



NEW YORK APPLICATION FOR PRIVATE CHOICE ENCORE!

NOTICE: THIS IS A CLAIMS-MADE POLICY. THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR WRONGFUL ACTS FOR WHICH CLAIMS ARE FIRST MADE WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO THE INSURER, DURING THE POLICY PERIOD, ANY SUBSEQUENT RENEWAL, OR ANY EXTENDED REPORTING PERIOD. THIS POLICY PROVIDES NO COVERAGE FOR CLAIMS ARISING OUT OF WRONGFUL ACTS WHICH OCCURRED PRIOR TO ANY APPLICABLE RETROACTIVE DATE. THE INSURED WILL HAVE THE OPTION TO PURCHASE A ONE, TWO OR THREE YEAR EXTENDED REPORTING PERIOD. THE PREMIUM FOR THE EXTENDED REPORTING PERIOD SHALL BE AS FOLLOWS:

ONE YEAR – 100% OF THE ANNUAL PREMIUM
TWO YEARS – 150% OF THE ANNUAL PREMIUM
THREE YEARS – 200% OF THE ANNUAL PREMIUM

COVERAGE GAPS MAY ARISE AT THE EXPIRATION OF THE POLICY, AUTOMATIC EXTENDED REPORTING PERIOD OR OPTIONAL EXTENDED REPORTING PERIOD. DURING THE FIRST SEVERAL YEARS OF THE CLAIMS MADE RELATIONSHIP, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES, AND THE INSURED CAN EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF THE OVERALL RATE LEVEL INCREASES, UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

THIS POLICY IS WRITTEN ON A DEFENSE WITHIN THE LIMITS BASIS. THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSS, INCLUDING JUDGMENT OR SETTLEMENT AMOUNTS, SHALL BE REDUCED OR MAY BE COMPLETELY EXHAUSTED BY AMOUNTS INCURRED FOR LEGAL DEFENSE AND OTHER CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE AND OTHER CLAIMS EXPENSES SHALL BE APPLIED AGAINST THE APPLICABLE DEDUCTIBLE. ONCE THE LIMIT OF LIABILITY IS EXHAUSTED, THE INSURER SHALL NOT BE LIABLE FOR LEGAL DEFENSE COSTS, OTHER CLAIM EXPENSES OR FOR THE AMOUNT OF ANY JUDGEMENT OR SETTLEMENT.

1. GENERAL INFORMATION

- a) Name of Company:
- b) Address:
- c) Nature of Business:
- d) Date of Incorporation:
- e) State of Incorporation:
- f) Internet Address:

2. COVERAGE REQUESTED

- a) Coverage Parts and Features Requested with desired Limit (Indicate with 'x')
- Directors & Officers Limit: _____
 Entity Liability (Included in D&O Coverage Part Limit)
 - Employment Practices Liability Limit: _____
 3rd Party Liability (Included in EPL Coverage Part Limit) Limit: _____
 - Fiduciary Liability Limit: _____
 Settlement Program Coverage (Sub-limit of \$100,000
in Fiduciary Liability Coverage Part) Limit: \$100,000
 - Miscellaneous Professional Liability Limit: _____
- b) Please indicate if an Aggregate Limit for all purchased Coverage Parts is desired __ Yes __ No
- c) Proposed Effective Date: _____
- d) Please indicate if an option for Defense Outside the limit is desired __ Yes __ No

3. COMPANY INFORMATION

- a) For the current and previous years, please list the following Employee information
- | | | |
|-------------------------|-------|-------|
| Year | _____ | _____ |
| Total Employees | _____ | _____ |
| Full Time | _____ | _____ |
| Part Time | _____ | _____ |
| Seasonal | _____ | _____ |
| Leased | _____ | _____ |
| Temporary | _____ | _____ |
| Union | _____ | _____ |
| Independent Contractors | _____ | _____ |
- b) Please also list the following for the most recent two years
- | | | |
|---------------------------|-------|-------|
| Year | _____ | _____ |
| Involuntary Terminations: | _____ | _____ |
| Resignations: | _____ | _____ |
| Retirees: | _____ | _____ |
| Layoffs: | _____ | _____ |
- c) Please list the total number of employees in the following jurisdiction. If any employees are located outside the United States its territories and possessions or Canada, please indicate on a separate attachment.
- MICHIGAN _____
- TEXAS _____
- CALIFORNIA _____
- OTHER _____
- d) Please list all Subsidiaries for which coverage is desired (attach separate sheet if necessary):

<u>NAME</u>	<u>NATURE OF BUSINESS</u>	<u>DATE ACQ. OR CREATED</u>	<u>PERCENTAGE OWNED</u>	<u>STATE/COUNTRY OF INCORPORATION</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- e) Has the Company experienced within the past 2 years or does the Company expect any of the following events within the next 2 years (if yes, please provide details attach separate sheet if necessary):
- acquisition of any other entity larger than 25% of the total assets of the company? Yes No.
merger with any other entity? Yes No.
any restructuring or legal or financial reorganization or filing for bankruptcy? Yes No.
write-downs, charges, or sale, distribution or divestiture of any assets? Yes No.
any downsizing, layoffs, reduction in force, plant or office closings ? Yes No
any restatement(s) of assets? Yes No
- f) Is the Company currently or has it at any time over the last year been in breach or violation of any debt covenant or loan agreement or any other material contractual obligation? If yes, please provide details (attach separate sheet if necessary). Yes No.
- g) Has the Company changed auditors in the past year? If yes, please provide details (attach separate sheet if necessary). Yes No.
- h) Has the Company auditors informed the Company of any disagreements or weaknesses with its accounting practices? If yes, please provide details. (attach separate sheet if necessary). Yes No.

4. DIRECTORS & OFFICERS COVERAGE PART (Complete Only if this Coverage Part is Requested)

- a) Total number of common shares outstanding:
- b) Total number of common shareholders:
- c) Total number of common shares held directly or beneficially by Directors and Officers:
- d) Describe fully any other securities convertible to common shares:
- e) Give names and percent owned of any shareholders who hold, directly or beneficially, 5% or more of the common shares outstanding:
- f) Have there been any changes in executive officers or directors during the past year or do they expect any within the next year? Yes No.
- g) Has the Company retained or does it currently plan on retaining an investment banker or financial advisor to increase or maximize shareholder value? Yes No.
- h) Is the Company currently considering a private or public offering of any securities within the next year? Yes No.
- i) Does the Company or any of its Subsidiaries, including the Directors and Officers thereof, presently act or plan to act in the capacity of General Partner in any Limited or General Partnership? Yes No.
- j) Has the Company, or anyone for whom insurance is intended, been involved in:
any antitrust, copyright or patent litigation? Yes No.
any civil or criminal action or administrative proceeding alleging a violation of any federal or state security law or regulation? Yes No.
any representative actions, class actions, or derivative suits? Yes No

If the answer is yes to any of the above questions, please provide details (attach separate sheet if necessary)

5. EMPLOYMENT PRACTICES LIABILITY COVERAGE PART (Complete Only if this Coverage Part is Requested)

- a) Are the following policies or procedures contained in the employee handbook? If no handbook, are they distributed to each employee and/or posted?
 - Sexual Harassment __ Yes __ No
 - Discrimination __ Yes __ No
 - Equal Opportunity __ Yes __ No
 - Americans with Disabilities Act __ Yes __ No
 - “Employment-At-Will” wording? __ Yes __ No
- b) Does each employee sign acknowledgement of these procedures? __ Yes __ No
- c) Does the Company have written procedures for:
 - Discipline __ Yes __ No
 - Termination __ Yes __ No
 - Performance Evaluations __ Yes __ No
 - Employment Related Disputes __ Yes __ No
- d) Has legal counsel approved the aforementioned policies? __ Yes __ No
- e) Are employee performance evaluations conducted on an annual basis? __ Yes __ No
- f) Are exit interviews mandatory? __ Yes __ No
- g) Does the Company Maintain Personnel Files for all Employees? __ Yes __ No
- h) Has the applicant experienced any complaints charges or hearings involving any of the following:
 - Title VII of the Civil Rights Act of 1964 __ Yes __ No
 - Age Discrimination in Employment Act __ Yes __ No
 - The Americans with Disabilities Act __ Yes __ No
 - The Equal Employment Opportunity Commission __ Yes __ No
 - The Family and Medical Leave Act __ Yes __ No
 - Any State or Local Government agency as respects Employment Practices Liability. __ Yes __ No

If the answer is yes to any part of question h), please provide details (attach separate sheet if necessary)
- i) Does the Company have a Human Resources Department? __ Yes __ No
 If not, who handles Human Resource functions? _____
 Who handles Human Resource functions at locations other than your principal place of business? _____
 Who has the authority to hire and terminate employees? _____

6. FIDUCIARY LIABILITY COVERAGE PART (Complete Only if this Coverage Part is Requested)

a) For Each Plan to be covered, Please list the following:

PLAN NAME	PLAN TYPE*	NUMBER OF PARTICIPANTS	PLAN STATUS (Active, Merged, Terminated, Frozen, etc.)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

*Defined Benefit (DB), Defined Contribution (DC), Welfare (W) or Other (O).

- b) Does the plan conform to ERISA? __ Yes __ No
- c) Has the Company, any plan, or plan fiduciary been accused or found guilty of a breach of fiduciary duty or violation of ERISA? __ Yes __ No
- d) Does any plan hold or provide the option to invest in the securities of the company or any subsidiary? If yes, please list the percentage that the securities comprise that plan’s total assets. __ Yes __ No
- e) During the past 2 years has there been, or during the next year do you anticipate any reduction in benefits? __ Yes __ No

- f) Has any plan been investigated by the DOL, IRS or any other regulatory agency in the past 2 years? Yes No
- g) Has the IRS threatened to withdraw the tax-exempt status of a plan? Yes No
- If there is an adverse response to any question above, please provide details (attach separate sheet if necessary).**

7. MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART (Complete Only if this Coverage Part is Requested)

For the services listed below, please give an approximate percentage breakdown derived from each professional service (attach a separate sheet if necessary).

Type of Service	Percentage of Receipts	
_____	_____	%
_____	_____	%
_____	_____	%
_____	_____	%
		Total = 100%

List the total gross receipts for the past two years, projected receipts for the coming year derived from the services for which coverage is desired and total number of transactions.

Year	Gross Receipts	Transactions Projects
_____	_____	_____
_____	_____	_____
_____	_____	_____

- a) Is legal counsel consulted in using written contracts with clients? Yes No
- b) Does the Company use Subcontractors? If yes, please list separately Yes No
- c) Does the Company require Subcontractors to carry Errors and Omissions Insurance? Yes No
- d) Does the Company use contracts containing hold harmless agreements with Subcontractors? Yes No

8. PREVIOUS INSURANCE:

Please provide the following details regarding the Company's Current Insurance programs:

PRODUCT	INSURER	LIMIT	SIR	PERIOD FROM/TO	PREMIUM
D&O	_____	_____	_____	_____	_____
EPL	_____	_____	_____	_____	_____
Fiduciary	_____	_____	_____	_____	_____
MPL/E&O	_____	_____	_____	_____	_____
GL	_____	_____	_____	_____	_____
Work Comp	_____	_____	_____	_____	_____
Fidelity/Crime	_____	_____	_____	_____	_____

9. PRIOR KNOWLEDGE (RENEWAL APPLICANTS: Question 9. need not be answered).

Does anyone for whom insurance is being applied have any knowledge or information of any error, misstatement, misleading statement, act, omission, neglect, breach of duty or other matter that may rise to a claim which may fall within the scope of coverage of the proposed insurance? Yes No.

If yes, provide complete details.

IT IS AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM BASED ON, ARISING FROM, OR IN ANY WAY RELATING TO SUCH ERROR, MISSTATEMENT, MISLEADING STATEMENT, ACT, OMISSION, NEGLIGENCE, BREACH OF DUTY OR OTHER MATTER OF WHICH THERE IS KNOWLEDGE OR INFORMATION SHALL BE EXCLUDED FROM COVERAGE UNDER THE INSURANCE BEING APPLIED FOR.

10. LOSS HISTORY (RENEWAL APPLICANTS: Question 10. need not be answered). If yes, provide complete details.

a) Provide details of any actual or potential claims reported under prior insurance for which this policy would provide coverage (if none, so state). Yes No

b) Has any Insurer cancelled or refused to renew any Directors and Officers, Employment Practices, Fiduciary or Miscellaneous Professional Liability Insurance or similar insurance within the past 3 years? Yes No.

*** MISSOURI APPLICANTS NEED NOT REPLY.**

c) Are there any pending claims or demands against the Company or anyone for whom this insurance is intended that may fall within the scope of coverage afforded by any similar insurance presently or previously in effect? Yes No.

d) Has anyone for whom this insurance is intended given notice under the provisions of any other previous or current similar insurance policy of any facts or circumstances which may give rise to a claim being made against the Company and/or anyone for whom this insurance is intended? Yes No.

REGARDING THESE QUESTIONS C & D, IT IS AGREED THAT IF ANY SUCH CLAIMS, DEMANDS OR NOTICES EXIST, ANY CLAIM BASED UPON, ARISING FROM OR IN ANY WAY RELATED TO SUCH MATTERS SHALL BE EXCLUDED FROM THE INSURANCE BEING APPLIED FOR.

MATERIALS REQUESTED:

As an attachment to this Proposal, please include the following (where applicable):

For all Applications:

- Most recent audited Financial Statement or Annual Report and CPA opinion
- Latest CPA letter to management and any written response thereto.
- Other Information deemed necessary by the Underwriter

If Purchasing the D&O Coverage Part

- Any prospectus or private placement memorandum (if purchasing coverage)
- Complete list of all Directors and Officers to include their name, position, and affiliation with any other outside organizations

If purchasing EPL Coverage Part:

- Employee Handbook
- Employment Application
- EEO-1 Report (if required by the EEOC)

If purchasing Fiduciary Liability:

- Plan Audit or Form 5500 for all Pension and Welfare plans to be covered by this policy. (if purchasing coverage)

If purchasing MPL Coverage Part:

- Resumes of Principals

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 MATERIAL FACT THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL BE ALSO SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE. THE "EFFECTIVE DATE" IS THE DATE THE COVERAGE IS BOUND OR THE FIRST DAY OF THE CURRENT POLICY PERIOD, WHICHEVER IS LATER.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER OR THE PRESIDENT OF THE COMPNAY

SIGNATURE _____

TITLE: _____ DATE _____

NAME OF AGENCY _____

ADDRESS _____

LICENSE NUMBER _____