



BY COMPLETING THIS NEW BUSINESS APPLICATION THE APPLICANT IS APPLYING FOR COVERAGE WITH FEDERAL INSURANCE COMPANY (THE "COMPANY")

NOTICE: THE LIABILITY COVERAGE PARTS PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE NEW BUSINESS APPLICATION CAREFULLY BEFORE SIGNING.

APPLICATION INSTRUCTIONS

- Whenever used in this Application, the term "**Applicant**" means the parent organization and all subsidiaries applying for this insurance, unless otherwise stated.
- Include all requested underwriting information and attachments.

I. ACCOUNT INFORMATION

1. Name of **Applicant**: _____
2. **Applicant's** Principal Address: _____
City: _____ State: _____ Zip Code: _____
3. Year Established: _____ Web site address: _____
4. SIC Code: _____
5. Does the **Applicant** have any subsidiaries which provide financial services, healthcare services or employee leasing services to others? Yes No
6. Is this **Applicant** formed as a partnership or limited partnership or does it or any of its subsidiaries act as a general partner for another organization? Yes No
7. Is the **Applicant** a Voluntary Employee Benefits Association, or does the **Applicant** sponsor and/or participate in a Multiple Employer Trust that includes participants who are not employees of the **Applicant**? Yes No
8. Is this **Applicant** a Public/Governmental Entity, a Tax Exempt/Nonprofit Entity, an organization with Publicly Traded/Issued Securities or an organization subject to Tribal Law? Yes No
9. Has the **Applicant** in the last 12 months completed (or is the **Applicant** anticipating in the next 12 months) any:
 - a. Merger, acquisition or divestment of more than 25% of the **Applicant's** assets? Yes No
 - b. Reorganization or material change in any arrangement with lenders bondholders, financiers or other significant creditors, whether or not under federal or state law? Yes No
 - c. Layoffs or reduction in workforce of 5% or more of its workforce? Yes No
 - d. Change in outside auditors for reasons other than to obtain lower cost services or as part of a scheduled review of service providers? Yes No



II. REQUESTED COVERAGE:

Coverage Sections Requested	Limit of Liability Requested	Retention Requested
<input type="checkbox"/> Directors & Officers Liability and Entity Liability		
<input type="checkbox"/> Employment Practices Liability		
<input type="checkbox"/> Fiduciary Liability		
<input type="checkbox"/> Crime		

- Effective Date: _____
- Crime Bundle: _____

Crime Bundles include the following Insuring Clauses:

- **Bundle 1** - Employee Theft, Client Coverage, Expense Coverage
- **Bundle 2** - Employee Theft, Premises, Transit, Forgery, Computer Fraud, Funds Transfer, Client Coverage, Expense Coverage
- a. **Bundle 3** - Employee Theft, Premises, Transit, Forgery, Computer Fraud, Funds Transfer, Money Orders, Credit Cards, Client Coverage, Expense Coverage

III. EXPOSURE INFORMATION:

- Total Revenues: _____
- Total Employee Benefit Plan Assets (only required if requesting Fiduciary Liability): _____
- Number of Locations – U.S.: _____
- Number of Locations – Outside U.S.: _____
- Employee Count:
 - Full Time Employees: _____
 - Part-Time Employees (incl. Leased and Seasonal): _____
 Considering Total Number of Employees above, how many are:
 - Located in California: _____
 - Located Outside the U.S.: _____
 - Independent Contractors: _____



IV. DIRECTORS & OFFICERS AND ENTITY LIABILITY:

Additional Financial Information

1. Please provide the following information for the **Applicant's** most recent fiscal year end:

Current Assets	\$	Retained Earnings	\$
Total Assets	\$	Net Income	\$
Current Liabilities	\$	Taxes	\$
Total Liabilities	\$	Interest Expense	\$

2. Does the **Applicant** perform any professional services for a fee? Yes No
3. Do the directors and officers own 100% of the **Applicant's** stock? Yes No
 - a. If "No", does any entity own or control, directly or through one or more subsidiaries, more than fifty percent (50%) of the **Applicant's** voting shares? Yes No
 - b. If "No", does any shareholder who is NOT a director or officer have 10% or more ownership of the **Applicant**? Yes No
 - c. If "Yes",
 - i. Is the **Applicant** owned by an ESOP? Yes No
 - ii. Is the **Applicant** private equity or venture capital backed? Yes No
 - iii. Does any family member who does not sit on the board own 10% or more of the voting stock of the **Applicant**? Yes No
4. Does the family collectively own 20% or more of the voting stock of the **Applicant** without family representation on the board? Yes No
5. If "Yes", Please provide the family name holding 20% or more of the stock: _____
6. Has the **Applicant** ever received a qualified or adverse opinion on their financial statements from its auditors in the last 3 years? Yes No
7. Is the **Applicant** currently (or during the past 12 months has the **Applicant** been) in breach or in violation of any debt covenant? Yes No
8. Has the **Applicant** in the last 24 months had any (or is the **Applicant** anticipating in the next 12 months) any:
 - a. Public or private offering of securities? Yes No
 - b. Unplanned change in directors or senior executive officers other than due to illness? Yes No
9. During the past five years has the **Applicant** or any person proposed for coverage been the subject of, or been involved in, any of the following:
 - a. Any anti-trust, copyright or patent litigation? Yes No
 - b. Deceptive trade practices or consumer fraud? Yes No
 - c. Civil, criminal or administrative proceeding alleging violation of any federal or state securities laws? Yes No
10. Has any claim, other than noted above, been brought at any time against any **Applicant** or any proposed insured individual in his or her capacity as a director or officer of any entity? Yes No



V. EMPLOYMENT PRACTICES LIABILITY:

1. Does the **Applicant** have written procedures in place regarding the following:
 - a. Equal opportunity employment? Yes No
 - b. Anti-discrimination? Yes No
 - c. Anti-sexual harassment? Yes No
2. For **Applicants** with a total employee count greater than 250 employees, does the **Applicant** have written procedures in place regarding:
 - a. Employment at will? Yes No
 - b. Progressive discipline? Yes No
 - c. Handling complaints of sexual harassment or discrimination? Yes No
 - d. ADA accommodations? Yes No
 - e. Background checks in hiring process? Yes No
3. Does the **Applicant** have established policies and procedures outlining employee conduct when dealing with third parties, including responding to complaints? Yes No
4. For **Applicants** with a total employee count greater than 50 employees, is the **Applicant** a Federal Contractor? Yes No
 - a. If "Yes",
 - i. Does the **Applicant** currently have an affirmative action plan in place? Yes No
 - ii. Has the **Applicant** been subject to an OFCCP audit which has resulted in a conciliation, consent agreement and/or settlement agreement with the OFCCP? Yes No
5. Indicate percentage of salaries in each range (should total 100%):

Up to \$60,000	%
\$60,001 to \$120,000	%
Over \$120,000	%
6. During the past three years has any **Applicant**, in any capacity, experienced:
 - a. An EEOC charge or other similar administrative proceeding? Yes No
 - i. If "Yes", more than two? Yes No
 - b. An employment-related civil suit or claim (including EEOC charge) resulting in payment (including defense costs) in excess of \$10,000? Yes No
 - c. Any action or civil suit brought against them by a customer, client or third party alleging harassment, discrimination, or civil rights violations? Yes No
7. Has the **Applicant** committed any violations of, or paid any claims related to "Wage and Hour" laws? Yes No

VI. FIDUCIARY LIABILITY:

1. Does the **Applicant** sponsor benefit plans other than Health or Welfare benefit plans? Yes No
 - a. If "Yes", does the **Applicant** sponsor any defined benefit retirement plans, Employee Stock Ownership Plans (ESOP) or have securities of the **Applicant** within any plan? Yes No
2. Does the **Applicant** handle any investment decisions in-house? Yes No
3. Are any of the **Applicant's** employee benefit plans NOT in compliance with plan agreements or ERISA? Yes No
4. In the past 3 years, has the **Applicant** merged, terminated or frozen any plan(s)? Yes No



5. With regard to the **Applicant's** employee benefit plans, has any fiduciary been:
 - a. Accused of, found guilty of, or held liable for a breach of trust? Yes No
 - b. Convicted of criminal conduct? Yes No
6. In the past 5 years, has there been any assessment of fees, fines or penalties against any of the **Applicant's** employee benefit plans under any voluntary compliance resolution program or similar voluntary settlement program administered by the IRS, DOL or other government authority? Yes No
7. Have any claims (other than for benefits under 29 C.F.R. § 2560.503-1(h) or similar procedures pursuant to applicable law) been made during the past 5 years against any **Applicant**, any **Applicant's** employee benefit plans, or any past or present individual in his or her capacity as a fiduciary of any employee benefit plan? Yes No

VII. CRIME:

1. Does the **Applicant** maintain a list of authorized vendors? Yes No
2. Does the **Applicant** have a procedure in place to verify the existence and ownership of new vendors prior to adding them to the authorized master vendor list? Yes No
3. Does the **Applicant** verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payments? Yes No
4. Does the **Applicant** allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits? Yes No
5. Does the **Applicant** perform pre-employment reference checks for all its potential employees? Yes No
6. Do the **Applicant's** external audits include all of its locations, subsidiaries, and joint ventures? Yes No
7. Does the **Applicant** strictly comply with dual recorded authorization for all outgoing electronic funds transfers? Yes No
8. Does the **Applicant** use independent contractors? Yes No
 - a. If "Yes",
 - i. Are reference checks performed for the independent contractors? Yes No
 - ii. Do the independent contractors have custody or control over any funds, accounts or property of the **Applicant**? Yes No
 - iii. Are the independent contractors subject to the same internal control procedures that apply to the **Applicant's** employees? Yes No
9. Does the **Applicant** have physical inventory? Yes No
 - a. If "Yes", do they perform a physical inventory check at a minimum annually? Yes No
10. Does the **Applicant** have custody or control over any funds, accounts, or materials of any of its clients? Yes No
11. In the past five years:
 - a. Number of Claims / Losses: _____
 - b. Largest Single Claim / Loss (\$): _____
 - c. Total Value of Claims / Losses (\$): _____



VIII. PRIOR INSURANCE (NOTICE - APPLICABLE TO THE LIABILITY COVERAGE PARTS ONLY)

1. Please complete the chart below, indicating those coverages currently purchased.

<u>Liability Coverage</u>	<u>Yes</u>	<u>No</u>	<u>Insurer</u>	<u>Limit</u>	<u>Retention</u>
Directors & Officers and Entity Liability	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$
Employment Practices Liability	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$
Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$

2. If the **Applicant** is applying for any Liability Coverage Part(s) as indicated in Question 1 above, please attach a copy of all applications containing a signed warranty and any other warranty statements completed in the past 3 years and submitted to any prior insurers.

IX. WARRANTY: PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES/SITUATIONS

1. The **Applicant** must complete the warranty statement below:
- For any Liability Coverage Part for which coverage is requested and is not currently purchased, as indicated in the PRIOR INSURANCE section, Question 1 of this Application; or
 - If the **Applicant** is requesting larger limits than are currently purchased, as indicated in the PRIOR INSURANCE section, Question 1 of this Application.

The statement applies to those coverage types for which no coverage is currently maintained; and any larger limits of liability requested.

For Alaska, Florida, Georgia, Kansas, Kentucky, Maine, Nebraska, New Hampshire, North Carolina, Oklahoma, Oregon, Virginia, Washington and West Virginia Residents ONLY: the title of this section and any other reference to "Warranty" is deleted and replaced with "**Applicant Representation**".

No person or entity proposed for coverage is aware of any fact, circumstance, or situation which he or she has reason to suppose might give rise to any claim that would fall within the scope of the proposed Liability Coverage Part(s):

NONE or, except:

Without prejudice to any other rights and remedies of the Company, the **Applicant** understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed in response to Question 1 above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Company.

X. MATERIAL CHANGE

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



XI. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES

The **Applicant's** submission of this New Business 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 agents 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 in 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 requested in this New Business 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, 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 5`UVUa UUbX`Maryland Applicants: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or 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.



**Chubb Group of Insurance
Companies**
15 Mountain View Road
Warren, New Jersey 07059

ForeFront Portfolio 3.0SM
DecisionPoint NEW BUSINESS APPLICATION
(For Private Companies with up to 500 Employees)

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.

SIGNATURE OF APPLICANT'S AUTHORIZED REPRESENTATIVE

Date	Signature*	Title
_____	_____	_____

*This New Business Application must be signed by the chief executive officer, president, or chief financial officer of the **Applicant's** parent organization acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Please attach a copy of the following for every **Applicant** seeking coverage:

- Most recent annual financial statement, audited if outside audits are performed.

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