

# Application For Directors And Officers Liability And Reimbursement Insurance

Public Company



Zurich American Insurance Company

**PLEASE NOTE:**

- **Directors and Officers Liability and Reimbursement Insurance is written on a claims-made basis and covers only Claims first made against the Insured Persons during the Policy Period or the Extended Reporting Period, if exercised. The Limit of Liability available to pay judgments or settlements shall be reduced by amounts incurred as Defense Costs.**
- **This application and all exhibits attached shall form a part of this proposal and shall be held in strictest confidence.**

The following material must be attached to this application (if applicable):

1. The notice to stockholders and proxy statement for the most recent meeting of stockholders.
2. The latest annual report to stockholders.
3. Any Form 13D, 10-K, 10-Q, 8-K or S-1 filed with the Securities and Exchange Commission within the last 12 months.
4. Every prospectus for any securities offering completed in the last 12 months or currently planned or expected within one year.
5. The Parent Company's indemnification provision or by-laws.
6. The latest CPA letter to management relating to internal controls and any written response thereto.
7. A list of all subsidiaries proposed for coverage, including the following information: nature of business, name of owner(s), percent owned by each owner and the date created or acquired.

**Please indicate if any of the materials requested above are not attached to this application and the reason why.**

This application is submitted by:

Insurance Agency/Agent: \_\_\_\_\_

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

Please submit this completed proposal Application with all attachments to:

Zurich U.S. Specialties  
Executive Assurance Department  
One Liberty Plaza, 53rd Floor  
New York, New York 10006

Please answer all of the following questions and indicate if a question is not applicable:

1. GENERAL INFORMATION

- a) Name of Parent Company \_\_\_\_\_
- b) Address \_\_\_\_\_
- c) State of Incorporation \_\_\_\_\_
- d) Date Established \_\_\_\_\_
- e) Policy Period Requested: From \_\_\_\_\_ To \_\_\_\_\_

2. EQUITY SECURITIES

- a) Are any equity securities publicly traded ? \_\_\_\_\_  
If yes, answer the remainder of Section 2 and then skip to Section 4.  
If no, skip to Section 3.
- b) On which exchange are the securities traded ? \_\_\_\_\_
- c) Is the Company aware that any person or entity has made a Schedule 13D filing with the Securities and Exchange Commission with respect to the securities of the Parent Company or any of its subsidiaries ? \_\_\_\_\_ if yes, please attach details.

3. OWNERSHIP

- a) Number of common equity shares outstanding \_\_\_\_\_
- b) Number of common equity shareholders \_\_\_\_\_
- c) Percentage of common equity shares owned directly or beneficially by officers who are not directors \_\_\_\_\_
- d) Percentage of common equity shares owned directly or beneficially by all officers and directors as a group \_\_\_\_\_
- e) Is there any shareholder(s) or group of affiliated shareholders who own 5% or more of the common equity shares directly or beneficially ? \_\_\_\_\_ if yes, please attach the name, percentage holding and a description of the shareholder(s).
- f) Are there any securities convertible to common stock ? \_\_\_\_\_ if yes, please attach a complete description of the securities and a list of the owners of such securities.
- g) Please attach a list of the directors of the Parent Company, including their principal business affiliations and the number of years they have been a director of the Parent Company.

4. ANNOUNCED CHANGES

- a) Has the Parent Company publicly disclosed that it now has under consideration any acquisition, tender offer, merger or divestiture ? \_\_\_\_\_ if yes, attach details.
- b) Has the Parent Company publicly disclosed or made any new public offering of securities pursuant to the Securities Act of 1933 or exempt from registration under Regulation A, within the last year ? \_\_\_\_\_ if yes, attach details including the prospectus.

5. PAST ACTIVITIES

Has the Parent Company, a subsidiary, a director or officer or other proposed Insured Person been involved in any of the following:

- a) Anti-trust, copyright, or patent litigation ? \_\_\_\_\_
- b) Civil or criminal action or administrative proceeding charging violation of a federal or state securities law or regulation?  
\_\_\_\_\_
- c) Any other criminal action ? \_\_\_\_\_
- d) Representative actions, class actions or derivative suits ? \_\_\_\_\_

If yes to any of these past activities, attach details.

6. PRIOR INSURANCE

Does the Parent Company or any subsidiary currently have directors and officers liability coverage ? If no, skip to Section 8 and answer the prior knowledge statement. If yes, answer the following:

- a) Insurer \_\_\_\_\_
- b) Limit of Liability \_\_\_\_\_
- c) Deductible \_\_\_\_\_
- d) Policy Period: From \_\_\_\_\_ To \_\_\_\_\_
- e) Number of years of uninterrupted coverage with current insurer \_\_\_\_\_
- f) First year of directors and officers liability coverage \_\_\_\_\_
- g) Has the Parent Company, a subsidiary or any proposed Insured Person given written notice under the provisions of any prior or current directors and officers liability policy of specific facts or circumstances which might give rise to a claim being made against any proposed Insured Person ? \_\_\_\_\_ if yes, please attach details.
- h) Have any loss payments been made on behalf of any proposed Insured under any directors and officers liability policy or similar insurance ? \_\_\_\_\_ if yes, please attach details.

7. CONTINUITY WITH PRIOR COVERAGE

If the Parent Company has directors and officers liability coverage and is requesting continuity of coverage for an existing layer of coverage, please complete this Section and skip Section 8. If the Parent Company does not currently have directors and officers liability coverage, or this application is being submitted for a new excess limit of liability or the request for continuity of coverage for an existing layer has been declined, please skip this Section and complete Section 8.

Continuity date requested \_\_\_\_\_

Attach a copy of the prior application with which continuity of coverage is to be maintained. The Underwriter will be relying upon the declarations and representations contained in such prior application and those declarations and representations shall be considered to be incorporated in and form a part of the proposed policy.

8. PRIOR KNOWLEDGE

Please complete the following paragraph:

No person proposed for coverage is aware of any fact or circumstance or any actual or alleged act, error or omission which he or she has reason to suppose might give rise to a future claim that would fall within the scope of the proposed coverage, except (if no exceptions, please state) \_\_\_\_\_

It is agreed that if such fact or circumstance or actual or alleged act, error or omission exists, whether or not disclosed, any claim arising therefrom is excluded from this proposed coverage.

9. FALSE INFORMATION

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 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 certain jurisdictions.

10. DECLARATION AND SIGNATURE

The undersigned declares that to the best of his or her knowledge and belief the statements set forth herein are true. The signing of this application does not bind the Underwriter, the Parent Company or its proposed Insured Persons to effect insurance. The undersigned agrees that this application and its attachments shall be the basis of the contract should a policy be issued and shall be deemed attached to and shall form part of the policy. The Underwriter is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

The undersigned, on behalf of all proposed Insured Persons, agrees that if the information in the declarations and representations contained in this application and its attachments materially changes between the date of this application and the inception of the proposed coverage, the undersigned will immediately report in writing to the Underwriter such change, and the Underwriter may withdraw or modify any outstanding quotations or agreements to bind coverage. The undersigned acknowledges and agrees that the Underwriter's receipt of such written report, prior to inception of the proposed coverage, is a condition precedent to coverage.

**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.**

This application must be signed by the Chairman of the Board or President of the Parent Company.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**NEW YORK AND RHODE ISLAND APPLICANTS: PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED, NEW YORK AND RHODE ISLAND INSURANCE DEPARTMENT REGULATIONS REQUIRE THAT THIS SIGNED STATEMENT BE ATTACHED TO THE POLICY.**

**The insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and , in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.**

**The insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the retention amount.**

Must be signed by the Chairman of the Board or President of the Parent Company.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_