



NADCO CDC Plus® D&O / Professional Liability

Insurance Application

New/Renewal

This is an application for a Claims Made Policy

Questions?

Contact Alliant Insurance Services

Direct 703-547-5777 / Fax: 703-397-0995 Or

Email: rey.lavilla@alliant.com

Alliant Insurance Services

4530 Walney Road

Suite 200

Chantilly, VA 20151

NOTICE : The coverage for which the applicant is applying is written on a claims made basis. Only claims first made against the Assured during the period of insurance are covered, subject to policy terms and conditions. The limits of liability stated in the evidence of insurance are reduced by cost of defense. Costs of defense will also be applied to the deductible. If you have any questions about the coverage, please discuss them with your broker. Please answer ALL the questions. This information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered legally material to such evaluation. If a question is not applicable, state "not applicable" not "N/A." If more space is required to answer a question, continue on applicant's letterhead. The application and any supplement(s) must be signed and dated by a principal, partner, or officer of the prospective insured's organization.

Section I: Applicant Information

1.	Contact First Name:	Contact Last Name:
2.	Business Telephone:	E-Mail Address:
3.	Company Name:	
	Date Established:	FEIN:
	Address:	
	City:	State: Zip Code:
4.	Does the Organization have a tax-exempt status under the U.S. Internal Revenue Code?	Yes No
5.	Is the applicant firm controlled, owned, affiliated or associated with any other firm, corporation, or company? <i>If Yes, please explain.</i>	Yes No
6.	Please list all subsidiaries / affiliates. Include a brief description of their operations and indicate if coverage is desired for these offices:	
7.	During the last 5 years have there been any mergers / acquisitions? <i>If Yes, please explain.</i>	Yes No
8.	How many loans has the organization administered which have gone in default in the past 2 years?	
9.	Of these defaulted loans what percentage has the organization been involved in the liquidation process?	%
10.	Does the organization or any subsidiary wholly or partially fund any loans in which it uses its own funds? <i>If yes, complete the following:</i> Y N Community Advantage Y N Vet Advantage Y N Other types of loans (<i>If yes, please describe loan type and percent of your funds used in each.</i>)	Yes No
11.	How many new loans did your organization administer in the past 12 months?	
12.	Does the Organization engage in any disciplinary actions as a result of peer review activities?	Yes No
13.	Does your firm provide services for any clients in which a principal, partner, officer or employee of your firm is also a principal partner, officer, employee or a more than 3% shareholder of said client? <i>If Yes, please provide a) Client Name; b) Applicant's Relationship with client; and c) approximate annual revenue generated from Client.</i>	Yes No

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- | | | | |
|-----|--|-----|----|
| 14. | Do you ever enter into contracts where your fees for services provided are contingent upon the client achieving cost reductions or improved operating results?
<i>If Yes, please explain.</i> | Yes | No |
| 15. | Does the organization make any recommendation to its clients? (i.e. improving certain business Operations in order to qualify for a loan) | Yes | No |
| 16. | Does the organization allow for joint ventures with its clients? | Yes | No |
| 17. | Does the organization provide a referral service, legal services, account services, or computer services to its clients? | Yes | No |
| 18. | What is the latest Risk Rating assigned by the SBA? | | |
| 19. | Does the organization have ALP or PCLP status? | | |
| 20. | Are any loans currently in default? | Yes | No |
| 21. | How many outstanding loans does the organization currently have valued over \$1 million? | | |
| 22. | Besides SBA 504 loans, what other financial products or services does the organization offer? | | |

Section II: Financial Information

- | | | | |
|----|--|-------------------------|----------------------------|
| 1. | Are the financial affairs of the Organization audited annually by a Certified Public Accountant? | Yes | No |
| 2. | Provide the following: | | |
| | Description | Past Fiscal Year | Current Fiscal Year |
| | Total Assets | \$ | \$ |
| | Fund Balances | \$ | \$ |
| | Total Gross Revenue | \$ | \$ |
| | Total Expenses | \$ | \$ |
| 3. | Provide the percentage of your firm's gross revenue from the last fiscal period attributable to the following: | | |
| | Federal government | | % |
| | State, county or local government and agency thereof | | % |
| | Institutional (schools, hospitals, etc). | | % |
| | Lending institutions | | % |
| | Manufacturing | | % |
| | Other | | % |
| | Total (Must equal 100%) | | % |
| 4. | Were more than 50% of your total gross billings for any one year derived from a single client or contract?
If Yes, please specify: a) client; b) services rendered; c) how long you expect this relationship to continue: | Yes | No |
| 5. | Describe steps taken to minimize / manage business risks: | | |

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Section III: Employment Practices

1. Staffing – Provide a breakdown of your staff into the following categories			
a.) Principals, partners or officers	c.) Support staff (including part-time)		
b.) Professionals (not included in A)	d.) Part-time professionals (less than 20 hours / week)		
2. Number of employees terminated or demoted:			
Voluntary	Involuntary	Laid Off	Demoted
3. Do you utilize the services of independent contractors or sub-consultants?			Yes No
4. Approximate percentage of billings attributable to sub-contractors/consultants?		%	
5. Do you use an employment application for all your applicants for hire?			Yes No
6. Do you have an employee handbook?			Yes No
7. Do you have an “At Will” provision in your employee handbook?			Yes No
8. Do you have an “At Will” provision in your employee application?			Yes No
9. Is discrimination and sexual harassment training currently implemented?			Yes No
If not, are there plans to implement this?			Yes No

Section IV: Current Coverage

1. Provide the following coverage information:					
ITEM	INSURER	LIMIT	DEDUCTIBLE	TERM DATES	RETRO DATE
D&O				to	
E&O				to	
General Liability				to	
2. Has any policy of or application for similar insurance on your behalf or on the behalf of any of your principals, partners, officers, employees, or on behalf of any predecessors in business ever been declined, canceled, or renewal refused?					Yes No
3. Directors and Officer Liability Insurance has been continuously in force since:					

Section V: Loss Experience

1. Within the last 5 years, has any claim been made, or is now pending, against the Organization, or any person proposed for insurance in the capacity of Director, Partner or Employee? <i>If Yes, please see Supplemental Claim Information after application.</i>					Yes	No
2. Is any person proposed for this insurance cognizant of any fact, circumstance or situation which may result in a claim against the Organization or any of its Directors, Partners or Employees? <i>If Yes, please see Supplemental Claim Information after application.</i>					Yes	No
3. Has the organization been disciplined by the SBA or any other regulatory body?					Yes	No
4. Has the Applicant been involved in any grievance or other administrative proceeding before any of the following agencies and/or under any of the following acts in the last 5 years?						
National Labor Relations Board	Yes	No	Federal Labor Standards Act	Yes	No	
Fair Labor Standards Enforcement Act	Yes	No	U.S. Department of Labor	Yes	No	
American With Disabilities Act	Yes	No	Civil Rights Act of 1991	Yes	No	
Age Discrimination In Employment Act	Yes	No	Civil Rights Act of 1964	Yes	No	
Equal Employment Opportunity Commission	Yes	No	Other Federal / State / Local Agency	Yes	No	

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Section V: Loss Experience(Continued..)

5. Have any claims, suits or proceedings been made during the last five years against the Applicant, or Applicant's predecessors in business, subsidiaries or affiliated companies or against any of their past or present partners, owners, officers, sales persons or employees? Yes No

If Yes, please complete the following Claims Supplement Form.

6. Is the Applicant aware of any actual or alleged fact, circumstance, situation, error or omission which may reasonably be expected to result in a claim being made against them or any of the persons associated with the Applicant?
Yes No

If Yes, please complete the following Claims Supplement Form.

Section VI: Supporting Information

1. Attach the following items in support of this application:
- a) Organization's Statement of Qualifications including resumes of all key (technical) personnel along with any available marketing material or company brochures.
 - b) Copy of Organization's Bylaws or Articles of Incorporation.
 - c) Copy of CPA audit including subsidiary (if applicable)
 - d) List of Board of Directors

Section VII: Signatures and Acknowledgements

The applicant declares that, after inquiry, to the best knowledge of all persons to be insured, the statements set forth herein and in any attachments made hereto are true and no material facts have been suppressed, omitted or misstated.

Underwriters reserve the right to amend the terms, conditions and limitations of any policy issued as a result of this Application, if subsequent to the date of this application, but prior to the inception date of such policy, there any material alterations to the information contained herein. In the event of such material alteration, as aforesaid, the Applicant agrees to give immediate written notice to Underwriters and such notice shall attach and form part of this Application.

Submitting this Application does not bind Underwriters to complete this insurance, but it is agreed that the statements and particulars contained herein will be relied upon by Underwriters should a policy be issued.

This Application is submitted on behalf of all owners, principals, partners, shareholders, directors and employees:

I/we hereby declare that the above statements and particulars are true and that I/we have not suppressed or misstated any material facts and I/we agree that this declaration shall be the basis of the contract between me/us and the Underwriters.

SUBMITTING THIS FORM DOES NOT BIND THE APPLICANT TO COMPLETE THE INSURANCE. HOWEVER, IF COVERAGE IS BOUND, THIS APPLICATION BECOMES PART OF THE POLICY.

Name: _____

Title: _____

Signature: _____

Date: _____

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SUPPLEMENTAL CLAIM INFORMATION

Submit one form for each clam or incident. If space is insufficient to answer any question completely, please use the Additional Information page attached to this application.

- 1.Contact First Name:
- 2.Contact Last Name:
- 3.Business Telephone:
- 4.Company Name:
5. Full name of the firm which reported the claim (if different from above):
6. Full name of the claimant:
7. Indicate whether: Claim / Suite Incident / Potential claim
8. Date / Period of alleged error:
9. Date the claim was reported to insurance carrier:
10. Other parties against which this claim is made:
11. This claim is : OPEN CLOSED
12. If CLOSED, indicate the date closed:
13. Please complete the following:

If claim is still open:

- | | |
|--|----|
| A. Claimant's settlement demand: | \$ |
| B. Defendant's offer for settlement: | \$ |
| C. Insurance company's loss reserve: | \$ |
| D. Deductible: | \$ |
| E. Total loss and expenses paid to date: | \$ |

If claim is closed:

- | | |
|---|----|
| A. Loss paid in excess of deductible: | \$ |
| B. Expenses paid in excess of deductible: | \$ |
| C. Deductible: | \$ |

- D. Settlement reached via:

Court judgment

Formal mediation / Arbitration proceeding

Out of court settlement

14. Name of Insurance Company:

15. Claim number:

16. A. Description of claim / incident:

B. Was an engagement letter used? Yes No

C. What action has your firm taken to prevent a recurrence of such a claim in the future?

D. Did this incident or claim follow or result from an action to collect fees? Yes No

I/we hereby declare that the above statements and particulars are true and that I/we have not suppressed or misstated any material facts and I/we agree that this application and its supplement(s) shall be the basis of the contract with the Underwriters. It is understood and agreed that the completion of this application and its supplement(s) does not bind the Underwriters to sell nor the applicant to purchase the insurance.

Name

Title (Must be Principal Partner or Officer)

Signature

Date