



**ace usa**

**ACE Advantage<sup>SM</sup>**

**APPLICATION FOR NOT-FOR-PROFIT COMPANY LIABILITY INSURANCE**

**Instructions for Completing This Application**

Please read carefully and check below all Coverages you seek. Fully answer all questions and submit all requested information for each Coverage you seek. All applicants must complete the General Information and the final section of this Application. Terms appearing in bold face in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. This Application, including all materials submitted herewith, shall be held in confidence.

**NOTE: The Insurance for which you are applying is written on a Claims made and reported basis; only Claims first made against the Insured and reported to the Company during the Policy Period are covered subject to the Policy provisions.**

**GENERAL INFORMATION**

1. a. The Company to be Named in Item 1 of the Declarations (the "Company"):

\_\_\_\_\_

Street Address:

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

- b. Officer designated to receive correspondence and notices from the **Insurer**:

\_\_\_\_\_  
(Name of Officer) (Title)

2. State of Incorporation: \_\_\_\_\_ Date Incorporated: \_\_\_\_\_

3. Primary SIC Code: \_\_\_\_\_ Dunn & Bradstreet No: \_\_\_\_\_

4. Tax Status:  Section 501(c)  Taxable Non-Profit  
 Other (if other please describe) \_\_\_\_\_

5. Provide the following information for the current fiscal year:

Total Assets: \$ Revenues: \$  
Fund Balance: \$ Net Income: \$

6. Please provide the following information regarding current insurance coverage;

Insurance	Carrier	Limits (in MMs)	Premium	Expiration Date
D&O Liability				
Crime/Fidelity				
EPL				
Fiduciary Liability				

7. Check Coverage(s) Desired:  D&O Liability  Crime/Fidelity  EPL  
 Fiduciary Liability  Other: \_\_\_\_\_

**NOT-FOR-PROFIT COMPANY LIABILITY APPLICATION**

**Please attach copies of the following with respect to the Company and Subsidiaries:**

- Current indemnification provisions, and by-laws
- Audited financial statements for the last two (2) years
- A schedule of all **Subsidiaries** to be **Insured** under this policy including each **Subsidiary's** tax status, affiliation and the percentage of ownership by the applicant for insurance
- List of officers and directors of the **Company**.

**Please answer the following questions:**

1. Does the **Company** or any person(s) proposed for this insurance perform any of the following:
  - a. Provide a referral service, legal aid service, or computer service to its members or the public?  Yes  No
  - b. Promote or sponsor any type of group travel, conventions, parades or other similar events, or assume any liability in connection therewith?  Yes  No
  - c. Promote, sponsor or provide any form of insurance to its members or non-members?  Yes  No
  - d. Engage in any form of research, development, experimentation or testing?  Yes  No
  - e. Act as or participate in a peer review group or committee for assessing the qualifications and performance of others or the quality of products manufactured, sold, handled or distributed by others?  Yes  No
  - f. Take any disciplinary action or recommend disciplinary action as a result of peer review group activities?  Yes  No
  - g. Develop standards used to evaluate the quality of goods or products manufactured or services rendered?  Yes  No
  - h. Engage in such activities as lobbying or labor negotiations?  Yes  No
  - i. Promote any specific product to its members which will produce a profit for the **Company** or any person proposed for this insurance?  Yes  No
  - j. Publish any magazines, periodicals, newsletters or technical manuals?  Yes  No
2. Has there been or is there now pending any dispute as to the **Company's** tax-exempt status?  Yes  No
3. Has the **Company** ever loaned monies to any director, officer, trustee or employee or entered into any contract with companies owned by any director, officer, trustee or employee?  Yes  No
4. Has the **Company** or any **Subsidiary**:
  - a. contemplated or been involved in any bankruptcy proceedings?  Yes  No
  - b. plan to declare bankruptcy within the next 12 months?  Yes  No
5. During the last three years, have any of the **Insureds** been involved in:
  - a. any anti-trust, copyright or patent litigation?  Yes  No
  - b. any other criminal proceeding?  Yes  No
  - c. any representative actions, class actions or derivative suits?  Yes  No
  - d. any other material litigation?  Yes  No
  - e. any **Claim** or potential **Claim** noticed under any Directors' and Officers' Liability policy?  Yes  No

**EMPLOYMENT PRACTICES LIABILITY APPLICATION**

**Please attach copies of the following:**

- Current employee handbook
- Current employee application form(s)
- Copy of the **Company's** employment termination procedures
- Most recent EEOC-1 Report for consolidated **Company** (if there are more than 500 employees)

1. During the last 3 years have any of the **Insureds** been involved in any administrative proceedings before:

- a. the Equal Employment Opportunity Commission?  Yes  No
- b. the U.S. Department of Labor including the Office of Federal Contract Compliance Programs ("OFCCP")?  Yes  No
- c. any state or local government agency whose purpose is to address employment-related **Claims**  Yes  No

2. Please provide the following information:

<b>Total # of Employees:</b>	<b>Current Yr</b>	<b>1<sup>st</sup> Prior Yr</b>	<b>2<sup>nd</sup> Prior Yr</b>
Total # employed by the <b>Insured</b> :			
Percentage employed full time:	%	%	%
Percentage employed domestically:	%	%	%
Total number of volunteers:			
Employed in CA or TX:			
Employed in WASHINGTON DC:			
Percentage of Employee Turnover	%	%	%

- 3. Does the **Company** use an outside employment legal counsel for employment advice and/or defense?  Yes  No
- 4. Within the preceding 12 months and during the next 12 months, has the **Company** had or does the **Company** plan to have any layoffs, staff reductions, facility closings or consolidations which terminate(d) more than 10% of the work force on a **Company** wide basis?  Yes  No
- 5. Has the **Company** or any prospective **Insureds** been involved in employment or labor related litigation, during the last 3 years? If "Yes," attach full details.  Yes  No
- 6. Does the **Company** have written guidelines or procedures for addressing human resources or personnel management?  Yes  No
- 7. Does the **Company** distribute to employees a copy of these guidelines or procedures?  Yes  No
- 8. Does the **Company** have a full-time human resources manager?  Yes  No
- 9. Does the **Company** provide:  Yes  No
  - a. Updated information to managers and supervisors on training in human resources issues, including performance appraisals, discipline, and workplace harassment, at least annually?

- b. Updated information to employees on human resources issues, including performance appraisals, discipline, and workplace harassment, at least annually?  Yes  No
- c. An employee hotline or 1-800 number for reporting **Claims**, circumstances and issues? If "Yes," attach details concerning who initially receives this information and the process of disseminating this information to upper management.  Yes  No
10. Does the **Company** have an agreement or policy requiring employees to arbitrate all employee-related **Claims**?  Yes  No
11. When an employee is discharged:
- a. Is officer approval required, and are human resources personnel directly involved?  Yes  No
- b. Is an attorney consulted prior to discharging an employee?  Yes  No
- c. Does the **Company** provide references for former employees which include any information other than the dates of employment, title(s) and compensation?  Yes  No

**FIDUCIARY LIABILITY APPLICATION**

**Please attach a list of all Plans funded by the applicant. In addition, provide copies of the following information for the five largest funded Plans:**

- Copies of the latest CPA-audited financial statements, with investment portfolios (If **Plan** assets are held in a master trust, submit master trust investment portfolio)
- Copies of the most recent 5500s for all **Plans** to be insured
- Written **Plan** description(s) and latest financial statement(s), if applicable, for any non-qualified **Plan(s)**

1. Total assets of the Sponsor Organization      \$ \_\_\_\_\_
2. Total assets of all **Plans**      \$ \_\_\_\_\_

3. Types of **Plans** to be **Insured** (check all that apply):
- Defined Benefit **Plan**                       Defined Contribution **Plan**
- Welfare Benefit **Plan**                       Other

4. Do any of the aforementioned **Plans** include investments in securities of the sponsor organization and/or any of its **subsidiaries** (including, but not limited to **ESOP Plans**, **401k Plans** with an **ESOP** feature or a **Defined Benefit Plan** with an **ESOP** feature)? If "Yes," attach full details.  Yes  No
5. Is the **Plan(s)** a multiple employer or multi employee **Plan**?  Yes  No
6. Does the **Plan(s)** employ the investment, trustee, actuarial, legal administrative, or benefits consulting services of any outside providers? If "Yes," attach full details.  Yes  No
7. Has any **Plan** requested or contemplated filing a request for termination? If "Yes," attach full details.  Yes  No
8. In the past two years, has there been any amendment(s) to any **Plan(s)**, or has any amendment been contemplated, that has resulted in or may result in any change or reduction of benefits, including but not limited to an increase in participants' share of costs? If "Yes," attach full details.  Yes  No
9. Are all defined benefit **Plans** adequately funded in accordance with ERISA or any applicable similar common or statutory law of the United States, Canada or any state or other jurisdiction anywhere in the world, as attested to by an actuary?  Yes  No
10. Has there been, or is there now pending, any **Claim(s)** against any proposed **Insured** arising out of any **Plan**? If "Yes," attach complete details.  Yes  No
11. Does any proposed **Insured** have knowledge or information of any act, error or omission which might give rise to a **Claim** under the proposed policy? If "Yes," attach full details.  Yes  No
112. Is there any known violation(s) of ERISA or any similar common or statutory law of the United States, Canada or any state or other jurisdiction anywhere in the world to which a **Plan** is subject? If "Yes," attach full details.  Yes  No

13. Has there been or is there now pending any inquiry, investigation or communication which could give rise to a **Claim** under this policy? If "Yes," attach full details.  Yes  No

It is agreed that with respect to questions 10-13 above that if such **Claim**, knowledge, information, violation, inquiry, investigation, or communication exists, any **Claim** or action arising therefrom is excluded from this proposed coverage.

## COMMERICAL CRIME APPLICATION

**Please attach copies of the following:**

- Copy of CPA management letter or, if applicable, auditor's opinion letter, and any management letter responding to same.

1. Has there been a change of control or management in the last three (3) years?  Yes  No

2. Please enter the following information:

Current Year

Annual Revenues

Number of Locations

Number of Employees

### **Audit Procedures**

3. Is there an actual Independent CPA audit in accordance with GAAP?  Yes  No

4. Is the most recent audit "unqualified"?  Yes  No

5. Is there a CPA letter to management or auditor's opinion letter?  Yes  No

6. Has management replied to any recommendations made in the letter?  Yes  No

7. Does the Applicant have an internal audit department or staff?  Yes  No

8. Is there a formal audit program?  Yes  No

### **Internal Controls**

9. Does the Applicant require at least two (2) signatures on checks?  Yes  No

10. Are checks stamped "For Deposit Only" as they are received?  Yes  No

11. Is the payroll prepared by persons other than those who distribute it to employees?  Yes  No

### **Computer Controls**

12. Is there a mechanism to prevent repeated attempts of unauthorized access to a computer program?  Yes  No

13. Are pre-authorization controls maintained for all programmers and operators  Yes  No

14. Does the Applicant have an employee data-security standards manual?  Yes  No

15. Do audit practices include any tests to detect unauthorized programming changes?  Yes  No

### **Present Crime Program and Loss Experience**

16. Please identify all losses incurred within the last three (3) years of the type which would potentially be covered under the proposed insurance, including the date of Loss, amount of Loss and preventative measures taken.



## TO BE COMPLETED BY ALL APPLICANTS

None of the **Insureds** is responsible for or has knowledge of any **Wrongful Act** or fact, circumstance or situation which (s)he has reason to suppose might result in a future **Claim**, except as follows:

If "NONE", Please check this box

It is agreed by all concerned that if any of the **Insureds** is responsible for or has knowledge of any **Wrongful Act**, fact, circumstance, or situation which (s)he has reason to suppose might result in a future **Claim**, whether or not described above, any such **Claim** subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

This Application shall be maintained on file by the **Insurer**, shall be deemed attached as if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the proposed Policy.

The persons signing this Application declare that to the best of their knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all **Insureds** to facilitate the proper and accurate completion of this Application for the proposed Policy. Signing of this Application does not bind the undersigned to purchase the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued. The undersigned agrees that if after the date of this Application and prior to the effective date of any Policy based on this Application, any occurrence, event or other circumstance should render any of the information contained in this Application inaccurate or incomplete, then the undersigned shall notify the **Insurer** of such occurrence, event or circumstance and shall provide the **Insurer** with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the **Insurer**.

The information requested in this Application is for underwriting purposes only and does not constitute notice to the **Insurer** under any Policy of a **Claim** or potential **Claim**. All such notices must be submitted to the **Insurer** pursuant to the terms of the Policy, if and when issued.

The undersigned acknowledges that he or she is aware that **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.

**NOTICE TO ARKANSAS APPLICANTS:** Any person who knowingly presents a false or fraudulent **Claim** for payment for a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO 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 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.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: it is a crime to provide false or misleading information to an **Insurer** for the purpose of defrauding the **Insurer** or any other person. Penalties include imprisonment and/or fines. In addition, an **Insurer** may deny insurance benefits if false information materially related to a **Claim** was provided by the applicant.

**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.

**NOTICE TO HAWAII APPLICANTS:** For your protection, Hawaii law requires you to be informed that presenting a fraudulent **Claim** for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

**NOTICE TO KENTUCKY APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

**NOTICE TO LOUISIANA 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 fines and confinement in prison.

**NOTICE TO MAINE APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO MINNESOTA APPLICANTS:** A person who submits an application or files a **Claim** with intent to defraud or helps commit a fraud against an **Insurer** is guilty of a crime.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**NOTICE TO 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.

**NOTICE TO 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.

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

**NOTICE TO 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.

**NOTICE TO 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.

**NOTICE TO TENNESSEE & VIRGINIA 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 include imprisonment, fines and denial of insurance benefits.

**NOTICE TO ALL APPLICANTS:**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF**

**MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

**BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE COMPANY THAT ALL STATEMENTS MADE IN THIS APPLICATION ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED IN THIS APPLICATION OR CONCEALED. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED.**

This Application must be signed by the Chairman of the Board or by the President:

Signed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Corporation: \_\_\_\_\_  
Date: \_\_\_\_\_

**A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.**

Please submit this Application, when completed, signed and dated to:

ACE USA Professional Risk  
D&O Division  
140 Broadway  
40<sup>th</sup> Floor  
New York, NY 10005

**FOR MISSOURI RESIDENTS ONLY:**

**PLEASE ACKNOWLEDGE AND SIGN THE FOLLOWING DISCLOSURE TO YOUR APPLICATION FOR INSURANCE:**

**I UNDERSTAND AND ACKNOWLEDGE THAT THE ATTACHED POLICY CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT DEFENSE COSTS WILL REDUCE MY LIMITS OF INSURANCE AND MAY EXHAUST THEM COMPLETELY. SHOULD THAT OCCUR, I SHALL BE LIABLE FOR ANY FURTHER LEGAL DEFENSE COSTS AND DAMAGES.**

Signed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Corporation: \_\_\_\_\_  
Date: \_\_\_\_\_