STARSTONE SPECIALTY INSURANCE COMPANY

MAIN FORM APPLICATION Reset

PUBLIC COMPANY LIABILITY INSURANCE

APPLICATION FOR CLAIMS-MADE AND REPORTED PROFESSIONAL LIABILITY INSURANCE POLICY, LIMITED TO ONLY THOSE CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE INSURER DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE.

THIS APPLICATION APPLIES TO MANY COVERAGE PARTS. ACCORDINGLY, IT IS ONLY NECESSARY TO COMPLETE THOSE PORTIONS OF THIS APPLICATION THAT EXPLICITLY APPLY TO:

(i) ALL COVERAGE PARTS; AND

(ii) THOSE PARTICULAR COVERAGE PARTS FOR WHICH COVERAGE IS CURRENTLY BEING SOUGHT.

It is agreed that in granting coverage under this Policy, the Insurer has relied upon the information and materials described below and any other material submitted by the Applicant in connection with the underwriting of this Policy.

Applicant Name

Street Address | Suite

City | County | State | Zip Code

FEIN | Website Address

Officer designated to receive correspondence and notices from the Insurer:

Primary Contact Name | Title

Email | Telephone Number | Fax Number

I. GENERAL INFORMATION

(APPLICABLE TO ALL COVERAGE PARTS)

1. State of incorporation: _____ 2. Date established: _____ 3. SIC/NAIC: _____

4. Form of business (check one): ☐ Public Company ☐ Joint Venture ☐ Partnership

5. Nature of operations: _____

CURRENT COVERAGE:

	Carrier	Limit	Retention	Shared Limits (Y/N)	Expiration Date	Prior & Pending Lit Date
Directors & Officers		$	Securities: $ M&A: $			
Employment Practices		$	$			
Fiduciary		$	$			

REQUESTED COVERAGE:

	Coverage Requested	Limit	Retention	Shared Limits (Y/N)	Effective Date	Prior & Pending Lit Date
Directors & Officers	☐ Yes ☐ No	$	Securities: $ M&A: $			
Employment Practices	☐ Yes ☐ No	$	$			
Fiduciary	☐ Yes ☐ No	$	$			

II. FINANCIAL INFORMATION (in US $)

1. Is the Applicant currently (or in the last 24 months) in violation of or made any amendments to any debt covenants? ☐ Yes ☐ No

   If "Yes", provide details:

   _____

   _____

   _____

   _____

2. Has the Applicant changed outside auditors in the last 3 years? ☐ Yes ☐ No

   If "Yes", provide details:

   _____

   _____

   _____

   _____

3. During the past 3 years, has an outside auditor stated there is a material weakness in the Applicant's systems or controls or issued a "going concern" opinion for the Applicant's financial statements? ☐ Yes ☐ No

   (If "Yes", attach explanation, provide the CPA letter, and management response.)

4. Has the Applicant implemented the auditor's recommendations? ☐ Yes ☐ No

   If "No", provide details:

   _____

   _____

   _____

   _____

III. DIRECTORS & OFFICERS COVERAGE
(ONLY APPLICABLE TO PUBLIC COMPANIES)

1. Is the Applicant engaged in any of the following activities?

   Franchising ☐ Yes ☐ No
   General Partnership operations ☐ Yes ☐ No
   Joint Venture(s) ☐ Yes ☐ No

   (If "Yes", provide participation or ownership structure details by attachment.)

2. Is the Applicant publicly held or a public reporting company under the Securities Exchange Act of 1934? ☐ Yes ☐ No

   If "Yes", provide the following information regarding the company's outstanding common stock:

   a. What exchanges? (AMEX, NASDAQ, NYSE, OTCBB, Other): _____

   b. Ticker Symbol: _____

   c. Stock traded since (date of initial public offering): _____

   d. Total number of shares of stock outstanding: _____

   e. Number of shares of stock owned directly or beneficially by the Insured Persons: _____

3. Does any shareholder, who does not have representation on the Applicant's board of directors, own, or have the right to own, directly and/or beneficially 10 percent of more of the Applicant's outstanding stock? ☐ Yes ☐ No

4. Within the past 12 months, has the Applicant received or is the Applicant aware of any actual or contemplated SEC Rule 13d filing under the Securities Exchange Act of 1934? ☐ Yes ☐ No

5. Within the next 12 months, is the Applicant contemplating a public disclosure concerning any action or potential public offering of securities (whether or not such securities are required to be registered under the Securities Act of 1933)? ☐ Yes ☐ No

6. Has the Applicant experienced changes to its Board of Directors or to its Key Executives over the past year? ☐ Yes ☐ No

   If "Yes", provide details:

   _____

   _____

7. Does the Applicant have any of the following committees?

   Audit ☐ Yes ☐ No Compensation ☐ Yes ☐ No Nominating ☐ Yes ☐ No

8. Are there currently outstanding loans to any Director or Officer? ☐ Yes ☐ No

   If "Yes", provide details: _____

9. In the next 12 months (or in the past 24 months) is the Applicant contemplating or completed any of the following:

   a. Any actual or proposed merger, acquisition, or divesture? ☐ Yes ☐ No

   b. Any creation of a new organization, subsidiary, or division? ☐ Yes ☐ No

   (If "Yes" to any above, attach details.)

IV. EMPLOYMENT PRACTICES COVERAGE

1. Number of Employees:

	Current Year – Union	Current Year – Non-Union	Previous Year – Union	Previous Year – Non-Union
Full Time Employees				
Part Time / Seasonal / Temporary Employees				
Independent Contractors				
Foreign Employees				
Total Employees (inclusive of all of the above)				

2. Percentage of employees in the following states:

	Current Year	Previous Year
California	%	%
Florida	%	%
Michigan	%	%

	Current Year	Previous Year
New Jersey	%	%
New York	%	%
Texas	%	%

3. Percentage of employees earning the following annual salary:

Under $50,000	$50,001 - $100,000	$100,001 and over
%	%	%

4. Employee turnover percentage for the last three (3) years:

Current Year:	%	1st Previous Year:	%	2nd Previous Year:	%

5. Does the Applicant have a Human Resource department? ☐ Yes ☐ No
If "No", how are these issues handled and by whom?

_____

6. Does the Applicant or any of its subsidiaries have an Employee Handbook, a Human Resource manual or equivalent written management guidelines? ☐ Yes ☐ No
If 'Yes", does it address:
   a. Discrimination? ☐ Yes ☐ No
   b. Sexual Harassment? ☐ Yes ☐ No
   c. Compliance with the Americans with Disabilities Act? ☐ Yes ☐ No
   d. Compliance with the 1991 Civil Rights Act? ☐ Yes ☐ No
   e. Compliance with the Family Medical Leave Act? ☐ Yes ☐ No
   f. Employee disciplinary actions, terminations, layoffs? ☐ Yes ☐ No
   g. Employee appraisals / reviews? ☐ Yes ☐ No
7. Has Legal Counsel reviewed the Human Resource Guidelines in the last 2 years? ☐ Yes ☐ No
8. Is there a formalized process in place for reporting complaints / harassment? ☐ Yes ☐ No
9. Are employment issues relating to terminations, discriminations, sexual harassment, layoffs, transfers, or promotions handled by the Human Resource department, outside counsel and or the legal department? ☐ Yes ☐ No
10. Is the Applicant or any of its subsidiaries currently undergoing, or does the Applicant or any of its Subsidiaries contemplate undergoing during the next twelve (12) months, any employee layoffs or early retirements (including ones resulting from any type of company restructuring or office, plant or store closing)? ☐ Yes ☐ No
If "Yes", provide details:

_____

11. When an employee is terminated, are severance packages offered in exchange for releases not to sue? ☐ Yes ☐ No
12. Does the Applicant or any of its subsidiaries have procedures in place to assist terminated or laid off employees find work? ☐ Yes ☐ No
13. Provide most recent EEO-1 report.

V. FIDUCIARY COVERAGE

Complete the following questions for each plan for which coverage is being requested:

Plan Name	Plan Type*	Plan Assets	Number of Participants	Percent funded (DB only)	Plan Status**
		$		%	
		$		%	
		$		%	
		$		%	
		$		%	

* Plan Type: DC = Defined Contribution
DB = Defined Benefit
ESOP = Employee Stock Ownership Plan
W = Welfare
O = Other

**Plan Status: A = Active
F = Frozen
M = Merged
T = Terminated

1. Is each plan reviewed at least annually to assure there are no violations of ERISA? ☐ Yes ☐ No
2. Do all plans conform to the standards and requirements of ERISA? ☐ Yes ☐ No
3. Has any plan:
   a. been the subject of any investigation by the Department of Labor, IRS, or similar agency? ☐ Yes ☐ No
   b. had its tax exempt status withdrawn or threatened to be withdrawn by the IRS? ☐ Yes ☐ No
   c. filed for exemption from a prohibited transaction? ☐ Yes ☐ No
   d. received an adverse opinion as to its financial condition by an independent public accountant? ☐ Yes ☐ No

   If "Yes" to any above, provide details:

   _____

   _____

4. Does any plan hold securities of the Insured? ☐ Yes ☐ No
   If "Yes", provide details as to why and ability for participants to diversify:

   _____

   _____

Questions 5 and 6 are for Defined Benefit Plans Only:

5. Has any Defined Benefit Plan:
   a. experienced an event reportable to the Pension Benefit Guaranty Corporation? ☐ Yes ☐ No
   b. not been certified by an actuary to be adequately funded in accordance with ERISA's minimum funding standard? ☐ Yes ☐ No
   c. been converted into a cash balance plan or is any such conversion expected in the next 12 months? ☐ Yes ☐ No

   If "Yes" to any above, provide details:

   _____

   _____

6. Are there any outstanding or delinquent plan contributions or plan loans, leases or debt obligations that are in default or classified as uncollectible? ☐ Yes ☐ No

Questions 7, 8 and 9 are for ESOP plans only:

7. Date ESOP established: _____
8. Is the ESOP plan leveraged? ☐ Yes ☐ No
   If "Yes", what percentage? _____%
9. Provide most recent ESOP valuation and audit.

LOSS INFORMATION

1. During the past five (5) years and with respect to each liability coverage requested, has the company, any individual, or any other entity proposed for coverage under this insurance policy currently involved in or been a party to, or subject of, any administrative or regulatory proceedings or investigation, civil or criminal charges, hearings, demands or lawsuits? ☐ Yes ☐ No

   (If "Yes", attach full details.)

2. Is the applicant, any subsidiary, or any Director, Officer, Trustee, Employed Lawyer, or employee of the Applicant aware of any fact, circumstance, situation, event, act, error or omission, that could give rise to a claim, being made against them under the proposed liability coverage for which the applicant is applying? ☐ Yes ☐ No

   (If "Yes", attach full details.)

IT IS AGREED THAT ANY CLAIM BASED UPON, ARISING OUT OF, DIRECTLY OR INDIRECTLY RESULTING FROM, OR IN ANY WAY INVOLVING ANY FACT OR CIRCUMSTANCE SET FORTH OR THAT SHOULD HAVE BEEN SET FORTH IN QUESTIONS 1. OR 2. ABOVE WILL BE EXCLUDED FROM THE PROPOSED COVERAGE.

READ CAREFULLY

The undersigned, acting on behalf of the Applicant and all proposed insureds, declare that the statements set forth herein are true and accurate and that thorough efforts have been made to obtain sufficient information from each proposed insured in order to facilitate proper and accurate completion of this Application.

The undersigned agree that the Application and all other materials submitted to the insurer are their statements, are incorporated in and constitute a part of the Policy, and shall be deemed attached to the Policy as if physically attached. The undersigned represent that the statements and representations in the Application and all other materials submitted to the insurer shall be deemed material to the acceptance of the risk and that the Policy is issued in reliance upon the truth and accuracy of such statements and representations. It is agreed by the undersigned, this Application, together with any other materials submitted to the insurer, have been completed as respects to the entire Applicant and all proposed insureds.

The undersigned further declare that if any significant change in the condition of the Applicant or proposed insureds is discovered, between the date this Application was signed and the effective date of the policy, which would render the information in this Application inaccurate or incomplete, any such information will immediately be reported in writing to the insurer and the insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The undersigned and insurer agree that the signing of this application does not bind the undersigned to purchase the insurance.

_____ _____

Signature of President, Chief Executive Officer, Chief Financial Officer, or Managing Partner Date

_____ _____

Print or Type Name Title

ALL STATES (UNLESS A STATE-SPECIFIC FRAUD WARNING APPLIES)

NOTICE TO 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 ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

STATE-SPECIFIC

NOTICE TO ARKANSAS, NEW MEXICO AND WEST VIRGINIA 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 INSURANCE 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 AUTHORITIES.

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 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 APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE INSURANCE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO 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.

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 (365:15-1-10, 36 §3613.1).

NOTICE TO OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS MATERIALLY FALSE INFORMATION IN AN APPLICATION FORINSURANCE MAY BE GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

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 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 INSURANCE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

NOTICE TO VERMONT 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 ACT, WHICH MAY BE A CRIME AND MAY SUBJECT SUCH PERSON 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 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.