the meanings as defined in the Policy.

I. General Information

1. Name of Parent Company: _____
 Address: _____
(Number) (Street)

(City) (State) (Zip Code)

2. Standard Industrial Classification Code (SIC): _____

3. Nature of Operations: _____

4. Has the Company been in business longer than three (3) years? Yes No
5. Is the Company public-held or a public reporting company under the Securities Exchange Act of 1934? Yes No
6. Does the Parent Company own more than three (3) subsidiaries? If yes, please provide details on a separate page. Yes No
7. Has the Company in the past 18 months been involved with any actual, negotiated or attempted merger, acquisition or divestment? If yes, please provide details on a separate page. Yes No
8. Does the Company contemplate transacting any mergers or acquisitions in the next 12 months where such merger or acquisition would involve more than 50% of the total assets of the Company? If yes, please provide details on a separate page. Yes No

II. Financial Information

1. Describe the following financial information of the Company for the most recent fiscal year-end.

a) Total Assets

___ \$0 to 5,000,000
 ___ \$5,000,001 to 25,000,000
 ___ \$25,000,001 to 100,000,000
 ___ \$100,000,001 to 250,000,000
 ___ over \$250,000,000

b) Gross Revenues

___ \$0 to 5,000,000
 ___ \$5,000,001 to 25,000,000
 ___ \$25,000,001 to 100,000,000
 ___ \$100,000,001 to 250,000,000
 ___ over \$250,000,000

c) Net income ___ or net loss ___ and applicable amount:

___ \$0 to 500,000
 ___ \$500,001 to 1,000,000
 ___ \$1,000,001 to 3,000,000
 ___ \$3,000,001 to 5,000,000
 ___ over \$5,000,000

d) Cashflow from operating activities positive ___ or negative ___ and applicable amount:

___ \$0 to 500,000
 ___ \$500,001 to 1,000,000
 ___ \$1,000,001 to 3,000,000
 ___ \$3,000,001 to 5,000,000
 ___ over \$5,000,000

2. Do the current liabilities exceed current assets? If yes, please provide details on a separate page. Yes No
3. Do long-term liabilities exceed 75% of total assets? If yes, please provide details on a separate page. Yes No
4. Will more than 50% of the total long-term liabilities mature within the next 18 months? If yes, please provide details on a separate page. Yes No
5. Does the Company anticipate in the next 12 months or has the Company transacted in the last 24 months any restructuring or legal or financial reorganization or filing for bankruptcy? If yes, please provide details on a separate page. Yes No

III. Prior Insurance Information

1. Describe any current insurance maintained. The Continuity Date below means the policy inception date for which the most recent main form application was attached.

<u>Coverage</u>	<u>Yes</u>	<u>No</u>	<u>Limits</u>	<u>Continuity Date</u>
Employment	—	—	_____	_____
Directors and Officers	—	—	_____	_____
Fiduciary	—	—	_____	_____
Crime	—	—	_____	_____
Technology Media, & Professional Services	—	—	_____	_____
Miscellaneous Prof. Services	—	—	_____	_____

2. Has any insurer made any payments, taken notice of claim or potential claim or non renewed any management liability or similar insurance any time in the last 24 months? If yes, please provide details on a separate page. Yes No

IV. Prior Activities Information

1. Within the last three years, has any person or entity proposed for this insurance been the subject of or involved in any litigation, administrative proceeding, demand letter or formal or informal governmental investigation or inquiry including any investigation by the Department of Labor or the Equal Employment Opportunity Commission. If yes, please provide details on a separate page. Yes No
2. Within the last three years, has any person or entity proposed for this insurance had any crime losses. If yes, please provide details on a separate page. Yes No

V. False Information

NOTICE TO 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.

VI. Other Information

1. The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this Application does not bind the undersigned to complete 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 a part of such Policy, if issued. Insurer hereby is authorized to make any investigation and inquiry in connection with this Application as they may deem necessary.
2. It is represented that the particulars and statements contained in the Application for the proposed Policy and any materials submitted herewith (which shall be retained on files by Insurer and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
3. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the applicant will notify Insurer and, at the sole discretion of Insurer, any outstanding quotations may be modified or withdrawn.
4. It is agreed that in the event there is any misstatement or untruth in the answers to the questions contained herein, Insurer have the right to exclude from coverage any claim based upon, arising out of or in connection with such misstatement or untruth.

Signed: _____ Date: _____
(must be signed by an Executive Officer of the Company)

Agents Name _____ Agents License No. _____

For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either facsimile or photocopy shall be the same force and effect as an original signature and that the original and any such copies shall be deemed on and the same document.

Please fully complete and attach the Information for the Coverage Section (s) desired.

Employment Practices Coverage Section Information

Is the Parent Company seeking Employment Practices coverage? Yes No

If yes, please answer the following questions.

1. Total number of employees (full-time and part-time).
- | | | | |
|-------|------------|-------|---------------------------|
| _____ | 0 to 10 | _____ | 151 to 225 |
| _____ | 11 to 30 | _____ | 226 to 300 |
| _____ | 31 to 50 | _____ | 301 to 400 |
| _____ | 51 to 75 | _____ | 401 to 500 |
| _____ | 76 to 100 | _____ | over 500 |
| _____ | 101 to 150 | _____ | Exact number, if over 500 |

Note: When answering the above range of employees, multiply the number of part-time employee by a factor of .5 and add to number of full-time employees and independent contractors.

2. Do more than 25% of all employees currently earn more than \$50,000? Yes No
3. Have more than 25% of the officers or management voluntarily left the employ of the Company or had employment with the Company terminated within the last 18 months? If yes, please provide details on a separate page. Yes No
4. Does the Company anticipate in the next 12 months, or has the Company transacted in the last 12 months, any plant, facility, branch or office closing, consolidations or layoffs affecting 20% or more of the employees of the Company? If yes, please provide details on a separate page. Yes No
5. Describe the internal controls the Company maintains for Employment Practices.
- a) Have all management staff and officers attended training and education programs on sexual harassment within the last 18 months? Yes No
- b) Does labor relations counsel review the employment policies/procedures at least annually? Yes No
- c) Is there a separate Human Resources Department? Yes No
- d) Does the Company publish and distribute an employee handbook to every employee? Yes No
- e) Are there written procedures for handling employee complaints of discrimination or sexual harassment? Yes No
- f) Are there written procedures for handling employee grievances or complaints? Yes No

Directors & Officers and Company Coverage Section Information

Is the Parent Company seeking Directors & Officers and Company coverage? Yes No

If yes, please answer the following questions.

1. Do the Directors and Officers as a whole, directly or indirectly, own or control the voting rights of more than 50% of the outstanding securities of the Parent Company? Yes No
2. Within the last 18 months, has the Company transacted or attempted a private debt or equity offering of securities? If yes, please provide details on a separate page. Yes No
3. Within the next 18 months does the Company anticipate any:
 - a) private debt equity offering of securities? If yes, please provide details on a separate page. Yes No
 - b) public offering of securities? If yes, please provide details on a separate page. Yes No
4. Does the Company render any professional services for others for a fee or compensation? If yes, please provide details on a separate page. Yes No
5. Does the Company act as a general partner in any partnership? If yes, please provide details on a separate page. Yes No
6. Does the Company have any direct or indirect insurance operations? If yes, please provide details on a separate page. Yes No

Fiduciary Coverage Section Information

Is the Parent Company seeking Fiduciary Liability coverage? Yes No

If yes, please answer the following questions.

1. Does the Company have more than five (5) plans to be covered under the proposed insurance? If yes, please provide details on a separate page. Yes No

2. Indicate the type of plans to be insured.
 Pension Welfare Benefit Profit Sharing Employee Stock Ownership

3. Total number of employees currently enrolled in all plans:
 0 to 10 151 to 225
 11 to 30 226 to 300
 31 to 50 301 to 400
 51 to 75 401 to 500
 76 to 100 over 500
 101 to 150 Exact number, if over 500

4. Total asset value of all plans combined for the most recent fiscal year.
 \$0 to 1,000,000
 \$1,000,001 to 5,000,000
 \$5,000,001 to 25,000,000
 \$25,000,001 to 100,000,000
 over \$100,000,000

5. Do all of the plans conform to the standards of eligibility, participation, vesting and other provisions of the Employee Retirement Income Security Act of 1974, as amended? Yes No

6. Are the plans reviewed at least annually to assure that there are no violations of any plan trust agreements, prohibited transactions or party in interest rules? Yes No

7. Are any of the plans under funded by more than 30%? If yes, please provide details on a separate page. Yes No

8. Does the Company have any delinquent contributions to any plan? If yes, please provide details on a separate page. Yes No

9. Have any plans been terminated, suspended, merged or dissolved within the last 24 months? If yes, please provide details on a separate page. Yes No

10. Does the Company anticipate terminating, suspending, merging or dissolving any plans within the next 18 months? If yes, please provide details on a separate page. Yes No

11. Are more than 10% of the assets of any plan, other than an Employee Stock Ownership Plan, invested in any securities of or loan to the Company? If yes, please provide details on a separate page. Yes No

Crime Coverage Section Information

Is the Parent Company seeking Crime coverage?

Yes

No

If yes, please answer the following questions.

1. Total number of employees:

_____ 0 to 10

_____ 11 to 30

_____ 31 to 50

_____ 51 to 75

_____ 76 to 100

_____ 101 to 150

_____ 151 to 225

_____ 226 to 300

_____ 301 to 400

_____ 401 to 500

_____ over 500

_____ Exact number, if over 500

2. Number of officers and employees who handle, have custody or maintain records of money, securities or other property:

_____ 0 to 5

_____ 6 to 15

_____ 16 to 50

_____ over 50

3. Is there an annual audit or review performed by an independent CPA on the books and accounts, including a complete verification of all securities and bank balances?

Yes

No

4. Are bank accounts reconciled by someone not authorized to deposit or withdraw from those accounts?

Yes

No

5. Is counter signature of checks required?

Yes

No

6. Is the applicant seeking Employee Benefit Plan Crime coverage?

Yes

No

7. Are pre-authorized controls maintained for all programmers and operators?

Yes

No

8. Do audit practices include tests to detect unauthorized programming changes?

Yes

No

9. Are computerized check writing operations segregated from departments that authorize checks?

Yes

No