

CORPORATE FIDUCIARY LIABILITY INSURANCE SMALL BUSINESS APPLICATION

Notice: The policy for which application is made applies, subject to its terms, only to any claim first made or deemed made against the *Insured* during the *Policy Period* or any applicable *Extended Reporting Period*. This policy provides that the limit of liability available to pay judgments or settlements may be reduced by *Claim Expenses*, and that *Claim Expenses* may be applied against any applicable deductible.

Plans meeting the following criteria are eligible to purchase a policy limit of \$100,000.00 for an annual premium of \$150.00 (subject to no discounts or surcharges):

- Sponsor is a single employer;
- Not more than 25 participants;
- Premium is not paid from Plan Assets;
- All contributions are remitted to a financial institution (insurance company, bank, mutual fund) which handles all investments and/or insurance obligations.

1. GENERAL INFORMATION:

Name of Plan(s) to be Insured: _____
(attached separate for additional plans)

Name of Sponsor Organization: _____

Sponsor's Address: _____

Description of Sponsor's Business: _____

Is the Sponsor Organization a Single Employer? Yes No Years in Business: _____

2. PRIOR COVERAGE (select one):

New policy with no Prior Coverage

New Policy with Prior Similar Coverage with another Insurance Company

Are there any pending claims? Yes No

Prior similar coverage has been continuously in effect since _____

At the time of the original application to the insurer who wrote such coverage, was any fiduciary aware of circumstances which might have resulted in a claim being made against any plan or any of the current or past fiduciaries? *(If Yes, provide details)* Yes No

	<i>Name of Prior Insurance Carrier</i>	<i>Limit of Liability</i>	<i>Deductible</i>	<i>Expiring Premium</i>	<i>Policy Period</i>
<i>Expiring Year</i>	_____	\$ _____	\$ _____	\$ _____	_____

3. COVERAGE REQUESTED:

Limit of Liability: \$100,000.00

Deductible \$0

Policy Period From _____ to _____

4. PREMIUM PAYABLE: Annually 3 Year Prepaid

5. RECOURSE INFORMATION:

Will funds from the Plan be used to purchase this insurance? Yes No

If "Yes," plan and sponsor are not eligible for the small business coverage.

6. PLAN INFORMATION:

A. Complete the following for all Plans and attach a separate schedule, if necessary

Under **Status**, Insert the appropriate letter:

- A. Benefits exclusively from insurance or annuity contracts
- B. Investments handled by bank or trust company
- C. Investment Manager appointed (ERISA 402 c (3))
- D. Investments under Plan or Sponsor control

Under **Type**, Insert the appropriate number:

- 1. Defined Benefit
- 2. Defined Contribution
- 3. Welfare
- 4. Other (specify - including cash balance plan)

Plan Name	Reporting Year	Status <i>(see Above)</i>	Type <i>(see above)</i>	Asset Value	Contributions	Number of Participants
				\$	\$	
				\$	\$	
				\$	\$	
				\$	\$	
				\$	\$	

B. If any benefits are from insurance or annuity contracts, please fill in the following. Use separate attachment if necessary.

- a) Plan name: _____ Insurance Carrier: _____
- b) Plan name: _____ Insurance Carrier: _____
- c) Plan name: _____ Insurance Carrier: _____

7. PLAN UNDERWRITING:

A. Are there procedures in place to ensure that each Plan is administered according to its terms, and that it complies with ERISA, the Internal Revenue Code of 1986, and other applicable laws and regulations? Yes No

B. Please answer the following questions. *(Attach a separate explanation for any "Yes" response)*

- a) Has any Plan filed for exemption from a prohibited transaction? Yes No
- b) Does any Defined Benefit Pension Plan have a funding deficiency? Yes No
- c) Has the Internal Revenue Service withdrawn the tax-exempt status of any Plan, or is there any pending withdrawal? Yes No
- d) Does any Plan hold employer securities or real property in violation of, or in excess of amounts permitted by ERISA? Yes No
- e) Is any Plan loan, lease or debt obligation in default or classified as uncollectible? Yes No
- f) Has any Plan received an adverse opinion as respects its financial condition by an independent CPA? Yes No
- g) Has any person acting as a fiduciary of any Plan been:
 - i) accused or found guilty of a criminal act? Yes No
 - ii) refused coverage under a fidelity bond? Yes No
- h) Does the Plan(s) meet the ERISA standards of eligibility, participation, vesting, funding and other provisions? Yes No
 - i) Has the Plan(s) been reviewed to assure no violations of prohibited transactions and party-in-interests rules? Yes No
 - j) Has there been any merger, transfer of assets or termination of a Plan(s) completed or agreed to within the last 36 months? Yes No
 - k) Is any merger, transfer of assets or termination of a Plan(s) anticipated within the next 12 months? Yes No

8. OTHER:

A. During the past five years, have any claims or suits been brought against any plan, entity or person proposed for this insurance? Yes No

(Please attach a separate sheet to explain a "Yes" response. Include loss payment and defense costs)

- B. Do any persons proposed to be covered by this insurance have any knowledge Yes No or information of any fact, circumstance or situation which may reasonably give rise to any claim that would fall within the scope of the proposed insurance? **(Please attach a separate sheet to explain a "Yes" response.)**

Without prejudice to any other rights or remedies of the Company, any claim arising from any fact, circumstance or situation required to be disclosed in response to Questions 8A and 8B is excluded from the proposed insurance. Further, for the purpose of this Application, the Undersigned Authorized Agent of the person(s) and entity(ies) proposed for this insurance declares that, to the best of his/her knowledge and belief, after reasonable inquiry, the statements herein are true and complete. Additionally, the information contained and submitted with this Application is on file with the Company and along with the Application is considered attached to the policy. The Company will have relied upon the Application and Attachments in issuing any Policy and this Application will become part of the Policy if issued.

The Undersigned declares that the persons(s) entity(ies) proposed for this insurance understand:

- **This policy applies only to "Claims" first made during the "Policy Period," or, if purchased, any "Extended Reporting Period."**
- **The Limit of Liability available to pay damages or settlements may be reduced by "Claim Expenses," and "Claim Expenses" may be applied against the Deductible.**

Sponsor Organization: _____
By: _____
Print Name and Title: _____
Date: _____

Note: This Application must be signed by representative of the Sponsor Organization acting as the authorized agent of the person(s) and entity(ies) proposed for this insurance.

UTAH SUPPLEMENT

This application is amended as follows:

The Company will have relied upon the Application and Attachments in issuing any policy. The information contained in and submitted with this Application, along with the Application, will be considered part of the policy and will be attached to the policy at the time of its delivery.

INSURANCE FRAUD WARNING

Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance, or a statement of claim containing any false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime in certain jurisdictions.

IMPORTANT STATE SPECIFIC INFORMATION

Applicable in California:

Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Applicable in Florida and Idaho:

Any person who Knowingly and with the intent to injure, Defraud, or Deceive any Insurance Company Files a Statement of Claim Containing any False, Incomplete or Misleading information is Guilty of a Felony.*

*In Florida - Third Degree Felony

Applicable in Indiana:

A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

Applicable in Kentucky and New Jersey:

Any person who knowingly and with intent to defraud any insurance company or other persons, files a 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, subject to criminal prosecution and civil penalties.

Applicable in Maryland:

Any person who, with intent to defraud or knowingly that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Applicable in Michigan:

Any person who knowingly and with intent to injure or defraud any insurer submits a claim containing any false, incomplete, or misleading information shall, upon conviction, be subject to imprisonment for up to one year for a misdemeanor conviction or up to ten years for a felony conviction and payment of a fine of up to \$5,000.00.

Applicable in Minnesota:

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

Applicable in Nevada:

Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

Applicable in New Mexico

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.

Applicable in Ohio:

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 or deceptive statement is guilty of insurance fraud.

Applicable in Oregon:

Any person who with an intent to knowingly defraud any insurance company or other person, files an application for insurance, or a statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, may be guilty of insurance fraud..

Applicable in Oklahoma:

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,

Applicable in Pennsylvania:

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.

Applicable in Texas:

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.

Applicable in Virginia

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.