



**PRIVATE COMPANY MANAGEMENT INDEMNITY PACKAGE  
Directors, Officers and Corporate Liability,  
Employment Practices Liability, and Fiduciary Liability Insurance**

**APPLICATION**

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY WITH DEFENCE COSTS INCLUDED IN THE LIMIT OF LIABILITY. ALL QUESTIONS MUST BE ANSWERED.

**Corporate Information**

1. (a) Name of Applicant: \_\_\_\_\_
- (b) Address: \_\_\_\_\_
- (c) Date of Incorporation: \_\_\_\_\_ Jurisdiction: \_\_\_\_\_ Fiscal Year End: \_\_\_\_\_
- (d) Nature of Business: \_\_\_\_\_
- (e) Web-Site Address: \_\_\_\_\_
- (f) Does the Applicant currently file, or do they anticipate in the next 6 months filing, any documents with any Securities Commission regarding any equity or debt securities? Yes  No
- (g) Are there any securities that are convertible to voting stock? Yes  No
- (h) Are there any loans outstanding or anticipated to directors and officers or companies controlled by directors and officers? Yes  No

***If yes to any of the above, attach details.***

- (i) Percent of voting securities owned directly or beneficially by directors or officers: \_\_\_\_\_ %
- (j) Please list all shareholders who own 5% or more of any class of securities, either directly or beneficially:

Shareholder	Class of Security	% Owned	Director or Officer? (Y/N)

***If there are more shareholders, please attach a list containing the above information.***

**Operational Details**

2. (a) Please provide the following corporate information (at the time of completing this Application):

	Shares	Assets	Sales	# of Employees
in Canada	_____ %	_____ %	_____ %	_____
in the U.S.A.	_____ %	_____ %	_____ %	_____
Other (Specify) _____	_____ %	_____ %	_____ %	_____
_____	_____ %	_____ %	_____ %	_____
	100%	100%	100%	_____

- (b) Total number of Subsidiaries that are more than 50% owned or controlled by the Applicant, either directly or indirectly through one or more of its Subsidiaries at the time of completing this Application:  
 Canada: \_\_\_\_\_ United States: \_\_\_\_\_ Other: \_\_\_\_\_

- (c) Please attach as **Schedule "A"** a list of all Subsidiaries for which coverage is requested, including date and jurisdiction of incorporation, date of acquisition or creation, percentage of ownership and nature of operations.
- (d) Please attach as **Schedule "B"** a list of all directors and officers of the Applicant and all Subsidiaries.
- (e) In the next 12 months (or during the past 24 months) is the Applicant contemplating (or has the Applicant completed or in the process of completing) the following:
- |  |                              |                             |
|--|------------------------------|-----------------------------|
| (i) any acquisition, tender offer, merger, consolidation or divestiture? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (ii) any private or public offering of its securities?                   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (iii) any changes in nature of operations or sources of revenue?         | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (iv) any change in directors or senior management?                       | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (v) any change in the controlling ownership of the Applicant?            | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (vi) any change in accountants or external legal advisors?               | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

**If yes to any of the above, attach details.**

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**Financial**

3. (a) Is the Applicant currently, or has it at any time during the past three years been, in arrears in its payments to the Canada Revenue Agency or the provincial ministries of revenue (including source deductions, G.S.T and P.S.T)? Yes  No
- (b) Is the Applicant currently protected, or has it at any time during the past three years sought protection, under the Companies Creditors Arrangement Act (or similar Canadian or U.S. legislation) or does it anticipate seeking such protection within the next twelve months? Yes  No
- (c) Is the Applicant currently, or has it at any time during the past three years been, in breach of any of its debt covenants or loan agreements, or does it anticipate any such breach occurring within the next twelve months? Yes  No

**If yes to any of the above, attach details.**

4. The following question can be omitted if the Applicant is submitting a separate financial statement as an attachment. Applicants meeting all of the following 3 criteria may complete this section in place of submitting financial statements:

Assets under \$75 million     Positive Net Income for last 2 fiscal years     Limits of \$3 million or less

Please indicate the following as it relates to the Applicant's fiscal year end (FYE): (please indicate negative figures with "(" or "-" as appropriate)	Most Recent FYE (Month/Year) ____/____	Prior FYE (Month/Year) ____/____
(a) Current Assets		
(b) Total Assets		
(c) Current Liabilities		
(d) Long Term Debt		
(e) Retained Earnings (Accumulated Deficit)		
(f) Shareholders' Equity		
(g) Revenues		
(h) Net Income (Net Loss)		

5. (a) Financial statement preparation:  Internal     Notice to Reader     Review Engagement     Audit
- (b) Has the Applicant changed outside auditors in the last 3 years? Yes  No
- (c) Have outside auditors stated there are material weaknesses in the Applicants system of internal controls? Yes  No
- (d) Have any material recommendations of the audit not been implemented? Yes  No

- (e) Has any auditor issued a "going concern" opinion for the Applicant or any of its Subsidiaries financial statements during the past 3 years? Yes  No

**If yes to any of the above, attach details.**

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**Employment Practices Liability Insurance**

6. Does the Applicant require Employment Practices Liability Insurance? Yes  No

**If Yes, complete the following questions:**

- (a) Total number of employees with total annual compensation less than \$50,000: \_\_\_\_\_
- (b) Total number of employees with total annual compensation greater than \$100,000: \_\_\_\_\_
- (c) Percentage of your employees who are subject to a collective bargaining agreement: \_\_\_\_\_ %
- (d) Total number of employees, including officers, who have been terminated in the past two years: \_\_\_\_\_
- (e) Historical annual employee turnover rate: \_\_\_\_\_ %
- (f) Has the turnover rate exceeded historical levels during the past two years? Yes  No
- (g) Are any layoffs or staff reductions anticipated within the next two years? Yes  No

**If yes to (f) or (g) above, attach details.**

- (h) Does the Applicant have a full time human resources manager or department? Yes  No
- If Yes: (i) please indicate the number of employees in this department: \_\_\_\_\_
- (ii) have any of these employees received certification in H.R. management? Yes  No
- (i) When an employee is terminated, does the Applicant consult with legal counsel or Human Resources personnel prior to termination? Yes  No
- (j) Does the Applicant have the following in current use and practice:
- (i) an employment application for job applicants? Yes  No
- (ii) written interviewing and hiring guidelines? Yes  No
- (iii) an employee handbook that is distributed to all employees? Yes  No
- (iv) written job description for all positions? Yes  No
- (v) a personnel file for each employee? Yes  No
- (vi) annual written performance evaluations for all employees? Yes  No
- (vii) a written policy against discrimination or sexual harassment? Yes  No
- (viii) a written policy for the handling of employee complaints of discrimination or sexual harassment? Yes  No
- (ix) a written policy dealing with the use of corporate electronic mail, voice mail and internet access? Yes  No

**If No to Questions (i) or (j)(i) through (ix) above, attach details.**

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**Fiduciary Liability Insurance**

7. Does the Applicant require Fiduciary Liability Insurance? Yes  No

**If Yes, complete the following questions:**

- (a) Provide details for each Plan for which coverage is being sought:

Name of Plan	Plan Type*	Year Established	Plan Assets Current Year	Plan Assets Prior Year	Annual Contributions	Number of Participants
1.						
2.						
3.						

\* DC - Defined Contribution, DB – Defined Benefit. **If there are more plans, please attach a separate list.**

(b) Provide the following administration details for each Plan identified above:

Plan No. From Question 8(a)	Plan Administrator	Investment Manager	Legal Counsel	Actuary	Chartered Accountant
1.					
2.					
3.					

- (c) Are all Defined Benefit Plans fully funded in accordance with applicable statutes and regulations as attested to by an actuary? Yes  No
- (d) Do all Plans conform to the regulatory requirements for eligibility, participation, vesting, funding and all other provisions of the Pension Benefits Standards Act or any similar provincial or territorial statute, and all rules and regulations adopted thereunder? Yes  No
- (e) Have the Plans been reviewed to ensure that there are no violations of any plan agreement, prohibited transactions or party-in interest rules? Yes  No
- (f) Are all Plan assets managed by the Investment Manager identified in Question (b) above? Yes  No
- If No to (c), (d), (e) or (f) above, attach details.**
- (g) In the past three years has there been any:
- (i) plan mergers or termination? Yes  No
- (ii) amendment to any Plan that has resulted in, or is expected to result in, any change of benefits, including but not limited to an increase in participants cost? Yes  No

**If Yes to (g) (i) or (ii) above, attach details.**

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#### Prior Insurance & Past Activities

8. Provide details of the expiring Directors' and Officers' liability, Employment Practices Liability or Fiduciary Liability insurance policies:

Coverage	Name of Insurer	Limit of Policy	Deductible/Retention	Expiry Date	Premium	Claims (Y/N)
Directors & Officers						
Employment Practices						
Fiduciary Liability						

9. During the past 3 years, has the Applicant or any directors, officers or any other person proposed for this insurance:
- (a) been the recipient(s) of any declination, cancellation or non-renewal of any liability insurance similar to that now applied for? Yes  No
- (b) given or delivered written notice under the provisions of any liability insurance policy of any claim, or notice of potential claim? Yes  No
- (c) been involved in any claim, which has been made or is now pending, which would fall within the scope of an insurance policy similar to that now proposed if such insurance had been in force? Yes  No
- (d) been involved in any claim where loss payments have been made under any insurance policy similar to that now proposed? Yes  No
- (e) been involved in any anti-trust, combines, price fixing, restraint of trade, tax, copyright or patent infringement proceeding? Yes  No
- (f) been involved in any civil, criminal, administrative or regulatory investigation or proceeding? Yes  No
- (g) been involved in any receivership or insolvency or bankruptcy proceeding? Yes  No
- (h) been involved in any stockholder's suit, shareholder derivative suit, representative or class action? Yes  No

**If yes to any of the above, attach details.**

**THE APPLICANT DOES HEREBY PROVIDE THE FOLLOWING WARRANTY TO THE INSURER**

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10. Are there any facts, circumstances or situations which could give rise to a claim which would fall within the scope of the proposed insurance? Yes  No

If Yes, provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

It is understood and agreed that if any such facts, circumstances or situations exists, whether or not disclosed, any claim or action subsequently arising or developing therefrom shall be excluded from coverage under any policy issued by Trisura Guarantee Insurance Company.

**Additional Information Required**

11. As a part of this Application, please submit one copy of each of the following documents:
- (i) Latest annual financial statements, if limits requested are greater than \$3,000,000 or assets are greater than \$75 million or net income was negative in any if the previous two years;
  - (ii) Schedule A – a list of all Subsidiaries for which coverage is requested;
  - (iii) Schedule B – a list of all directors and officers of the Applicant and all Subsidiaries;
  - (iv) Plan financial statements and latest actuarial report for defined benefit plans.

**FALSE INFORMATION**

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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 information concerning any fact material thereto for the purpose of misleading any insurance company or other person, commits a fraudulent insurance act which is a crime.

**DECLARATIONS AND SIGNATURE**

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The undersigned authorized officer of the Applicant:

- (i) declares, after inquiry, that the statements and representations set forth in this Application, and all materials submitted to or requested by the Insurer in conjunction with this Application, are true;
- (ii) acknowledges that these statements, representations, and materials are relied on by the Insurer and that they shall be deemed material to the acceptance of the risk assumed by the Insurer under the insurance applied for, should the insurance be effected;
- (iii) agrees that if the information supplied in connection with this Application changes between the date of this Application and the effective date of any insurance effected pursuant to this Application, the undersigned will immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding indications, quotations and/or authorization or agreement to effect the insurance; and
- (iv) acknowledges that any personal information provided in connection with the insurance applied for, including but not limited to the information contained in this Application, has been collected in accordance with all applicable privacy legislation. The undersigned confirms that all necessary consents have been obtained for the collection, use, and disclosure of such information for the purposes of any investigation and inquiry in connection with this Application for insurance and, if applicable, investigating and settling claims, detecting and preventing fraud, and acting as required or authorized by law.

Signing of this Application does not obligate the Applicant or the Insurer to effect the insurance, but it is agreed that all materials submitted to or requested by the Insurer in conjunction with this Application are hereby incorporated by reference into this Application and made a part hereof. Terms and conditions, including limits of coverage, offered by the Insurer may differ from those applied for by the Applicant. It is further agreed that this Application and all materials submitted to or requested by the Insurer in conjunction with this Application are the basis of and are deemed attached to and incorporated into any policy effected pursuant to this Application.

PLEASE NOTE: COVERAGE CANNOT BE BOUND UNLESS THIS APPLICATION HAS BEEN FULLY COMPLETED AND DULY SIGNED AND DATED.

Applicant	Date
Signature	Title