



**APPLICATION FOR ARCH CORPORATE CANOPY® POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY & CRIME INSURANCE**

NOTICE: EXCEPT AS OTHERWISE PROVIDED, THE LIABILITY COVERAGE PARTS OF THE POLICY APPLIED FOR COVER ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND REPORTED TO THE INSURER NO LATER THAN SIXTY (60) DAYS AFTER THE END OF THE POLICY PERIOD. EACH APPLICABLE LIABILITY COVERAGE PART LIMIT OF LIABILITY SHALL BE REDUCED BY DEFENSE COSTS PAYMENTS.

NOTICE: THIS APPLICATION SHALL BE HELD IN CONFIDENCE.

Instructions for Completing This Application

Please read carefully, fully answer all questions, and submit all requested information. As used herein, "Applicant" means the company to be named in the policy and any subsidiary and employee benefit plan of such company. As used herein, "claim" means any demand, civil or criminal proceeding, or administrative or regulatory adjudicatory or investigative proceeding.

1. NAME, ADDRESS, AND CONTACT INFORMATION

Company to be named in the Policy:

Principal Address: _____

City: _____ State: _____ Zip Code: _____

Nature of Business: _____

State of Incorporation: _____

Date of Incorporation: _____

Website address (if applicable): _____

Risk Manager: _____

2. **COVERAGE(S) APPLIED FOR**

Place an X next to each coverage applied for and insert the requested limit of liability. Complete the items below relevant to each coverage applied for.

- Director, Officers, & Organization Liability Limit of Liability Requested: \$ _____
- Employment Practice Liability Limit of Liability Requested: \$ _____
- Fiduciary Liability Limit of Liability Requested: \$ _____
- Crime Limit of Liability Requested: \$ _____

3. **GENERAL INFORMATION (ALL COVERAGE PARTS)**

- A.** Does the Applicant have any subsidiaries for which coverage is requested?
 Yes No
If "Yes", attach a list of subsidiaries, including nature of operations and percentage ownership held by the Applicant.

- B.** Please complete the following information (for the current year):
- Total Assets: _____
- Total Liabilities: _____
- Revenue: _____
- Net Income: _____
- Cash flow from operating activities: _____
- Total Employees: _____

- C.** Has the Applicant experienced within the past year, or does it expect to experience in the next year, any of the following events:
1. Mergers, acquisitions or divestments? Yes No
 2. Change in outside auditors? Yes No
 3. Bankruptcy proceedings or reorganizations or arrangements with creditors under federal or state law? Yes No
 4. Location, facility, or office closings, consolidations or layoffs? Yes No
 5. Changes in its Board of Directors or senior management? Yes No

If "Yes" for any of the above, attach a detailed explanation.

- D.** Does the Applicant perform any professional services for a fee? Yes No

4. **DIRECTORS, OFFICERS, & ORGANIZATION LIABILITY INFORMATION**

- A. Total number of shareholders: _____
- B. Total number of outstanding shares: _____
- C. Names and percent owned of any shareholder(s) who own, directly, beneficially, or as an affiliated group, 5% or more of the outstanding shares of the Applicant (including directors and officers):

- D. Please describe any changes in ownership within the past year:

- E. Does the Applicant act as a general partner of a limited partnership or as a partnership manager? Yes No
- F. Does the Applicant participate in any joint ventures? Yes No
 If "Yes", attach a detailed description, including nature of operations and percentage ownership held by the Applicant.
- G. Has the Applicant experienced within the past year, or does it expect to experience in the next year, any of the following events:
1. Public offering of securities? Yes No
 2. Private offering of securities? Yes No
 3. Breach or violation of any debt covenant, loan agreement, or other material contractual obligation? Yes No

If "Yes" for any of the above, attach a detailed explanation.

5. **EMPLOYMENT PRACTICES INFORMATION**

- | | | | |
|----|-----------------------------|--------------|---------------|
| A. | Employee count: | Current Year | Previous Year |
| | 1. Full time employees: | _____ | _____ |
| | 2. Part time employees: | _____ | _____ |
| | 3. Employees located in CA: | _____ | _____ |
| | 4. Employees located in TX: | _____ | _____ |
| | 5. Independent contractors: | _____ | _____ |
- B. Does the Applicant have written procedures in place regarding:
1. Equal Opportunity Employment? Yes No
 2. Prohibition of Discrimination? Yes No
 3. Prohibition of Sexual Harassment? Yes No
 4. Employment at Will? Yes No
 5. Progressive Discipline? Yes No
 6. Handling of complaints of sexual harassment or discrimination? Yes No
 7. ADA accommodation? Yes No

8. Hiring and firing of employees? Yes No

C. Does the Applicant:

1. Have a full time Human Resources (HR) manager or department? Yes No
2. Use any tests to screen applicants or employees for hiring, promotion or continued employment? Yes No
If "Yes", attach a description of such tests.
3. Have an employee handbook? Yes No
4. Distribute and record the receipt of the employee handbook to all employees? Yes No
5. Provide training regarding discrimination and sexual harassment prohibition policies for:
 - a. All Employees? Yes No
 - b. Officers and Managers? Yes No
6. Review all terminations with HR and/or legal counsel? Yes No
7. Have policies and procedures in place regarding:
 - a. Employee conduct when dealing with third parties? Yes No
 - b. Handling of complaints from third parties? Yes No

6. FIDUCIARY INFORMATION

A. Pension Benefit Plan Information

For each pension benefit plan proposed for coverage:

1. Provide the following information:

Plan Name	Type of Plan*	Total Assets (\$)	Annual Contributions (\$)	Number of Participants

* Defined Benefit (DB); Defined Contribution (DC); Employee Stock Ownership (ESOP); Excess Benefit or Top Hat (EB); Other (O)

2. Provide the name(s) of the following advisors:

Trustee: _____

Investment
Manager: _____

Plan
Administrator: _____

If there have been any changes in the above advisors within the past 3 years, attach a detailed explanation.

3. How often is the performance of each outside advisor evaluated?

4. If there is no independent investment manager, who is responsible for making investment decisions?

5. Are there any current investments in real estate or mortgages, guaranteed investment contracts, guaranteed annuity contracts or bank investment contracts? Yes No
If "Yes", provide percentages.

B. Employee Stock Ownership Plans

For each employee stock ownership plan ("ESOP") proposed for coverage:

1. Within the past 3 years, has any ESOP loaned money to, or invested in securities issued by, the Applicant? Yes No
If "Yes", attach a detailed explanation.
2. What percentage of ownership of the Applicant's stock does each ESOP hold?

3. By whom and how often is the ESOP's stock valued?

4. Who has the voting rights for the ESOP's allocated and unallocated shares of Applicant Stock?

C. Compliance and Plan Changes

For each pension benefit plan and welfare benefit plan proposed for coverage:

1. Have there been any mergers or terminations during the past year? Yes No

2. Has the Applicant experienced within the past year, or does it expect to experience in the next two years, any reductions in plan benefits? Yes No
If "Yes", attach a detailed explanation.
3. Does each plan comply with the plan agreements and ERISA? Yes No
If "No", attach a detailed explanation.
4. Has an actuary certified within the past year that each plan is adequately funded? Yes No
If "No", attach a detailed explanation.
5. Are there any outstanding delinquent contributions owed to any plans? Yes No
If "Yes", attach a detailed explanation.
6. Has any plan experienced an event reportable to the Pension Benefit Guaranty Corporation? Yes No
If "Yes", attach a detailed explanation.
7. Is any defined benefit pension plan proposed for coverage more than 25% underfunded? Yes No

7. **CRIME INFORMATION**

- A. Does the Applicant allow employees who reconcile monthly bank statements to also sign checks or handle deposits? Yes No
- B. Does an independent CPA provide a Management Letter to the Applicant? Yes No
If "Yes", attach the most recent copy and management's response to the letter.
- C. Does an annual external audit include all subsidiaries and joint ventures? Yes No
- D. Do the Applicant's external audits include all of its locations? Yes No
If "No", attach a detailed explanation.
- E. How often does the Applicant perform a physical inventory of stock and equipment? Who performs these reconciliations?
Frequency of inventories: _____
Identity of inventory reviewer: _____
- F. Does the Applicant conduct perpetual inventory of stock, including raw materials, manufactured or purchased goods, and scrap maintained? Yes No
- G. Number of foreign locations: _____ and countries: _____
- H. Are purchasing, inventory and payable procedures and controls consistent for all locations? Yes No
If "No", attach a detailed explanation.
- I. Does the Applicant perform pre-employment reference checks for all its potential employees? Yes No
If "No", attach a detailed explanation.
- J. Are procedures in place to verify the existence and ownership of all new vendors prior to adding them to the authorized master vendor list? Yes No

K. Does the Applicant verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment? Yes No

L. Describe the services the Applicant provides for clients:

8. **LOSS/CLAIMS INFORMATION (ALL COVERAGE PARTS)**

A. Regarding the coverage(s) applied for, has the Applicant given notice of any claim, circumstance, potential claim, or loss to any insurer? Yes No
If "Yes", attach a detailed explanation of all such claims, circumstances, potential claims, and losses.

B. Has the Applicant or any person or entity proposed for coverage been the subject of, or been involved in, any of the following during the past 5 years:

1. Anti-trust, copyright or patent litigation? Yes No
2. Civil or administrative proceeding alleging violation of any federal or state securities laws? Yes No
3. Any criminal proceeding? Yes No

If "Yes" for any of the above, attach a detailed explanation.

C. Regarding the coverage(s) applied for, has any insurer canceled or refused to renew any such coverage(s) within the past three (3) years? Yes No

D. Regarding the coverage(s) applied for, are there any pending claims against any person or entity proposed for coverage that may fall within the scope of such coverages? Yes No
If "Yes", attach a detailed explanation.

9. **PRIOR KNOWLEDGE (ALL COVERAGE PARTS)**

Does any person or entity proposed for coverage have any knowledge of or information concerning any actual or alleged act, error, omission, fact or circumstance which may result in a claim that may fall within the scope of coverage(s) applied for? Yes No
If "Yes", attach complete details.

IT IS AGREED THAT ANY CLAIM ARISING FROM, BASED UPON, OR ATTRIBUTABLE TO ANY ACTUAL OR ALLEGED ACT, ERROR, OMISSION, FACT OR CIRCUMSTANCE OF WHICH ANY SUCH PERSON OR ENTITY HAS ANY KNOWLEDGE OR INFORMATION WILL BE EXCLUDED FROM COVERAGE UNDER THE PROPOSED INSURANCE.

10. **ADDITIONAL INFORMATION**

Attach the following additional information:

- A. A copy of the most recent audited financial statements.
- B. Form 5500 for all pension plans proposed for coverage.

- C. For any ESOP proposed for coverage, a copy of the most recent stock valuation.
- D. A list of Directors and Officers and their biographical information.

The Applicant declares that the information in this Application and in the materials submitted herewith is true, accurate and complete. Signing this Application does not bind the Applicant to purchase insurance, but it is agreed that this Application shall be the basis of any insurance policy issued.

The information requested in this Application does not constitute notice under any policy of a claim or potential claim. All such notices must be submitted pursuant to the terms of the policy under which coverage is sought.

If there is any material change in the answers to the questions in this Application before the policy inception date, the Applicant must immediately notify the Insurer in writing. In such case, any outstanding quotation may be modified or withdrawn.

NOTICE: ANY PERSON WHO, KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON, SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION MAY BE GUILTY OF INSURANCE FRAUD

NOTICE TO ARKANSAS, LOUISIANA AND 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 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 in the third degree.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with the 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 MAINE APPLICANTS: It is a crime to 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.

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 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 claims 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 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 the 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 PUERTO RICO APPLICANTS: Any person who knowingly and with the intent to defraud, presents false information in an insurance request form, or who presents, helps, or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years, or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

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 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 include imprisonment, fines, and denial of insurance benefits.

This Application must be signed by any one of the following officials of the Applicant: Chief Executive Officer; President; Chief Operating Officer; or Chief Financial Officer.

Date: _____

Signature: _____

Title: _____

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