



**BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH  
 EXECUTIVE RISK INDEMNITY INC. (THE "COMPANY")**

**NOTICE: THE BPL FOR FINANCIAL INSTITUTIONS POLICY IS A CLAIMS MADE POLICY, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD" OR AN APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY "LOSS" WILL BE REDUCED, AND MAY BE EXHAUSTED, BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR ANY OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY.**

**APPLICATION INSTRUCTIONS**

1. Whenever used in this Application, the term "**Applicant**" shall mean the Parent Organization and all Subsidiaries.
2. Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.

**I. GENERAL INFORMATION**

1. a. Name of **Applicant**: \_\_\_\_\_
- b. Address of **Applicant**: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_
- c. Web address: \_\_\_\_\_
- d. Name of Primary Contact: \_\_\_\_\_
- e. Address of Primary Contact: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_

**II. SPECIFIC INFORMATION**

**A. INVESTMENT BANKING INFORMATION**

1. Year investment banking service established or purchased: \_\_\_\_\_
2. Total Number of Investment Banking Staff:
  - a. Underwriters \_\_\_\_\_
  - b. Analysts \_\_\_\_\_
  - c. Consultants \_\_\_\_\_
  - d. Traders \_\_\_\_\_
  - e. Compliance \_\_\_\_\_
  - f. All Other Employees \_\_\_\_\_

3. Total Number of Offices from which the **Applicant** transacts Investment Banking business: \_\_\_\_\_
4. Total Investment Banking Revenue for last two (2) years: \$ \_\_\_\_\_ \$ \_\_\_\_\_
5. Is the **Applicant** ever an adviser on mergers and acquisitions?  YES  NO
6. Does the **Applicant** ever provide fairness opinions relative to mergers, acquisitions or divestments?  YES  NO
7. Does the **Applicant** have Section 20 powers?  YES  NO
- If no**, is the Applicant filing for, or in the next 18 months does the **Applicant** anticipate filing for approval of Section 20 powers?  YES  NO
8. Does the **Applicant** have Tier II underwriting powers?  YES  NO
- If no**, is the **Applicant** filing for, or in the next 18 months does the **Applicant** anticipate filing for approval for Tier II powers?  YES  NO
9. Please list the **Applicant's** six (6) largest Investment Banking Clients:

	Name		Name
a.		d.	
b.		e.	
c.		f.	

10. Regarding underwriting, please fill in the blanks regarding the following lines of business:

LINE OF BUSINESS	PERCENT OF REVENUE	LARGEST ISSUE
a. Equity	_____	\$ _____ Lead <input type="checkbox"/> Follow <input type="checkbox"/>
b. Municipal Bond:		
(1) General Obligation	_____	\$ _____ Lead <input type="checkbox"/> Follow <input type="checkbox"/>
(2) Revenue	_____	\$ _____ Lead <input type="checkbox"/> Follow <input type="checkbox"/>
c. Corporate Debt	_____	\$ _____ Lead <input type="checkbox"/> Follow <input type="checkbox"/>
d. Asset Backed	_____	\$ _____ Lead <input type="checkbox"/> Follow <input type="checkbox"/>

11. What individual(s) and/or committee reviews each underwriting? \_\_\_\_\_  
 Check here if None

12. Indicate the **Applicant's** industry underwriting expertise:

- |                       |                          |            |                          |                |                          |
|-----------------------|--------------------------|------------|--------------------------|----------------|--------------------------|
| a. Financial Services | <input type="checkbox"/> | Technology | <input type="checkbox"/> | Manufacturing  | <input type="checkbox"/> |
| Healthcare            | <input type="checkbox"/> | Biotech    | <input type="checkbox"/> | Communications | <input type="checkbox"/> |
| Publishing            | <input type="checkbox"/> | Retail     | <input type="checkbox"/> | Broadcasting   | <input type="checkbox"/> |
| Other                 | <input type="checkbox"/> |            |                          |                |                          |

If Other, please describe: \_\_\_\_\_

- b. Does the **Applicant** expect any change(s) in the list above within the next 18 months?  YES  NO

If yes, please explain on a separate sheet.

13. Does the **Applicant** solicit business only from the **Applicant's** customers?  YES  NO

14. In which states or countries do you solicit Investment Banking business? (List up to your top 12)

State or Country		State or Country		State or Country	
a.		e.		i.	
b.		f.		j.	
c.		g.		k.	
d.		h.		l.	

15. a. Do clients sign a written investment banking contract or engagement letter with the **Applicant**?  YES  NO
- b. Does the contract/letter always contain an arbitration agreement?  YES  NO
- c. Please provide a copy of a standard contract/letter.

**B. PAST ACTIVITIES**

1. Has the **Applicant**, its subsidiaries or its directors and officers been involved in or have any knowledge of any fact or circumstance which may give rise to a claim under the proposed policy involving the following:
- a. Any antitrust, copyright, patent litigation or trademark infringement?  YES  NO
- b. Any civil or criminal action or administrative proceeding involving a violation of any federal or state security law or regulation?  YES  NO
- c. Any civil or criminal action or administrative proceeding involving a violation of any federal or state antitrust or Fair Trade Law?  YES  NO
- d. Any representative actions, class actions, or derivative suits?  YES  NO

If yes to any of the above, please provide, on a separate sheet, full details.

**Pertaining to Question 1, it is agreed that if the undersigned or any director or officer proposed for this insurance has any knowledge of any such fact or circumstance, any claim arising therefrom shall be excluded from coverage under the proposed insurance.**

2. Other than those stated in Question 1. (a. b., c. and d.) above, are there now pending, or has any claim been brought at any time during the last 5 years against the **Applicant** or any subsidiary of the **Applicant** or any of their past or present directors, officers, employees, or any predecessors in business that would be related to the proposed insurance?  YES  NO

If yes, please provide, on a separate sheet, full details.

**Pertaining to Question 2, it is agreed that any claim arising from such suits, claims or proceedings is excluded from the proposed coverage.**

3. Is the undersigned or any director or officer proposed for this insurance aware of any fact, circumstance, situation or wrongful act involving the **Applicant**, its Subsidiaries or the directors or officers of the **Applicant** or its Subsidiaries which the undersigned has reason to believe might result in any future claim which would fall within the scope of the proposed insurance?  YES  NO

If yes, please provide, on a separate sheet, full details.

**Pertaining to Question 3, it is agreed that if the undersigned or any director or officer proposed for this insurance is aware of any such fact, circumstance, situation or wrongful act, any claim subsequently arising therefrom shall be excluded from coverage under the proposed insurance.**

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### C. OTHER INFORMATION

Please attach the following **Applicant** information with this completed Application:

1. Latest C.P.A. Management Letter regarding investment banking activities and response.
2. Copies of all promotional material distributed in connection with any investment banking activity.

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### III. MATERIAL CHANGE:

If there is any material change in the answers to the questions in this Application and/or any attachments or other documents submitted with this Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

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### IV. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES

The **Applicant's** submission of this Application and/or any attachments or other documents submitted with this Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Application.

**THE UNDERSIGNED AUTHORIZED REPRESENTATIVES OF THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARE THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS MADE IN THIS APPLICATION AND/OR ANY SUPPLEMENTAL APPLICATION AND ANY ATTACHMENTS OR OTHER DOCUMENTS SUBMITTED WITH THIS APPLICATION ARE TRUE AND COMPLETE.**

The undersigned agree that this Application and such attachments and other documents shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information provided in this Application and/or any attachments or other documents submitted with this Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

**Notice to Arkansas, Minnesota, New Mexico and Ohio Applicants:** Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

**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 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.

**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 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 and Rhode Island 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, 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.

**Notice to Maryland Applicants:** Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully 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 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 Oklahoma Applicants:** Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony.

**Notice to Oregon and Texas Applicants:** Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

**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 Puerto Rico Applicants:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**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.

This Application must be signed by the chief executive officer and chief financial officer of the **Applicant** acting as the authorized representatives of the person(s) and entity (ies) proposed for this insurance.

Date	Signature	Title
_____	_____	<u>Chief Executive Officer</u>
_____	_____	<u>Chief Financial Officer</u>

**Information requested below is to be completed by Agent submitting Application**

<u>Produced By:</u> Agent: _____ Agency: _____
Agency Taxpayer ID or SS No.: _____ Agent License No.: _____
Address: _____
City: _____ State: _____ Zip: _____
<u>Submitted By:</u> Agency: _____
Agency Taxpayer ID or SS No.: _____ Agent License No.: _____
Address: _____
City: _____ State: _____ Zip: _____