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Application For Business and Management (BAM) Indemnity Insurance Non-Profit Organizations

NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY CLAIM MADE AGAINST ANY OF THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS COSTS, CHARGES AND EXPENSES (AS DEFINED IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE), AND COSTS, CHARGES AND EXPENSES SHALL BE APPLIED TO THE RETENTIONS.

General instructions for completing this Application

1. Please type or print in ink.
 2. Please read carefully and answer all questions. If a question is not applicable, so state.
 3. The Application must be signed by an executive officer.
 4. This Application and all exhibits shall be held in confidence.
 5. Please read the Policy for which application is made (the "Policy") prior to completing this Application.
 6. The terms as used herein shall have the meanings as defined in the Policy.
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I. General Information

1. Name of **Organization**: _____
Address: _____
(Number) (Street)

(City) (State) (Zip Code)
2. Internal Revenue Service Code: _____
3. Nature of Operations: _____

4. Has the **Organization** been in operation longer than three (3) years? Yes No
5. Is the **Organization** involved in any labor/union negotiations or collective bargaining activities? Yes No

II. Prior Insurance Information and Activities Information

1. Describe any current insurance maintained. The Continuity Date below means the policy inception date for which the most recent main form application was attached.

| <u>Coverage</u> | <u>Yes</u> | <u>No</u> | <u>Limits</u> | <u>Continuity Date</u> |
|---------------------------------|------------|-----------|---------------|------------------------|
| Employment | — | — | — | — |
| Insured Person and Organization | — | — | — | — |
| Fiduciary | — | — | — | — |

2. Does the **Organization** carry general liability insurance? Yes No

3. Has any insurer made any payments, taken notice of claim or potential claim or non-renewed any management liability or similar insurance? If yes, please provide details on a separate page. Yes No

4. Within the last five years, has person or entity proposed for this insurance been the subject of or involved in any litigation, administrative proceeding, demand letter or formal or informal governmental investigation or inquiry including any investigation by the Department of Labor or the Equal Employment Opportunity Commission? If yes, please provide details on a separate page. Yes No

III. False Information

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent **Claim** for payment for 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 company. Penalties may include imprisonment, fines, and 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.

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 HAWAII APPLICANTS: For you protection, Hawaii law requires you to be informed that presenting a fraudulent **Claim** for payment of a **Loss** or benefit is a crime punishable by fines or imprisonment, or both.

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 purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MINNESOTA APPLICANTS: A person who submits an application or files a **Claim** with intent to defraud or helps commit a fraud against an **Insurer** is guilty of a crime.

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 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.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or a statement of **Claim** for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company 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 value of the subject motor vehicle or stated **Claim** for each violation.

NOTICE TO OHIO APPLICANTS: Any person who, with the 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 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 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 WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

IV. Other Information

1. The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this **Application** does not bind the undersigned to complete the insurance, but it is agreed that this **Application** shall be the basis of the contract should a **Policy** be issued, and this **Application** will be attached to and become a part of such **Policy**, if issued. **Insurer** hereby are authorized to make any investigation and inquiry in connection with this **Application** as they may deem necessary.
2. It is warranted that the particulars and statements contained in the **Application** for the proposed **Policy** and any materials submitted herewith (which shall be retained on files by **Insurer** and which shall be deemed attached hereto, as if physically attached hereto), are the basis for the proposed **Policy** and are to be considered as incorporated into and constituting a part of the proposed **Policy**.
3. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the **Policy**, the applicant will notify **Insurer** and, at the sole discretion of **Insurer**, any outstanding quotations may be modified or withdrawn.
4. It is agreed that in the event there is any misstatement or untruth in the answers to the questions contained herein, **Insurer** have the right to exclude from coverage any claim based upon, arising out of or in connection with such misstatement or untruth.

Signed: _____ Date: _____
(must be signed by an Executive Officer of the **Parent Organization**)

For purposes of creating a binding contract of insurance by this application or in determining the rights and obligations under such contract in any court of law, the parties acknowledge that a signature reproduced by either facsimile or photocopy shall be the same force and effect as an original signature and that the original and any such copies shall be deemed on and the same document.

Please fully complete and attach the information for the Coverage Section(s) desired.

Employment Practices Coverage Section Information

Is the **Organization** seeking Employment Practices coverage? If yes, please answer the following questions. Yes No

1. Total number of **Employees** (full-time and part-time)
- | | | | |
|-------|----------|-------|---------------------------|
| _____ | 0 to 5 | _____ | 51 to 75 |
| _____ | 6 to 10 | _____ | 76 to 100 |
| _____ | 11 to 15 | _____ | 101 to 200 |
| _____ | 16 to 25 | _____ | 201 to 300 |
| _____ | 26 to 50 | _____ | Exact number, if over 300 |

Note: When answering the above range of **Employees**, multiply the number of part-time **Employees** by a factor of .5 and add to number of full-time **Employees**.

2. Does the **Organization** anticipate in the next 12 months, or has the **Organization** transacted in the last 12 months, any consolidations or layoffs affecting 35% or more of the **Employees** of the **Organization**? Yes No
3. Describe the internal controls the Company maintains for Employment Practices.
- a) Does the **Organization** publish and distribute an **Employee** handbook to every **Employee**? Yes No
- b) Are there written procedures for handling **Employee** complaints of discrimination or sexual harassment? Yes No
- c) Are there written procedures for handling **Employee** grievances or complaints? Yes No

Insured Person and Organization Coverage Section Information

Is the **Organization** seeking Insured Person and Organization coverage? If yes, please answer the following questions. Yes No

1. Describe the following financial information of the **Organization** for the most recent fiscal year-end.
- a) Total Assets
- | | | | |
|-------|----------------------------|-------|------------------------------------|
| _____ | \$0 to 2,000,000 | _____ | \$15,000,001 to 20,000,000 |
| _____ | \$2,000,001 to 5,000,000 | _____ | over \$20,000,000 |
| _____ | \$5,000,001 to 7,500,000 | _____ | |
| _____ | \$7,500,001 to 10,000,000 | _____ | Exact amount, if over \$20,000,000 |
| _____ | \$10,000,001 to 15,000,000 | _____ | |
- b) Does the **Organization** have a negative fund balance? Yes No
If yes, please provide complete financial statements

2. Number of for-profit **Subsidiaries** the **Organization** owns: ___0 ___1 ___Exact number if more than 1
3. Are the annual revenues for the **Subsidiaries** referenced above greater than \$250,000? Yes No
If yes, please provide complete financial details.
4. Does the **Organization** render any professional services for others for a fee or compensation? If yes, please provide details on a separate page. Yes No

Fiduciary Coverage Section Information

Is the **Organization** seeking Fiduciary coverage? If yes, please answer the following questions. Yes No

1. Does the **Organization** maintain any employee benefit or pension plan for its **Employees** under the Employee Retirement Income Securities Act of 1974? Yes No
2. Are the total plan assets for the plans referenced above greater than \$1,000,000? Yes No
If yes, please provide complete details regarding the plans.