

# CORPORATE FIDUCIARY LIABILITY INSURANCE 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.

**1. GENERAL INFORMATION:**

Name of Plan(s) to be Insured: \_\_\_\_\_  
(attach separate sheet for additional plans)

Name of Sponsor Organization: \_\_\_\_\_

Sponsor's Address: \_\_\_\_\_

Description of Sponsor's Business: \_\_\_\_\_

Years in business: \_\_\_\_\_

Sponsorship:

- Single Employer                       Governmental Employer                       Multiple Employer  
 Multi-Employer (Taft-Hartley)  
 Other (for Example, Church: \_\_\_\_\_)

**2. PRIOR COVERAGE (select one)**

- New Policy with no Prior Coverage**  
 **New Policy with Prior Similar Coverage with another Insurance Company**  
(attach a copy the prior application if requesting continuity of coverage)

Are there any prior 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?     Yes     No  
(If Yes, provide details)

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

**3. COVERAGE REQUESTED:**

Limit of Liability: \$ \_\_\_\_\_  
 Deductible \$ \_\_\_\_\_  
 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

*An endorsement will be added to eliminate recourse on fiduciaries, if the premium is paid by the Employee Benefit Plan. Premium for this endorsement must be paid from funds other than the assets of the Employee Benefit Plan. The additional charge for this endorsement is \$100.00.*

**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)

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

B. If any Plan listed above is an Employee Stock Ownership Plan, please fill in the following:

Plan Name : \_\_\_\_\_

When was the Plan established? \_\_\_\_\_

What percentage of the Sponsor Organization's common stock is held by the Plan? \_\_\_\_\_

If the stock is not publicly traded on an exchange, how often and by whom is the stock valued?  
\_\_\_\_\_

C. 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) 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
- i) Is any merger, transfer of assets or termination of a Plan(s) anticipated within the next 12 months?  Yes  No

- C. Does the Plan(s) meet the ERISA standards of eligibility, participation, vesting, funding and other provisions?  Yes  No
- D. Has the Plan(s) been reviewed to assure no violations of prohibited transactions and party-in-interests rules?  Yes  No

**8. CONSULTANTS:**

- A. Has the fiduciary or fiduciaries of any Plan(s) delegated the authority for management and control of such Plan's assets to an outside consultant (or consultants)? *(If "Yes," please use a separate sheet to explain, and complete the following information with respect to each Plan)*  Yes  No

Type of Consultant	Name & Address	Years Employed
Investment Advisor:		
Actuary:		
Legal Counsel:		
CPA:		
Administrator:		
Other(s):		

- B. During the past three years, has any consultant, other than those identified above, been delegated any authority to manage the plan or control Plan assets? *(If "Yes," provide details)*  Yes  No
- C. Does the Sponsor Organization have any financial, equity or other interest in any of the consultants identified above? Or, is any such consultant a director, officer and/or employee of the Sponsor Organization? *(If "Yes," provide details)*  Yes  No

**9. 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 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?  Yes  No  
*(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 9A and 9B 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.

**REQUIRED ADDITIONAL INFORMATION:**

- Most recent CPA prepared financial statement for the Sponsor Organization for limits greater than \$1,000,000.
- Most recent audited financial statement for the Plan(s) for limits of \$1,000,000 or greater.

<b>Sponsor Organization:</b>
<b>By:</b>
<b>Print Name and Title:</b>
<b>Date:</b>

*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.

**NEW YORK SUPPLEMENT -**

**CLAIMS MADE NOTICE**

The coverage you are applying for is claims made coverage. This coverage, subject to its provisions, applies only to any claim first made during the policy period or the extended reporting period, if purchased. All coverage will cease upon the termination of the coverage, except for the basic extended reporting period coverage, unless you purchase an extended reporting period. Coverage gaps may occur if claims are made after the expiration of the policy, or after the end of the extended reporting period, if purchased.

We automatically provide a basic extended reporting period which starts with the date of termination and lasts for a period of sixty (60) days. The basic extended reporting period is provided at no charge and applies only in regard to that coverage terminated or lessened. Upon termination of coverage, you may wish to purchase, for an additional premium, a reporting period beyond the 60 days automatically provided. The following extended reporting period is available:

Premium for <u>extended reporting period</u> 200 % of annual premium	Length of <u>extended reporting period option</u> one year
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If form **XP 63 05 (Exclusion - Prior Acts)** is attached to this policy, there is no coverage for **wrongful acts** committed prior to the retroactive date stated on form XP 63 05.

Rates for claims made policies are lower in the earlier years of claims made coverage, but increases may apply as coverage matures.

**Claims expenses** shall reduce and may exhaust the limit of liability and shall be included in the deductible. We shall not be liable for **claims expenses** or judgments or settlements after exhaustion of the liability limit.

**NEW HAMPSHIRE SUPPLEMENT – Applicable in New Hampshire**

Item 9. of the application is deleted and replaced with the following:

**9. OTHER:**

A. Have any claims or suits been made against any fiduciary 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. Does any 'Responsible Person' proposed to be covered by this insurance have any knowledge 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?  Yes  No

'Responsible Person' means

- (a) a partner, principal, officer or director of the Named Insured;
- (b) a trustee or fiduciary of any of the benefit programs proposed to be covered under this insurance; or
- (c) a member of the Named Insured's corporate legal department or general counsel's office.

*(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 9A and 9B 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.*

## 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 Hampshire:*

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for Insurance fraud, as provided in RSA 638:20.

#### *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 New York:*

Any person who knowingly and with intent to defraud any insurance company or other person 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, 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.

#### *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.