



APPLICATION FOR BUSINESS AND MANAGEMENT (BAM) INDEMNITY INSURANCE

NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO ANY CLAIM OR OCCURRENCE (AS APPLICABLE IN THE COVERAGE SECTION FOR WHICH APPLICATION IS MADE) MADE AGAINST ANY OF THE ASSURED 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.

I. General Information

1. Name of Parent Company: _____
Address _____
City _____ State _____ Zip Code _____
Country _____

2. Standard Industrial Classification Code (SIC): _____

3. Nature of Operations:

4. Has the company been in business longer than three (3) years? ☐ Yes ☐ No
5. Is the Company public-held or a public reporting company under the Securities Exchange Act of 1934? ☐ Yes ☐ No



ROYAL OAK UNDERWRITERS, INC.

Excess and Surplus Lines Insurance Wholesalers

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WATTS: (800) 628-2967
Fax: (804) 741-9401
www.royaloakunderwriters.com

6. Does the Parent Company own more than three (3) subsidiaries? ☐ Yes ☐ No
If Yes, please provide details on a separate page.
7. Has the Company in the past 18 months been involved with any actual, negotiated or attempted merger, acquisition or divestment? ☐ Yes ☐ No
If Yes, please provide details on a separate page.
8. Does the Company contemplate transacting any mergers or acquisitions in the next 12 months where such merger or acquisition would involve more than 50% of the total assets of the Company? ☐ Yes ☐ No
If yes, please provide details on a separate page.

II. Financial Information

1. Describe the following financial information of the Company for the most recent fiscal year-end.

a) Total Assets

- ☐ \$0 to 5,000,00
☐ \$5,000,001 to \$25,000,000
☐ \$25,000,001 to \$100,000,000
☐ \$100,000,001 to \$250,000,000

b) Gross Revenues

- ☐ \$0 to 5,000,00
☐ \$5,000,001 to \$25,000,000
☐ \$25,000,001 to \$100,000,000
☐ \$100,000,001 to \$250,000,000

c) Net income ☐ or Net Loss ☐
and applicable amount:

- ☐ \$0 to \$500,000
☐ \$500,001 to \$1,000,000
☐ \$1,000,001 to \$3,000,000
☐ \$3,000,001 to \$5,000,000
☐ over \$5,000,000

d) Cashflow from operating activities, positive or negative ☐ and applicable amount:

- ☐ \$0 to \$500,000
☐ \$500,001 to \$1,000,000
☐ \$1,000,001 to \$3,000,000
☐ \$3,000,001 to \$5,000,000
☐ over \$5,000,000

2. Do the current liabilities exceed current assets? If yes, please provide details on a separate page. ☐ Yes ☐ No
3. Do long-term liabilities exceed 75% of total assets? If yes, please provide details on a separate page. ☐ Yes ☐ No
4. Will more than 50% of the total long-term liabilities mature within the next 18 months? If yes, please provide details on a separate page. ☐ Yes ☐ No
5. Has any auditor in the last 2 fiscal years rendered a "going concern" opinion for the financial statements of the Company? If yes, please provide details on a separate page. ☐ Yes ☐ No



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III. Prior Insurance 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>Coverages</u>	<u>Yes</u>	<u>No</u>	<u>Limits</u>	<u>Continuity date</u>
Employment	<input type="checkbox"/>	<input type="checkbox"/>		
Directors and Officers	<input type="checkbox"/>	<input type="checkbox"/>		
Fiduciary	<input type="checkbox"/>	<input type="checkbox"/>		
Crime	<input type="checkbox"/>	<input type="checkbox"/>		
Miscellaneous Prof. Services	<input type="checkbox"/>	<input type="checkbox"/>		
Technology, Media, & Profess. Services	<input type="checkbox"/>	<input type="checkbox"/>		

2. Has any insurer made payments to or on behalf of any person or entity proposed for this insurance at any time in the last 24 months? If yes, please provide details on a separate page. ☐ Yes ☐ No
3. Has the Company given written notice under the provisions of any current or prior policy providing similar insurance of any specific facts or circumstances which might give rise to a claim under such insurance? If yes, please provide details on a separate page. ☐ Yes ☐ No
4. Has any insurer ever cancelled or non-renewed any similar insurance? If Yes, please provide details on a separate page. ☐ Yes ☐ No

IV. Prior Activities Information

1. Within the last three years, has any person or entity proposed for this insurance been the subject of or involved in any:
- a) anti-trust, copyright or patent litigation? If yes, please provide details on a separate page. ☐ Yes ☐ No
- b) actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, or similar law? If yes, please provide details on a separate page. ☐ Yes ☐ No
- c) actual or alleged breach of trust or fiduciary duty involving any employee benefit plan? If yes, please provide details on a separate page. ☐ Yes ☐ No
- d) criminal or administrative proceeding alleging violations of any federal or state securities laws or regulations? If yes, please provide details on a separate page. ☐ Yes ☐ No
- e) 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



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V. 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. 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 It is warranted that the particulars and statements contained in the Application for the proposed 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: _____

Must Be Signed By an Executive Officer of the Parent Company

Name: _____

Please Print or Type

Capacity: _____

Company: _____

Date: _____

Submitted by: _____
(Agent)

Date: _____



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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 Parent Company seeking Employment Practices coverage?

☐ Yes

☐ No

If yes, please answer the following questions.

1. Total number of employees (full-time and part-time).

☐

0 to 10

☐

11 to 30

☐

31 to 50

☐

51 to 75

☐

76 to 100

☐

101 to 150

☐

151 to 225

☐

226 to 300

☐

301 to 400

☐

401 to 500

☐

over 500

Exact number, if over 500

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

2. Do more than 25% of all employees currently earn more than \$50,000?

☐ Yes

☐ No

3. Have more than 25% of the officers or management voluntarily left the employ of the Company or had employment with the Company terminated within the last 18 months? If yes, please provide details on a separate page.

☐ Yes

☐ No

4. Does the Company anticipate in the next 12 months, or has the Company transacted in the last 12 months, any plant, facility, branch or office closing, consolidations or layoffs affecting 20% or more of the employees of the Company? If yes, please provide details on a separate page.

☐ Yes

☐ No

5. Describe the internal controls the Company maintains for Employment Practices.

- a) Have all management staff and officers attended training and education programs on sexual harassment within the last 18 months?

☐ Yes

☐ No

- b) Does labor relations counsel review the employment policies/procedures at least annually?

☐ Yes

☐ No

- c) Is there a separate Human Resources Department?

☐ Yes

☐ No

- d) Does the Company publish and distribute an employee handbook to every employee?

☐ Yes

☐ No

- e) Are there written procedures for handling employee complaints of discrimination or sexual harassment?

☐ Yes

☐ No

- f) Are there written procedures for handling employee grievances or complaints?

☐ Yes

☐ No



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Directors & Officers and Company Coverage Section Information

Is the Parent Company seeking Directors & Officers and Company coverage?

☐ Yes

☐ No

If yes, please answer the following questions.

1. Do the Directors and Officers as a whole, directly or indirectly, own or control the voting rights of more than 50% of the outstanding securities of the Parent Company?

☐ Yes

☐ No

2. Within the last 18 months, has the Company transacted or attempted a private debt or equity offering of securities? If yes, please provide details on a separate page.

☐ Yes

☐ No

3. Within the next 18 months does the Company anticipate any:

a) private debt equity offering of securities? If yes, please provide details on a separate page.

☐ Yes

☐ No

b) public offering of securities? If yes, please provide details on a separate page.

☐ Yes

☐ No

4. Does the Company render any professional services for others for a fee or compensation? If yes, please provide details on a separate page.

☐ Yes

☐ No

5. Does the Company act as a general partner in any partnership? If yes, please provide details on a separate page.

☐ Yes

☐ No

6. Does the Company have any direct or indirect insurance operations? If yes, please provide details on a separate page.

☐ Yes

☐ No

Fiduciary Coverage Section Information

Is the Parent Company seeking Fiduciary Liability coverage?

☐ Yes

☐ No

If yes, please answer the following questions.

1. Does the Company have more than five (5) plans to be covered under the proposed insurance? If yes, please provide details on a separate page.

☐ Yes

☐ No

2. Indicate the type of plans to be insured.

☐ Pension

☐ Welfare Benefit

☐ Profit Sharing
Ownership

☐ Employee Stock

☐



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3. Total number of employees currently enrolled in all plans:

☐ 0 to 10
☐ 11 to 30
☐ 31 to 50
☐ 51 to 75
☐ 76 to 100
☐ 101 to 150

☐ 151 to 225
☐ 226 to 300
☐ 301 to 400
☐ 401 to 500
☐ over 500

Exact number, if over 500

4. Total asset value of all plans combined for the most recent fiscal year.

☐ \$0 to 1,000,000
☐ \$1,000,001 to 5,000,000
☐ \$5,000,001 to 25,000,000
☐ \$25,000,001 to 100,000,000
☐ over \$100,000,000

5. Do all of the plans conform to the standards of eligibility, participation, vesting and other provisions of the Employee Retirement Income Security Act of 1974, as amended?

☐ Yes ☐ No

6. Are the plans reviewed at least annually to assure that there are no violations of any plan trust agreements, prohibited transactions or party in interest rules?

☐ Yes ☐ No

7. Are any of the plans under funded by more than 30%? If yes, please provide details on a separate page.

☐ Yes ☐ No

8. Does the Company have any delinquent contributions to any plan? If yes, please provide details on a separate page.

☐ Yes ☐ No

9. Have any plans been terminated, suspended, merged or dissolved within the last 24 months? If yes, please provide details on a separate page.

☐ Yes ☐ No

10. Does the Company anticipate terminating, suspending, merging or dissolving any plans within the next 18 months? If yes, please provide details on a separate page.

☐ Yes ☐ No

11. Are more than 10% of the assets of any plan, other than an Employee Stock Ownership Plan, invested in any securities of or loan to the Company? If yes, please provide details on a separate page.

☐ Yes ☐ No



**Crime Coverage Section
Information**

Is the Parent Company seeking Crime coverage?
If yes, please answer the following questions.

☐ Yes ☐ No

1. Total number of employees:

☐ 0 to 10
☐ 11 to 30
☐ 31 to 50
☐ 51 to 75
☐ 76 to 100
☐ 101 to 150

☐ 151 to 225
☐ 226 to 300
☐ 301 to 400
☐ 401 to 500
☐ over 500

Exact number, if over 500

2. Number of officers and employees who handle, have custody or maintain records of money, securities or other property:

☐ 0 to 5
☐ 6 to 15
☐ 16 to 50
☐ over 50

3. Is there an annual audit or review performed by an independent CPA on the books and accounts, including a complete verification of all securities and bank balances?

☐ Yes ☐ No

4. Are bank accounts reconciled by someone not authorized to deposit or withdraw from those accounts?

☐ Yes ☐ No

5. Is counter signature of checks required?

☐ Yes ☐ No

6. Is the applicant seeking Employee Benefit Plan Crime coverage?

☐ Yes ☐ No

7. Are pre-authorized controls maintained for all programmers and operators?

☐ Yes ☐ No

8. Do audit practices include tests to detect unauthorized programming changes?

☐ Yes ☐ No

9. Are computerized check writing operations segregated from departments that authorize checks?

☐ Yes ☐ No

**Technology, Media, & Professional Services Coverage Section
Information**

Is the Parent Company seeking Technology, Media & Professional Services coverage?
If yes, please answer the following questions.

☐ Yes ☐ No

1. How many years have you been in business:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ Greater than 5



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2. Limit of Liability desired:

☐ \$1,000,000 ☐ \$2,000,000 ☐ \$3,000,000 ☐ \$4,000,000 ☐ \$5,000,000 ☐ Other _____

Deductible desired: ☐ \$5,000 ☐ \$10,000 ☐ \$25,000 ☐ \$50,000 ☐ Other _____

3. Describe in detail the professional services for which coverage is desired:

4. a. Is the Applicant engaged in any business other than as described in question 3? If yes, please provide an explanation and estimated ☐ Yes ☐ No

b. What percentage of the Applicant's business involves subcontracting work to others: _____ %

5. What industries are the professional services described in question 3 provided to (e.g., government, banking, medical, aviation, etc.)? _____

6. Is the Applicant controlled or owned by, or associated or affiliated with, or does it own, any other firm business enterprise? If yes, please attach an explanation. ☐ Yes ☐ No

7. Are any significant changes in the nature or size of the Applicant's business anticipated over the next 12 months? Or have there been any such changes in the past 12 months? If yes, please attach an explanation (change in size of less than 25% need not be explained.) ☐ Yes ☐ No

8. Please indicate the total annual gross revenues derived from the services described in Question 3 for the past two years and the projected revenues for the current year:

<u>Next Year</u>	<u>Current Year</u>	<u>Prior Year</u>
\$ _____	\$ _____	\$ _____

9. a. Number of all principals, partners, officers and professional employees: _____

b. Average years of experience for the above mentioned for services requesting coverage: _____

c. Number of all non-professional employees (clerks, secretaries, etc.) _____

10. Please provide your Internet address(es) and/or World Wide Web Address(es): _____

11. Has the Applicant obtained all necessary rights, licenses, releases and consents applicable to content created or provided by Applicant? ☐ Yes ☐ No

12. Does the Applicant edit or review content created or provided to the Applicant by others? ☐ Yes ☐ No



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13. Does the Applicant have an established procedure to safeguard against infringing upon copyrights/trademarks, etc. of others? If yes, please attach a copy of written description of procedure. ☐ Yes ☐ No
14. Does the Applicant verify that all necessary rights, licenses, releases and consents have been obtained by those parties providing consent? ☐ Yes ☐ No
15. Do those parties providing content to the Applicant indemnify the Applicant, in writing, for any claims arising out of the use of the content provided? ☐ Yes ☐ No
6. Prior to publishing content or releasing packaged or custom software/hardware, do you have an attorney facilitate a patent/copyright/trademark search? If yes, please give name of the attorney's firm: _____ ☐ Yes ☐ No
17. Describe the Applicant's policies and procedures for removing controversial or potentially infringing material:

18. Do you have a safety procedure in place to prevent the transmission of viruses? If yes, please explain.

19. Are all of your PC's equipped with anti-virus software? If yes, what brand? ☐ Yes ☐ No

20. Are there firewalls in place as a part of your security system? ☐ Yes ☐ No
a) What firewall security do you employ? _____
b) Was it configured by professional personnel? ☐ Yes ☐ No
c) Did you alter it in any way before installing it? ☐ Yes ☐ No
21. What kind of safeguards do you have in place to prevent unauthorized persons from accessing your Web Sites or On-Line Service database? _____
22. Have any principals, partners, officers or professional employees ever been the subject of reprimand or disciplinary or criminal actions by authorities as a result of their professional activities? If yes, please attach details. ☐ Yes ☐ No
23. Does any person to be insured have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim against him or his predecessors in business? If yes, please attach details. ☐ Yes ☐ No
24. Have any errors and omissions claims been made against any proposed assured(s)? If yes, please attach details. ☐ Yes ☐ No
25. Has the Applicant been a party to any lawsuit or other legal proceedings within the past 5 years? If yes, please attach details. ☐ Yes ☐ No



**Miscellaneous Professional Services Coverage Section
Information**

Is the Parent Company seeking Miscellaneous Professional Services coverage?

☐ Yes

☐ No

If yes, please answer the following questions.

1. Describe in detail the professional services for which coverage is desired:

2. Is the applicant engaged in any business other than as described in question 1.? _____
If yes, please attach an explanation and estimated receipts.

3. What percentage of the applicant's business involves subcontracting work to others? _____%

4. List the total gross receipts for the past year which were derived from the services listed in question 1. In addition, please provide the projected receipts for the coming year in which insurance coverage is desired.

Year	Gross Receipts
a. Next	_____
b. Current Projected Year	_____
c. Prior Year	_____

5. a. What is the number of all principals, partners, officers and professional employees directly engaged in providing services to clients: _____

b. Average years of experience for the above mentioned for services requesting coverage: _____

6. Please provide the following:

- a. Standard contract(s) used.
- b. Descriptive or promotional brochures.
- c. Website address.

7. Have any principals, partners, officers or professional employees ever been the subject of reprimand or disciplinary or criminal actions by authorities as a result of their professional activities? If yes, please provide details on a separate page.

☐ Yes

☐ No

8. Does any person to be insured have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim against him or his predecessors in business? If yes, please provide details on a separate page.

☐ Yes

☐ No

9. Have any professional liability claims ever been made against any proposed assured(s)? If yes, please provide details on a separate page.

☐ Yes

☐ No