



Management Liability Suite
Application

APPLICATION FOR INSURANCE

Certain information requested in this Application is for claims-made coverage sections. If issued, the claims-made coverage sections of the policy cover only claims made against the Insureds during the policy period or any applicable extended reporting period. Unless coverage for defence costs in addition to the limit is provided by the policy, defence costs will reduce, and may exhaust, the limit of liability, except as otherwise required by the law of the province of Quebec, and the Insurer will not be liable for the defence costs or the amount of any judgement or settlement after the exhaustion of the limit of liability.

I. APPLICANT INFORMATION

“Applicant” means all entities, including subsidiaries, for which coverage is requested.

Name of Applicant: _____ IBC Code: _____
 Incorporation Date: _____

Address: _____
 Website: _____

Description of Operations: _____

II. FINANCIAL SUMMARY

- Complete the table with the Applicant’s most recent and prior fiscal year-end (“FYE”) financial information:

Financial Information*	Most Recent FYE () / () (mm/yyyy)	Prior FYE () / () (mm/yyyy)
Current Assets	\$	\$
Total Assets	\$	\$
Current Liabilities	\$	\$
Long-Term Debt	\$	\$
Retained Earnings	\$	\$
Total Equity	\$	\$
Revenues	\$	\$
Cash Flow from Operations	\$	\$

**The Applicant may provide complete financial statements in place of the above table.*

- Is the Applicant currently (or has it been in the past 24 months) in breach of, or in receipt of any amendments to, any of its loan agreements, or does it anticipate any such breach or amendment to occur in the next 12 months? Yes No
- Is the Applicant currently (or has it at any time during the past 3 years) been in arrears in its payments to the Canada Revenue Agency or any other provincial ministries of revenue (including source deductions, G.S.T. and H.S.T.)? Yes No
- If applicable, has the Applicant’s outside auditor:
 - Identified any material weaknesses in the Applicant’s system of internal controls? Yes No
 - Made material recommendations that have not been implemented by the Applicant? Yes No
 - Issued a “going concern” opinion for the Applicant’s financial statements at any point in the past 3 years? Yes No

If any part of Questions 2 to 4 above is answered “Yes”, attach an explanation and any additional information that can be deemed as relevant.

III. REQUESTED INSURANCE

1. Please indicate below, by placing an "X" in the box, which coverage is requested and complete the relevant portions of this Application and provide any supplemental information as applicable.

Coverage Modules	Limit Requested	Limit Currently Purchased	Current Policy's Retention (or Deductible)
<input type="checkbox"/> Directors' and Officers' Liability	\$	\$	\$
<input type="checkbox"/> Employment Practices Liability	\$	\$	\$
<input type="checkbox"/> Fiduciary Liability	\$	\$	\$
<input type="checkbox"/> Commercial Crime	\$	\$	\$

IV. UNDERWRITING INFORMATION
DIRECTORS' AND OFFICERS' LIABILITY

1. Do the Applicant's by-laws or its charter provide indemnification of its directors and officers to the fullest extent by law? Yes No
2. Have there been any changes in the Applicant's board of directors or senior management within the past three (3) years for reasons other than retirement or death? Yes No

If "Yes", please explain: _____

3. List all shareholders who own greater than 5% of any class of security:

Shareholder	Class of Security	Percentage Owned	Director or Officer?
		%	Yes <input type="checkbox"/> No <input type="checkbox"/>
		%	Yes <input type="checkbox"/> No <input type="checkbox"/>
		%	Yes <input type="checkbox"/> No <input type="checkbox"/>
		%	Yes <input type="checkbox"/> No <input type="checkbox"/>

4. List locations and corresponding employee numbers:

Country	Type of Operations	# Locations	Full-Time Employees	Part-Time Employees	Revenues
Canada					\$
United States					\$
Other:					\$

5. Does the Applicant perform any professional services for a fee? Yes No
If "Yes", please explain: _____

6. In the next twelve (12) months, or during the past twenty-four (24) months, is the Applicant contemplating or has the Applicant completed or been in the process of completing the following:
- a. Any actual or proposed merger, acquisition, or divestiture? Yes No
 - b. Registration for a public offering or a private placement? Yes No
 - c. Any creation of a new organization, subsidiary, or division? Yes No
 - d. Any reorganization or arrangement with creditors? Yes No
 - e. Any operational consolidations, closings, or layoffs? Yes No

If any part of Question 2 above is answered "Yes", attach an explanation and any other information that can be deemed as relevant to the event.

7. List and describe the subsidiaries or affiliated companies for which coverage is requested, and attach an organization chart.

Name	Percentage Owned	Description of Operations	Jurisdiction	Assets
	%			\$
	%			\$
	%			\$

8. Has any person or entity proposed for this insurance been a party to, or subject of, any administrative or regulatory proceedings or civil or criminal charges, hearings, demands, or lawsuits during the past three (3) years, whether or not insured, including any such matter involving securities, security holders, creditors, anti-trust or fair trade law, copyright or patent law, ERISA, discrimination, harassment, or employment-related matters?
- Yes No

If "Yes", attach a description of the details including date, nature of claim, amount paid for defence, amount sought or paid for damages, whether covered by insurance, corrective procedures implemented, and current status.

9. Provide details of Directors' and Officers' Liability insurance policies held during the past three (3) years:

Insurer	Policy Limit	Expiry Date	Premium	Claims*
				Yes <input type="checkbox"/> No <input type="checkbox"/>
				Yes <input type="checkbox"/> No <input type="checkbox"/>
				Yes <input type="checkbox"/> No <input type="checkbox"/>

****Please attach supporting documentation of any claims indicated in the table above.***

EMPLOYMENT PRACTICES LIABILITY

1. Does the Applicant have employees located in the United States? Yes No
- If "Yes", specify the number of employees located in:
- California _____ New Jersey _____ West Virginia _____
2. Total number of employees compensated over \$100,000 CAD annually: _____
3. What percentage of the Applicant's total workforce is unionized? _____%
4. Provide the employee turnover figures for the previous two (2) years:

Termination	Year ____	Year ____
<input type="checkbox"/> Voluntary		
<input type="checkbox"/> Involuntary		
<input type="checkbox"/> Layoffs or Downsizing		

5. Are Human Resources personnel or employment counsel consulted prior to every termination?
Yes No
6. Does the Applicant have written policies, procedures or guidelines related to the following:
 - a. Discrimination? Yes No
 - b. Sexual and other workplace harassment? Yes No
 - c. Retaliation? Yes No
 - d. Reporting, investigating, and resolving employee complaints? Yes No
 - e. Accommodating disabled employees? Yes No
 - f. Equal opportunity employment? Yes No
7. Has employment counsel reviewed the above written policies, procedures and guidelines?
Yes No
8. Are employees required to acknowledge receipt and a clear understanding of the above written policies, procedures or guidelines?
Yes No
9. Does the Applicant:
 - a. Use employment applications? Yes No
 - b. Document employee performance? Yes No
 - c. Conduct HR training for management employees? Yes No
10. Have any employment-related claims or administrative, criminal, or regulatory proceedings, charges, hearings, demands, or lawsuits been made against the Applicant or any person proposed for this insurance during the last three (3) years, whether or not insured, including claims involving employees or contractors?
Yes No

FIDUCIARY LIABILITY

1. List the plans for which the Applicant is requesting coverage:

Full Plan Name	Plan Type*	Current Value	Latest FYE Contributions	Current Participants	Plan Status**
		\$	\$		
		\$	\$		
		\$	\$		

* DC (Defined Contribution) or DB (Defined Benefit) or ESOP (Employee Stock Ownership Plan) or O (Other)

** A (Active) or F (Frozen) or T (Terminated) or S (Sold)

2. List the professional firms the Applicant has hired to provide the following services:

- a. Plan Administrator _____
- b. Legal Counsel _____
- c. Actuary _____
- d. Investment Advisor _____

3. Does the Applicant's plan fiduciaries and advisors adhere to written investment guidelines?
Yes No

4. Are all plans in compliance with the *Pension Benefits Standards Act, 1985*, or any similar provincial statute, or in the United States, *Employee Retirement Income Security Act of 1974*?
 Yes No
5. In the next 12 months will any of the following occur, or have any of the following occurred during the past 24 months, for any plan for which coverage is requested:
- a. An amendment that resulted in a reduction of benefits? Yes No
 - b. A merger with another plan, termination, or sale? Yes No
 - c. An investigation by any federal or provincial regulator or any similar foreign agency?
 Yes No
 - d. A filing for an exemption from a prohibited transaction? Yes No
 - e. Any outstanding or delinquent contributions? Yes No

If any part of Question 5 above is answered "Yes", attach an explanation and any other information that can be deemed as relevant to the event.

6. In the past 3 years, whether or not insured, has any plan, Applicant, or person proposed for this insurance been accused or found guilty of any criminal act or been accused of, or found guilty of, or held liable for a breach of fiduciary duty, or a violation of ERISA, or any similar federal, provincial, territorial, state, local, or foreign law or have any ERISA-related claims, administrative or regulatory proceedings, charges, hearings, or demands been made?
 Yes No

If "Yes", attach a description of the details including date, nature of claim, amount paid for defence, amount sought or paid for damages, whether covered by insurance, corrective procedures implemented, and current status.

COMMERCIAL CRIME

1. List all additional entities for which coverage is requested:

Name of Entity	Description of Operations	Relationship to Applicant

2. Total amount of cash inside the premises for all locations combined: \$ _____
3. Are bank account statements reconciled at least monthly? Yes No
4. Does any employee other than the person(s) responsible for reconciling bank accounts:
- a. Make deposits? Yes No
 - b. Make withdrawals? Yes No
 - c. Sign cheques? Yes No
5. Is a countersignature required for all cheques? Yes No
 If "Yes", indicate the dual signing limit: \$ _____
6. Is segregation of duties practices in the following areas:
- a. Inventory management? Yes No
 - b. Vendor approval? Yes No
 - c. Purchase order approval and payment? Yes No
 - d. Oversight of blank cheque stock? Yes No
 - e. Cash, cheque and credit card receipts? Yes No
 - f. Wire transfer receipts and payments? Yes No

7. Does the applicant make payments to third parties via wire transfer? Yes No
 If "Yes", how frequently are such payments made? _____
8. Is a countersignature required for all wire transfers? Yes No
 If "Yes", indicate the average daily dollar volume of transfers: \$ _____
9. Does the Applicant provide any anti-fraud training, including social engineering, phishing, masquerading, and other fraud schemes, to all employees for authorizing and executing payments of funds-transfer requests? Yes No
10. Does the Applicant confirm all vendor account change requests (including changes to bank account information, invoice changes, telephone or telefacsimile numbers, location, and contact information) by direct call to the vendor using only the provided telephone number? Yes No
11. Does the Applicant require that the supervisor of the individual who received the vendor change request approve such change before it is made? Yes No
12. Does the Applicant have procedures in place to verify the authenticity of any internal requests for payment or funds-transfer? Yes No
13. Does the Applicant have any custody or control over any funds or money belonging to any of its clients, including escrow or trust accounts? Yes No

If "Yes", attach supporting detail which describes the nature of the control or custody and oversight procedures associated with protecting such funds or money.

V. PRIOR KNOWLEDGE OF FACTS, CIRCUMSTANCES OR SITUATIONS

THE APPLICANT HEREBY PROVIDES THE FOLLOWING WARRANTY TO THE INSURER:

No person or entity proposed for coverage is aware of any fact, circumstance, or situation which he or she has reason to suppose might give rise to any claim that would fall within the scope of the proposed coverage:

NONE or, except: _____

Without prejudice to any other rights and remedies of the Insurer, the Applicant understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Insurer.

MATERIAL CHANGE:

If there is any material change in the answers to the questions in this Application before the policy inception date, the Applicant must immediately notify Merlin Underwriting Inc. in writing, and any outstanding quotation may be modified or withdrawn.

DECLARATIONS AND SIGNATURE

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

Applicant	Date
Signature of duly authorized signing Officer	Title