



**APPLICATION FORM FOR
EXECUTIVE LIABILITY INSURANCE
FINANCIAL INSTITUTIONS AND
SUBSIDIARIES**

**UNDERWRITTEN IN FEDERAL INSURANCE COMPANY, TEXAS PACIFIC INDEMNITY COMPANY, OR
NORTHWESTERN PACIFIC INDEMNITY COMPANY**

(If coverage is desired for more than one Company, a separate Application must be completed for each.)

Company Name _____

Street Address _____

City _____ State _____ Zip Code _____ Telephone () _____

1. Officer designated, as agent of the Company and of all insured Directors and Officers, to receive any and all notices from the Insurer or their authorized representative(s) concerning this insurance:

Name of Officer Title of Officer

2. This Company has continuously been in business since _____

3. Type of Company

Commercial Bank

Savings & Loan

Other (Specify) _____

4. Deposits insured since: _____ by:

F.D.I.C.

F.S.L.I.C.

Other (Specify) _____

5. Common Stock:

a. _____ Total number of shareholders

b. _____ Total number of shares outstanding

c. _____ Total number of shares owned directly or beneficially by Directors and Officers

d. Give names and percent owned of any shareholders holding directly or beneficially 10% or more of the common stock (if none, so indicate).

e. Has there been a change in controlling ownership (10% or more) in the last 5 years? YES NO

If yes, provide details.

f. Are there any negotiations now pending for the sale of stock in this Company in excess of 10% of the total stock outstanding? YES NO

If yes, provide details.

g. Are there any other securities which are convertible to common stock? YES NO

If yes, provide details.

6. Has this Company or any Subsidiary been involved in any actual or proposed merger, acquisition or divestment in the last 5 years? YES NO

If yes, provide details.

7. a. Have any plans for merger, acquisition, consolidation or divestiture been currently approved by the Board of Directors? YES NO

b. If yes, have such plans been submitted to the shareholders for approval? YES NO

Kindly provide details of current status of such plans (attach separate sheet if necessary).

c. Does the Company or any Subsidiary anticipate any new public offering of securities or registration of securities under the Securities Act of 1933 or any other similar Federal, State or Municipal Statute or qualification of securities under Regulation A or any other similar Federal, State, or Municipal Regulation within the next year? YES NO

If yes, provide details and submit prospectus.

8. Has any regulatory agency denied or indicated that they would deny any contemplated merger, acquisition, or divestment in the last 5 years? YES NO

If yes, provide details.

9. Provide the following information on Page 9 for all Subsidiaries (including Subsidiaries of Subsidiaries):
If none, please indicate:

- | | | |
|-----------------------------|-------------------------------|--------------------------------|
| a. Name | f. Domestic or foreign | } most recent year end figures |
| b. Date created or acquired | g. Name of parent institution | |
| c. State of Incorporation | h. Total revenues | |
| d. Percent of ownership | i. Total assets | |
| e. Nature of business | j. Net income | |

It is agreed that coverage is not provided for Subsidiaries unless listed above or by an attachment hereto providing similar information.

k. Is coverage to include all listed Subsidiaries? YES NO

If no, specify which Subsidiaries are not to be included.

10. Provide the following information for the Company and Subsidiaries:

- a. _____ Number of Directors
- b. _____ Number of Officers

11. Is the Company or any of its Subsidiaries currently offering or planning to offer any of the following services?

- | | | |
|---|------------------------------|-----------------------------|
| a. Actuarial Services | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| b. Appraisal Services | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| c. Data Processing Services | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| d. Discount Brokerage Services | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| e. Insurance Agent/Agency | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| f. Investment Advisor/Counselor | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| g. Real Estate Agent/Agency | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| h. Real Estate Investment Trust Advisory Services | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| i. Security Broker/Dealer | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| j. Travel Agent/Agency | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| k. Underwriting of Securities | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

12. Attach a list of names and principal business affiliations, including directorships of financial institutions, for all Directors and Senior Officers proposed for this insurance.

It is agreed that coverage is not provided under this Policy for outside positions listed in conjunction with the above question.

13. a. Have there been any changes in senior management in the last 5 years? YES NO

If yes, provide details.

- b. In the last 5 years has the Company changed the Certified Public Accounting firm that prepares its independent audited financial statements? YES NO

If yes, provide the time of the change and the reasons for making the change.

14. Have there been during the last 5 years, or are there now pending, any suits, claims or proceedings against this Company or Subsidiaries? YES NO

If yes, provide details.

15. Have there been during the last 5 years, or are there now pending, any suits, claims or proceedings against any person proposed for this insurance in their capacity as either Director, Officer or employee of this Company or its Subsidiaries? YES NO

If yes, attach supplemental claim or incident information form(s).

Pertaining to Questions 14 and 15, it is agreed that any claim arising from such suits, claims or proceedings is excluded from the proposed coverage.

16. Is the undersigned or any Director or Officer proposed for this insurance aware of any fact, circumstance, situation or wrongful act involving the Company, its Subsidiaries or the Directors or Officers of the Company or its Subsidiaries which he has reason to believe might result in any future claim which would fall within the scope of the proposed insurance? YES NO

If yes, provide details.

Pertaining to Question 16, it is agreed that if the undersigned or any Director or Officer proposed for this insurance is aware of any such fact, circumstance, situation or wrongful act, any claim subsequently arising therefrom shall be excluded from coverage under the proposed insurance.

17. Has the Company, its Subsidiaries or its Directors and Officers been involved in or have any knowledge of any fact or circumstance involving the following which may give rise to a claim under the proposed Policy?

- a. Any antitrust, copyright or patent litigation? YES NO
- b. Any civil or criminal action or administrative proceeding involving a violation of any federal or state security law or regulation? YES NO
- c. Any civil or criminal action or administrative proceeding involving a violation of any federal or state antitrust or Fair Trade Law? YES NO
- d. Any representative actions, class actions, or derivative suits? YES NO

If any of the above are answered yes, attach full details on a separate sheet.

Pertaining to Question 17, it is agreed that if the undersigned or any Director or Officer proposed for this insurance has any knowledge of any such fact or circumstance, any claim arising therefrom shall be excluded from coverage under the proposed insurance.

18. a. Are there any outstanding loans to any Director or Officer of the Company or of any Subsidiary? YES NO
- b. Are there any outstanding loans to any corporations or partnerships in which a Director or Officer of the Company or its Subsidiaries owns or controls more than 10% interest? YES NO

If Question 18(a) or 18(b) is answered yes, please provide separate schedule of such loans with the following information:

- i. name of borrower
- ii. type of loan
- iii. whether secured or unsecured
- iv. outstanding balance
- v. final due date
- vi. amount past due.

19. During the last two years, have any Directors or Officers been alerted to any of the following conditions relating to the Company or any Subsidiary?
- a. Concentration of credits which warrant reduction or correction? YES NO
 - b. Extensions of credit which exceed the legal lending limit? YES NO
 - c. Assets subject to criticism by any regulatory authority as substandard, doubtful, loss, or as other assets especially mentioned, the total of which exceeds 25% of capital? YES NO
 - d. Problems involving extensions of credit to Directors, Officers or Corporations controlled by Directors or Officers? YES NO
 - e. Significant violations of laws and regulations? YES NO
 - f. Conflict of interest transactions? YES NO

If any of the above are answered yes, provide details by attachment with current status.

20. Provide the dates of the last 3 regulatory examinations along with the name of the examining agency for the Company and each Subsidiary.

Have all recommendations or criticisms of the last examination been complied with as respects the Holding Company and Subsidiaries? YES NO

If no, please attach a separate sheet and explain.

21. Has the Company or any Subsidiary ever received a cease and desist order from any regulatory agency or entered into any other type of written agreement with a regulatory agency concerning the operation of the Company or Subsidiaries? YES NO

If yes, provide details.

22. Provide the following information:

a. Blanket Bond

Limit: _____
Expiration Date: _____

Deductible: _____
Insurer: _____

b. Trust Department E&O
(Surcharge Liability)

Limit: _____
Expiration Date: _____

Retention: _____
Insurer: _____

c. General Liability Insurance

Limit: _____
Expiration Date: _____

Deductible: _____
Insurer: _____

It is represented and agreed that above coverages in current amounts will be maintained by the Company and its Subsidiaries during the policy period of the proposed insurance and that the Insurer is relying upon such representation when issuing a Policy.

23. Has this Company or any Subsidiary, during the last 5 years, made any claim in excess of \$25,000 under its Blanket Bond?

YES NO

If yes, provide details.

24. How often are Board of Directors meetings held? _____

25. List the Board of Directors committees which are in existence and indicate the frequency of the meetings.

a. _____

c. _____

b. _____

d. _____

26. Indicate the areas in which formal written policies and/or procedures have been implemented by the Board of Directors to address the following:

- Asset-Liability Management Policy
- Audit Policy
- Conflicts of Interest Policy
- Duties of Directors and Officers
- Investment Policy
- Loan Policy

- Merger and Tender Offers
- Operation Procedures
- Personnel Policy
- Risk Management Policy
- Selection process for New Directors

27. How often does the Board of Directors review the following?

Financial Statements of the Institution	_____
Investment Activities	_____
(Purchase, Sales, Gains & Losses)	_____
Insurance Coverages	_____
Changes in Lending Policy	_____
Loan Delinquencies	_____
Charged Off Loans	_____
Significant Overdrafts	_____
Threatened or Actual Litigation	_____

28. Trust Department:

- a. Approximate trust assets:
 - Market Value _____
 - Number of Accounts _____
- b. Approximate assets of plans subject to ERISA
 - Market Value _____
 - Number of Accounts _____
- c. Number of Trust Officers _____

29. Previous Directors' and Officers' Liability Insurance (answer each item).

- a. Carrier _____
- b. Premium _____
- c. Limit _____ Retention _____ Policy Period From _____ To _____

30. Has any claim been made under any prior or current Directors' and Officers' Liability Policy or similar insurance or has notice been given to any insurer providing such coverage?

YES NO

31. Has any carrier refused or cancelled D&O Coverage?

YES NO

32. **One copy of each of the following documents is to be attached and made a part of this Application:**

- a. latest two Annual Audited Financial Statements;
- b. latest two C.P.A. Management Letters and Responses;
- c. latest two Annual Reports to Stockholders;
- d. all subsequent Quarterly Reports to Stockholders;
- e. notice to Stockholders and Proxy Statement for both the last and next scheduled meetings;
- f. most recent S.E.C. Form 10-K filing;
- g. all subsequent 10-Q and 8-K filings; and
- h. all Registration Statements of securities made in the last year.

33. In addition to the documents referred to in 32 above, one copy of each of the following documents is also to be attached and made a part of this Application:

COMMERCIAL BANKS:

- a. most recent Uniform Bank Performance Report (UBPR) on each Bank Subsidiary; and
- b. most recent Quarterly Call Report including Statement of Condition and Income.

SAVINGS & LOAN ASSOCIATIONS:

- a. latest Annual FHLBB Reports for each Savings & Loan Association;
- b. all subsequent Quarterly FHLBB Reports for each Savings & Loan Association; and
- c. latest Monthly FHLBB Report for each Savings & Loan Association.

The undersigned persons declare that to the best of their knowledge, the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from each and every Director or Officer proposed for this insurance to facilitate the proper and accurate completion of this Application. The undersigned further agree that, if between the date of this Application and the effective date of the Policy, (1) any material change in the condition of the Applicant is discovered or, (2) there is any material change in the answers to the questions contained herein, either of which would render this Application inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately and if necessary, any outstanding quotation may be modified or withdrawn.

The signing of this Application Form does not bind the undersigned to purchase this insurance, but it is agreed by the Company and all persons proposed for this insurance that the particulars and statements contained in this Application Form and the attachments and materials submitted with this Application Form (which shall be retained on file by the Insurer and shall be deemed attached to the Policy, if insurance is provided, as if physically attached thereto) are true and correct and will be the basis of the Policy and will be considered as incorporated in and constituting a part of the Policy. It is further agreed by the Company and all persons proposed for this insurance that such particulars and statements are material to the decision to provide this insurance and that any Policy will be issued in reliance upon the truth of such particulars and statements. All such particulars and statements shall be deemed to be made by each and every one of the persons proposed for this insurance, provided that, except for any misstatements or omissions of which the signers of this Application Form are aware, any misstatement or omission in this Application Form or the attachments submitted with it, concerning any matter which any person proposed for this insurance has reason to suppose might afford grounds for a future claim against him shall not be imputed, for purposes of any rescission of the Policy, to any other persons proposed for this insurance who are not aware of the omission or the falsity of the statement.

False Information

Any person who, knowingly and with intent to defraud any insurance company or other person, files an Application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

	Company
_____	_____
Signature of Chief Executive Officer (or other Senior Officer if the Chief Executive Officer is also the Chairman, Board of Directors)	Signature of Chairman, Board of Directors

	Date

A Policy cannot be issued unless the Application is properly signed and dated by the Chief Executive Officer (or other Senior Officer if the Chief Executive Officer is also the Chairman, Board of Directors) and the Chairman, Board of Directors.

NOTE: This Application and all exhibits shall be treated in strictest confidence.

