

Directors' and Officers' and Corporate Liability Insurance

CLAIMS MADE WARNING FOR APPLICATION

THIS PROPOSAL FORM IS FOR A CLAIMS-MADE POLICY, RELATING TO CLAIMS MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

Whenever printed in this Proposal Form, the boldface type terms shall have the same meanings as indicated in the Policy. This Proposal Form is to be completed with respect to the entire Company. Company as used herein is defined to include the Parent Organization and any Subsidiaries. Please provide details to all "Yes" answers, when applicable, by attachment.

Name of Parent Organization

Address

City

State

Zip Code

The 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 representatives concerning this insurance:

Name

Title

E-Mail Address

Company Information

- 1. The Company has been in continuous operation since:
2. Primary Standard Industry Code (SIC):
3. Describe the nature of the Company's business:
4. Number of Directors and Officers proposed for this insurance:
5. Have there been any changes in senior management within the last 3 years?
6. Has the Company been involved in any bankruptcy proceedings within the last 5 years or has the Company contemplated filing a petition for protection under the bankruptcy code within the next 12 months?
7. Provide the following information on all Subsidiaries of the Company. If "None", so state.

IT IS UNDERSTOOD AND AGREED THAT COVERAGE IS NOT PROVIDED FOR SUBSIDIARIES UNLESS LISTED ABOVE OR BY AN ATTACHMENT PROVIDING SIMILAR INFORMATION.

# Carolina Casualty Insurance Company

## Loss Control Information

8. Indicate the formal written policies or procedures the Board of Directors has implemented that address the following areas.  None  
 If "None", so state.

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Investor Communications Policy      | <input type="checkbox"/> Merger / Tender Offer Procedures  | <input type="checkbox"/> Audit Policy                        |
| <input type="checkbox"/> Insider Trading Policy              | <input type="checkbox"/> Related Party Transactions Policy | <input type="checkbox"/> Revenue Recognition Policy          |
| <input type="checkbox"/> Investment Policy                   | <input type="checkbox"/> Operation Procedures              | <input type="checkbox"/> Selection Process for New Directors |
| <input type="checkbox"/> Conflict of Interest Policy         | <input type="checkbox"/> Personnel Policy                  | <input type="checkbox"/> Employee Manual                     |
| <input type="checkbox"/> Other Policies or Procedures: _____ |  |  |

9. Is an Investor Relations Firm utilized by the **Company**?  Yes  No

If "Yes", provide the name of the Investor Relations Firm: \_\_\_\_\_

If "No", who handles the investor relations for **Company**? \_\_\_\_\_

## Stock Ownership Information

10. Provide the following information regarding the **Company's** outstanding common stock.  Yes  No

(a) Are the common shares of the **Company** publicly traded?

If "Yes", what exchanges? (NASDAQ, NYSE, AMEX): \_\_\_\_\_

Ticker symbol: \_\_\_\_\_

Stock traded since: \_\_\_\_\_

Date of last public offering: \_\_\_\_\_

(b) Total number of shares of common stock outstanding: \_\_\_\_\_

(c) Total number of common stock shareholders: \_\_\_\_\_

(d) Number of shares of common stock owned directly by the **Directors and Officers**: \_\_\_\_\_

(e) Number of shares of common stock owned beneficially by the **Directors and Officers**: \_\_\_\_\_

(f) Does any shareholder own directly or beneficially 10 percent or more of the common stock outstanding, or does any other security holder have the right to own directly or beneficially 10 percent or more of the common stock outstanding?  Yes  No

11. Within the last 12 months has the **Company** received or is the **Company** aware of any actual or contemplated SEC Rule 13d filing under the Securities Exchange Act of 1934?  Yes  No

12. Has the **Company** filed within the last 3 years, or contemplated filing within the next 12 months, any Registration Statement with any Governmental Authority for a public offering of securities? If "Yes", attach the prospectus including all amendments thereto.  Yes  No

13. Within the last 3 years, has the **Company** been involved in, or is it presently considering any sale of its stock (in excess of 10 percent of the total stock outstanding), merger, consolidation, acquisition, tender offer, or divestment?  Yes  No

## Previous Insurance Information

14. Provide the following information regarding the **Company's** Directors' and Officers' Liability insurance for the last 3 years, including the current policy. If "None", so state.  None

Insurance Carrier	Expiration Date	Limit of Liability	Retentions	Premium

## Carolina Casualty Insurance Company

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15. Has any **Claim** ever been made or has notice been given under any Directors' and Officers' Liability Policy?  Yes  No
16. Has the Extended Reporting Period (or Discovery Period) been exercised for the **Company's** most recent Directors' and Officers' Liability Policy?  Yes  No

### Litigation Information

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17. During the last 5 years, has the **Company** or any of the **Directors and Officers** been involved in, or had any knowledge of:
- (a) Any pending Copyright or Patent Litigation, including any written demands?  Yes  No
  - (b) Any civil or criminal action, administrative or arbitration proceeding involving a violation of any Federal or State Security Law or Regulation?  Yes  No
  - (c) Any civil or criminal action, administrative or arbitration proceeding involving a violation of any Federal or State Anti-Trust or Fair Trade Law?  Yes  No
  - (d) Any other civil or criminal action, administrative or arbitration proceeding involving the **Company**?  Yes  No
18. During the last 5 years, has the **Company** or any of the **Directors and Officers** received any written demands for money or services or been involved in any lawsuits, administrative or arbitration proceeding that would otherwise be within the scope of this proposed insurance?  Yes  No
19. Are the undersigned or any of the **Directors and Officers** proposed for this insurance aware of any fact, circumstance or situation involving the **Company** or the **Directors and Officers** of the **Company** that he or she has reason to believe might result in a future **Claim**?  Yes  No

**IT IS UNDERSTOOD AND AGREED THAT THE INSURER SHALL NOT BE LIABLE TO MAKE ANY PAYMENT FOR LOSS IN CONNECTION WITH ANY CLAIM MADE AGAINST ANY INSURED BASED UPON, ARISING OUT OF, DIRECTLY OR INDIRECTLY RESULTING FROM OR IN CONSEQUENCE**

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# Carolina Casualty Insurance Company

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## Please Read Carefully

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The undersigned Chairman of the Board of Directors, President, or Chief Executive Officer declares that to the best of his/her 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 and Officer** proposed for this insurance to facilitate the proper and accurate completion of this Proposal Form.

The undersigned agrees that the particulars and statements contained in the Proposal Form and any material submitted herewith are their representations and that they are material and are the basis of the insurance contract. The undersigned further agree that the Proposal Form and any material submitted herewith shall be considered attached to and a part of the Policy.

It is further agreed that:

- if any significant change in the condition of the applicant is discovered between the date of this Proposal Form and the Policy inception date, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the **Insurer** immediately;
- the information contained in this Proposal Form shall not be used by the **Company** and/or any of the **Directors and Officers** of the **Company** as notice as provided for in section VII. of the Policy, nor will the **Insurer** recognize and/or accept the information contained herein as notice as provided for in section VII. of the Policy;
- this Proposal Form has been completed as respects the entire **Company**; and
- the signing of this Proposal Form does not bind the undersigned to purchase the insurance.

**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, 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 POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER 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 NEW YORK 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 SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

**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 APPLICANTS OF FLORIDA, KENTUCKY, MINNESOTA, NEW JERSEY, OHIO, AND OKLAHOMA:** ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO 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.

	Dated:
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Chairman of the Board of Directors, President, or Chief Executive Officer

This Carolina Casualty Insurance Company Proposal Form, including any material submitted herewith, shall be treated in strictest confidence.

**A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL FORM IS PROPERLY SIGNED AND DATED.**

Please submit this Proposal Form including appropriate documentation to:  
Monitor Liability Managers, Inc., 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008.

	Dated:
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# **Carolina Casualty Insurance Company**

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Submitted by (PRODUCER)