



# STARSTONE SPECIALTY INSURANCE COMPANY

## RENEWAL APPLICATION

### PRIVATE COMPANY MANAGEMENT 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.

### I. GENERAL INFORMATION

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 \_\_\_\_\_

#### REQUESTED COVERAGE: IF DIFFERENT THAN EXPIRING

	Coverage Requested	Limit	Retention	Shared Limits (Y/N)
Directors & Officers	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	\$ _____	
Employment Practices	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	\$ _____	
Fiduciary	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	\$ _____	

### II. FINANCIAL INFORMATION (in US \$)

1. Provide the following financial information with respect to the Applicant: *(D&O coverage requires complete financials)*

	Most recent Year End: (MM/YY) _____	Interim: (MM/YY) _____
Total Assets	\$ _____	\$ _____
Total Liabilities	\$ _____	\$ _____
Revenues	\$ _____	\$ _____
<b>Nonprofit only:</b>		
Fund Balance	\$ _____	\$ _____

2. Is the Applicant currently in violation of or made any amendments to any debt covenants?  Yes  No

3. Has the Applicant changed outside auditors in the last year?  Yes  No

**If "Yes" to 2 or 3, attach details.**

4. During the last year, 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.

5. Has the Applicant implemented the auditor's recommendations? If "No", attach details.  Yes  No

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

1. Have there been changes to Security Holders owning more than five (5) percent of Total Outstanding Common Stock, Membership Units or Preferred Stock? If "Yes", attach details.  Yes  No
2. During the last year, have there been changes to the Board of Directors or Key Executives? If "Yes", attach details.  Yes  No
3. During the last year, have there been changes to the Audit, Compensation or Nominating committees? If "Yes", attach details.  Yes  No
4. In the next twelve (12) months, is the Applicant contemplating any of the following:
  - a. Any actual or proposed merger, acquisition, or divestiture?  Yes  No
  - b. Any creation of a new organization, subsidiary, or division?  Yes  No
 If "Yes" to any above, attach details.
5. In the next twelve (12) months, does the Applicant plan to file any documents with the Securities and Exchange Commission regarding any equity or debt offering including private placements? If "Yes", attach details.  Yes  No
6. Attach an updated list of any and all subsidiaries or affiliates for which coverage is being requested.

### IV. EMPLOYMENT PRACTICES COVERAGE

1. Number of Employees:
 

	Current Year – Union	Current Year – Non-Union
Full Time Employees		
Part Time / Seasonal / Temporary Employees		
Independent Contractors		
Foreign Employees		
<b>Total Employees (inclusive of all of the above)</b>		
2. Current percentage of employees in the following states:
 

California	%	Michigan	%	New York	%
Florida	%	New Jersey	%	Texas	%
3. Employee turnover percentage for the last year? \_\_\_\_\_%
4. During the last year, have there been changes to the Employee Handbook, Human Resource manual or equivalent written management guidelines? If "Yes", attach details.  Yes  No  
 If "Yes", have changes been reviewed by Legal Counsel?  Yes  No
5. Is the Applicant or any of its subsidiaries currently undergoing or during the next twelve (12) months contemplating any employee layoffs or early retirements (including ones resulting from any type of company restructuring or location closing)?  Yes  No  
 If "Yes", complete **Supplemental Downsizing Application**.

### 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. Do all plans conform to the standards and requirements of ERISA?  Yes  No
2. 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, attach details:

**Questions 3 and 4 are for Defined Benefit Plans Only:**

3. 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, attach details:

4. 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 5 and 6 are for ESOP plans only:**

5. Is the ESOP plan leveraged?  Yes  No  
 If "Yes", what percentage? \_\_\_\_\_%

6. Provide **ESOP Supplemental Application** and most recent ESOP valuation report.

### 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.)

**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 QUESTION 1. 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

**FRAUD WARNINGS:**

**NOTICE TO APPLICANTS:** (Not applicable to applicants in AL, AR, CO, DC, FL, KY, LA, MD, ME, NJ, NM, NY, OH, OK, OR, PA, RI, TN, or WA.) Any person who knowingly and with intent to defraud any insurance company or another 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 may subject the person to criminal and civil penalties.

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.

**NOTICE TO ARKANSAS APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who 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 CALIFORNIA APPLICANTS:** For your protection California law requires the following to appear on this form. 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.

**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 insurance company who knowingly provide 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 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 containing false, incomplete, or misleading information is guilty of a felony of the third degree. Statement must be approved by Office of Insurance Regulation of the Financial Services Commission.

**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 act, which is a crime.

**NOTICE TO LOUISIANA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment or 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 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 MAINE 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 denial of insurance benefits.

**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 NEW MEXICO APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of 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.

**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 violation.

**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.

**NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information or conceals for the purposes of misleading, information concerning any fact material thereto, may commit a fraudulent insurance act which may be a crime and may subject the person to criminal and civil penalties.

**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 RHODE ISLAND APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of 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 TENNESSEE 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 include imprisonment, fines, and denial of insurance benefits.

**NOTICE TO VIRGINIA 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 include imprisonment, fines, and denial of insurance.

**NOTICE TO 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 include imprisonment, fines, and denial of insurance benefits.

**NOTICE TO 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.