



Travelers Casualty and Surety Company of America

**NOTICE**

THE POLICY FOR WHICH APPLICATION IS MADE, IF ISSUED, WILL BE ON A CLAIMS MADE BASIS WHEN EXCESS OF A LIABILITY COVERAGE AND COVERS ONLY CLAIMS FIRST MADE DURING THE POLICY PERIOD OR, IF EXERCISED, ANY EXTENDED DISCOVERY PERIOD. THIS POLICY IS WRITTEN ON A LOSS FIRST DISCOVERED BASIS WHEN EXCESS OF A BOND OR CRIME POLICY AND COVERS ONLY LOSS FIRST DISCOVERED DURING THE POLICY PERIOD OR, IF EXERCISED, ANY EXTENDED DISCOVERY PERIOD.

- Every applicant is required to complete **I. GENERAL INFORMATION** and **II. DIRECTORS AND OFFICERS AND COMPANY LIABILITY**. All applicants must sign and date the application.
- The following coverage options are available under this policy. Please check the coverage option(s) you are applying for and complete those section(s) of this application as instructed.
  - III. EMPLOYMENT PRACTICES LIABILITY**
  - IV. FIDUCIARY LIABILITY**

**I. GENERAL INFORMATION**

Every applicant must complete in full.

1. Applicant Information:

Name of Parent Company: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, ZIP Code: \_\_\_\_\_

Website Address: \_\_\_\_\_

Year Applicant's business was established: \_\_\_\_\_

Description of Applicant's operations: \_\_\_\_\_

2. Applicant's Standard Industrial Classification (SIC) code, if known (4-digit number): \_\_\_\_\_

**II. DIRECTORS AND OFFICERS AND COMPANY LIABILITY**

1. Have there been any changes in senior management in the last 12 months? Yes  No   
*If Yes, please attach an explanation.*
2. a. Does the Parent Company or its Subsidiaries have under consideration any acquisition, tender offer, merger, consolidation, or divestiture; or purchase or sale of assets exceeding 10% of consolidated assets? Yes  No   
*If Yes, please attach an explanation.*
- b. Have there been any offers (including tender offers) or negotiations to offer to purchase 5% or more of any class of voting stock of the Parent Company or any Subsidiary in the past 3 years, or are any such offers expected in the future? Yes  No   
*If Yes, please attach an explanation.*
- c. Has the Parent Company or any Subsidiary conducted a private or public offering of its securities within the past 12 months, or is any such offering contemplated within the next 12 months? Yes  No   
*If Yes, please attach an explanation, including the prospectus or private placement memorandum.*

3. Has the Parent Company or any Subsidiary made any financial restatement filings with the SEC in the past 12 months? Yes  No   
*If Yes, please attach an explanation.*
4. Has there been any change in outside auditors in the past 3 years? Yes  No   
*If Yes, please attach an explanation.*
- If this box is checked and this application is for renewal of an existing Travelers coverage, do not answer questions 5, 6, and 7.
5. Has any claim, or notice of circumstances which could reasonably give rise to a claim, been reported to any previous or existing insurer? Yes  No   
*If Yes, please attach an explanation.*
6. Has there been during the past 3 years, or is there now pending, any claim against any persons or organizations proposed for this insurance? Yes  No   
*If Yes, please attach an explanation.*
7. Does the Parent Company or its Subsidiaries, any director, officer, general partner, trustee, principal, member of the board of managers, management committee member, employee or any other person proposed for this insurance, have any knowledge or information of any fact, circumstance or situation which could reasonably give rise to a claim that would fall within the scope of the proposed insurance? Yes  No   
*If Yes, please attach an explanation.*

*It is agreed that this policy shall not afford coverage with respect to any claim arising from any such fact, circumstance or situation to the extent the claim is against any person proposed for this insurance who knew of such fact, circumstance or situation prior to binding or issuing the proposed policy.*

### III. EMPLOYMENT PRACTICES LIABILITY

*Complete only if this coverage is desired.*

*Please provide the most recent consolidated Employment Information Report (EEO-1), if applicable. If a consolidated EEO-1 is not available, provide the most recent EEO-1 for the Parent Company and each Subsidiary proposed for this insurance.*

1. Number of Employees of Parent Company and its Subsidiaries: \_\_\_\_\_
- a. Number of full-time employees: \_\_\_\_\_ % outside of U.S. \_\_\_\_\_
- b. Number of part-time employees (including seasonal and temporary): \_\_\_\_\_ % outside of U.S. \_\_\_\_\_
- c. Number of leased employees: \_\_\_\_\_ % outside of U.S. \_\_\_\_\_
- d. Number of independent contractors: \_\_\_\_\_ % outside of U.S. \_\_\_\_\_
- e. Number of volunteers: \_\_\_\_\_
2. a. Percentage of employees, including officers, involuntarily terminated: \_\_\_\_\_ %
- b. Percentage of employees, including officers, voluntarily terminated: \_\_\_\_\_ %
3. During the past 12 months have there been any amendments to any employment handbook, guidelines, policies or procedures? Yes  No   
*If Yes, please attach an explanation.*
4. Have there been any employee layoffs, terminations, workforce reductions or retirements resulting from any type of organization restructuring or office, branch or facility closing within the past 12 months or are there any anticipated within the next 12 months? Yes  No   
*If Yes, please attach an explanation including the date, number of employees involved, job categories involved and the terms of severance.*

*It is agreed that this policy shall not afford coverage with respect to any claim arising from any such fact, circumstance or situation to the extent the claim is against any person proposed for this insurance who knew of such fact, circumstance or situation prior to binding or issuing the proposed policy.*

**IV. FIDUCIARY LIABILITY**

Complete only if this coverage is desired

Please provide the most recent audited financial statements for all employee benefit plans (Plans), as defined by ERISA, except welfare benefit plans.

- 1. Do all of the Plans conform to ERISA's participation, vesting, benefit accrual and break in service, reporting disclosure, joint and survivor provisions, and, with respect to a defined benefit pension plan, ERISA's minimum funding requirements and standards? Yes  No   
If No, please attach an explanation.
- 2. Are plan participants restricted from selling any or all employer stock in their self-directed plans? Yes  No   
If Yes, does the company have an independent director representing the Fiduciary Plan(s) sitting on the board? Yes  No
- 3. What is the percentage and absolute dollar amount of the company stock in the employee benefit plan(s)? \_\_\_\_\_ %  
\$ \_\_\_\_\_
- 4. If coverage is being requested for a defined benefit plan(s), what percentage of the pension benefit obligation (PBO) is this plan(s) over or underfunded?  
% Overfunded \_\_\_\_\_ % Underfunded \_\_\_\_\_  Not applicable
- 5. Has any Plan been terminated, partially terminated or restructured within the past 3 years, or are any Plan terminations or restructurings anticipated within next 12 months, including any conversion of a defined benefit pension Plan to a "cash balance" type pension Plan? Yes  No   
If Yes, please attach an explanation including whether or not benefits were or will be reduced as a result of any transaction.
- 6. Have there been any prohibited transactions in violation of ERISA during the past 3 years? Yes  No   
If Yes, please attach an explanation.

It is agreed that this policy shall not afford coverage with respect to any claim arising from any such fact, circumstance or situation to the extent the claim is against any person proposed for this insurance who knew of such fact, circumstance or situation prior to binding or issuing the proposed policy.

**V. REQUIRED ATTACHMENTS**

As part of this Application, please submit the following documents (these documents may be physically delivered to the Company by the applicant or are obtained by the Insurer from any public source, including the Internet):

- List of Directors and Officers of the Parent Company
- If the total assets exceed \$150 million, a copy of the most recent Annual Report or the audited financial statements for the most recent 2 years. If an Annual Report or audited financial statements are not available, attach a copy of the most recent Director's Exam
- Copy of the most recent Management Letter and applicant's responses to any recommendations therein
- If applicable, a copy of the most recent Form 10-K, 10-Q, 8-K, and any other registration statement filed with the SEC within the most recent 12 months
- If applicable, a copy of the most recent Notice to Stockholders and proxy statement
- The latest application for the primary insurance
- Any other underwriting information submitted in conjunction with the primary insurance, including underlying quotations and policy forms and endorsements

## VI. COMPENSATION NOTICE

### Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: [http://www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html)

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

## VII. FRAUD WARNINGS

### **Attention: Insureds in Alabama, Arkansas, D.C., Maryland, New Mexico, and Rhode Island**

Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### **Attention: Insureds in Colorado**

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 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.

### **Attention: Insureds in Florida**

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.

### **Attention: Insureds in Kentucky, New Jersey, New York, Ohio, and 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. (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.)

### **Attention: Insureds in Louisiana, Maine, Tennessee, Virginia, and Washington**

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.

### **Attention: Insureds in Oregon**

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 may be guilty of a crime and may be subject to fines and confinement in prison.

### **Attention: Insureds in Puerto Rico**

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 dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be 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.

**VIII. SIGNATURE SECTION**

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE (PRESIDENT OR CEO) OF THE APPLICANT DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS SET FORTH IN THE ATTACHED TRAVELERS NEW BUSINESS OR RENEWAL APPLICATION FOR INSURANCE ARE TRUE AND COMPLETE AND MAY BE RELIED UPON BY TRAVELERS. IF THE INFORMATION IN ANY APPLICATION CHANGES PRIOR TO THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION. THE COMPANY IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION.

THE SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO PURCHASE, THE INSURANCE. IT IS AGREED THAT THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, SHALL BE THE BASIS OF THE INSURANCE AND SHALL BE, IN ALL STATES OTHER THAN NC AND UT, CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY, IF ISSUED. THE COMPANY WILL HAVE RELIED UPON THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, IN ISSUING THE POLICY.

ELECTRONICALLY REPRODUCED SIGNATURES WILL BE TREATED AS ORIGINAL.

\_\_\_\_\_  
Signature of **Applicant's** Authorized Representative  
(President or CEO)

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**IX. PRODUCER INFORMATION (ONLY REQUIRED IN FLORIDA, IOWA, AND NEW HAMPSHIRE):**

\_\_\_\_\_  
Producer Signature

\_\_\_\_\_  
Producer Name (Printed)

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Agency Code

\_\_\_\_\_  
License Number