



Financial Institution Professional Liability Coverage Application

Travelers Casualty and Surety Company of America

NOTICE

ALL LIABILITY COVERAGE PARTS FOR WHICH APPLICATION IS MADE APPLY, SUBJECT TO THEIR TERMS, ONLY TO CLAIMS FIRST MADE OR DEEMED MADE AGAINST INSUREDS DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSSES WILL BE REDUCED BY THE AMOUNTS INCURRED AS DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION AMOUNT. TRAVELERS HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE IS SPECIFICALLY PROVIDED.

The term Applicant means all corporations, organizations or other entities, including subsidiaries, proposed for this insurance.

I. GENERAL INFORMATION

1. Applicant Information:

Name of Applicant:
Street Address:
City, State, ZIP Code:
Website Address:
Year Applicant's business was established:
Description of Applicant's operations:

- 2. Applicant's Standard Industrial Classification (SIC) code, if known (4-digit number):
3. Is the Applicant a subsidiary of a foreign parent?
4. Does the Applicant currently file, or does it anticipate filing in the next 6 months, any documents with the Securities and Exchange Commission, or similar foreign authority, regarding any equity or debt securities?

II. ORGANIZATION INFORMATION

1. List and describe all entities in which the Applicant's ownership interest is 50% or greater or over which the Applicant has management control (Check here if not applicable):

Table with 5 columns: Name, % Owned, Year Started, Description of Operations, Entity Type\*

\*Entity Type: FP=For-Profit (other than Partnership); NP=Non-Profit; GP=General Partnership; LP=Limited Partnership; LLC=Limited Liability Company

To enter more information, please attach a separate page or an organization chart with ownership detail.

- 2. In the next 12 months (or during the past 36 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?
b. Any creation of a new business, subsidiary, or division?

- c. Any registration for a public offering or a private placement of securities (stocks or bonds)? Yes  No
- d. Any reorganization or arrangement with creditors under federal or state law? Yes  No
- e. Any branch, location, facility, office, or subsidiary closings, consolidations, or layoffs? Yes  No

If any of the questions above were answered Yes, please attach an explanation, including the timing, the essential terms of the event, arrangement, and the surrounding circumstances.

**III. SPECIFIC FINANCIAL INSTITUTION INFORMATION**

- 1. If the **Applicant** is a mutual association, has a conversion of mutual ownership to stock ownership been considered in the past or is such a conversion being contemplated within the next 12 months? Yes  No
- 2. Has the **Applicant** purchased any loans or “books” of loans originated by other lenders during the past 3 years? Yes  No   
If Yes, please provide details.

3. a. Provide the following insurance information for the **Applicant**:

Coverage	Insurer	Limit	Deductible/Retention	Policy Period
Financial Institution Bond		\$	\$	<mm/dd/yyyy> to <mm/dd/yyyy>
General Liability		\$	\$	<mm/dd/yyyy> to <mm/dd/yyyy>
Property Insurance		\$	\$	<mm/dd/yyyy> to <mm/dd/yyyy>
Trust Department E&O		\$	\$	<mm/dd/yyyy> to <mm/dd/yyyy>
Bankers Professional Liability		\$	\$	<mm/dd/yyyy> to <mm/dd/yyyy>
Lender Liability		\$	\$	<mm/dd/yyyy> to <mm/dd/yyyy>
Other E&O Coverage		\$	\$	<mm/dd/yyyy> to <mm/dd/yyyy>

b. If other E&O coverage was completed, please specify the kind of E&O coverage obtained: \_\_\_\_\_

- 4. \*What percentage of the loan portfolio consists of participations accepted from other originating financial institutions? \_\_\_\_\_ %

If greater than 5%, please provide the names and locations of the originating institutions:

\_\_\_\_\_

\_\_\_\_\_

- 5. \*a. State the total dollar amount of loans to Directors, Officers, other insiders and their interests: \$ \_\_\_\_\_

- b. Are any loans or other extensions of credit to Directors, Officers, other insiders or their affiliates 90 days past due or have any been classified by any regulatory agency? Yes  No   
If Yes, please attach full details.

6. \*a. State the total amount of all loans and other assets classified as substandard, doubtful or loss or their equivalent for each of the last 3 years:

Year	Substandard	Doubtful	Loss	Total
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$

b. Are these amounts greater than the amounts so classified by regulators in each of the last 3 regulatory examinations? Yes  No   
*If No, please attach full details.*

c. What is the largest classified balance of any borrower identified in the most recent regulatory exam? \$ \_\_\_\_\_

7. \*Indicate dates and by whom the last 3 regulatory examinations were made (excluding compliance and EDP exams):

<b>Date:</b>			
<b>By:</b>			

8. Have all criticisms or comments noted in the last regulatory examination and audit (conducted by either an internal or external auditor) been reviewed and appropriate responses taken by the Board of Directors? Yes  No

9. During the past 3 years, has any Director or Officer been alerted to any of the following conditions:

a. Concentration of credits which warrant reduction or correction? Yes  No

b. Extensions of credit which exceed the legal lending limit? Yes  No

c. Problems involving extensions of credit to Directors, Officers, employees, other insiders or their related interests? Yes  No

d. Any violations of laws or regulations? Yes  No

*If any of the questions above were answered Yes, please attach full details.*

10. Have any Cease and Desist Orders, Memorandums of Understanding, Letters of Agreement, Supervisory Agreements, Specific Action Directives, or other restrictive controls been issued, discussed, or adopted within the past 3 years or are there any now pending? Yes  No   
*If Yes, please attach full details.*

\* **Attach a separate schedule for each deposit taking institution.**

#### IV. AUDITOR INFORMATION

1. Scope of financial statement preparation:  
 Internal  CPA Compilation  CPA Review  CPA Audit  None

2. Has the **Applicant** changed outside auditors in the last 3 years? N/A  Yes  No   
*If Yes, please attach an explanation.*

3. Have the outside auditors stated there are material weaknesses in the **Applicant's** systems of internal controls? N/A  Yes  No   
*If Yes, please attach an explanation and provide the latest CPA letter to management and management's response.*

4. Has the **Applicant** implemented all material recommendations of the auditor? N/A  Yes  No   
*If No, please attach an explanation.*

5. Has any auditor issued a "going concern" opinion for the **Applicant's** financial statements during the past 3 years? N/A  Yes  No   
*If Yes, please attach an explanation.*

**V. LENDER LIABILITY COVERAGE**

Please complete this section only if the **Applicant** is requesting Lender Liability Coverage.

1. Loan reviews are conducted: Monthly  Quarterly  Annually  Other  \_\_\_\_\_
2. The loan review function is performed by: Employees  External Firm (specify)  \_\_\_\_\_
3. Indicate if the **Applicant** engages in any of the following:

Description	Current Amount
Out of territory lending greater than 25% of total loans	\$
Loan participations originated by third parties in which the <b>Applicant</b> participates	\$
Loan participations originated by the <b>Applicant</b> , with recourse, in which third parties participate	\$
Construction lending for speculative buildings or homes	\$
Construction lending without firm take-out commitments	\$
Dealer floor planning	\$
Subprime lending	\$
"Payday" lending	\$
Origination of loans solicited by mortgage brokers or other third party loan or lease producers	\$
Origination and sale of loan securitizations	\$

**VI. PROFESSIONAL SERVICES LIABILITY COVERAGE**

Please complete this section only if the **Applicant** is requesting Professional Services Liability Coverage.

1. Provide the following information regarding Professional Services:

Description of Professional Service	Does the Applicant Offer the Described Professional Service? (Yes or No)	Does the Applicant Offer the Described Professional Service through a Third Party Vendor? (Yes or No)	Annual Gross Fee Income or Revenue for the Described Professional Service (include Amounts Generated through a Vendor)
Data Processing Services for Third Parties	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$
Insurance Agent or Broker Services in connection with Credit Life, Accident and Disability Insurance	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$
Insurance Agent or Broker Services in connection with Life and Health Insurance	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$

Insurance Agent or Broker Services in connection with Property and Casualty Insurance	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$
Investment Adviser or Financial Planning Services	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$
Miscellaneous Consumer Banking Services (including wire transfer services, certified checks, notary services, signature guarantees, safe deposit boxes, but not including loans, leases or extensions of credit)	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$
Real Estate Services	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$
Security Broker or Dealer Services	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$
Loan servicing on behalf of third parties for loans not owned by the <b>Applicant</b>	<Yes or No> Number of Years Continuously Offered: <# >		Most recent year: \$ Prior year: \$

For each Professional Service provided through a third party vendor, as a separate attachment please list the names of such third party vendors and the professional service they provide. If the **Applicant** offers Investment Adviser or Financial Planning Services, or Security Broker or Dealer Services, but does not do so through a third party vendor, complete the corresponding section in the Financial Institution Professional Liability Supplemental Application (FIPL-1300S-SUP).

2. If the **Applicant** offers any Professional Services not described in the table above, please list such services in the following table:  
If there is an attachment, check here .

Description of Professional Service and the Number of Years such Service has been Continuously Offered	Does the Applicant Offer the Described Professional Service through a Third Party Vendor? (Yes or No)	Annual Gross Fee Income or Revenue for the Described Professional Service (include Amounts Generated through a Vendor)
		Most recent year: \$ Prior year: \$
		Most recent year: \$ Prior year: \$

3. For all services offered, including any services offered though a third party vendor, are such services rendered under a written contract and are there written policies and procedures that govern their performance and administration? Yes  No   
If No, please attach full details.

4. For all services offered through a third party vendor, does such third party vendor agree under contract to indemnify, hold harmless, or limit the liability of, the **Applicant** with respect to claims based upon or arising out of such services? Yes  No   
*If No, please attach full details.*
5. For all services offered, has the **Applicant** been required to comply with any judicial or administrative agreement, order, decree or judgment, or has any director or officer been alerted to any violations of laws or regulations, in the most recent three years or are any now pending? Yes  No   
*If Yes, please attach full details.*

**VII. TRUST SERVICES LIABILITY COVERAGE**

Please complete this section only if the **Applicant** is requesting Trust Services Liability Coverage.

1. Does the **Applicant** have a Trust Department? Yes  No   
*If Yes, please answer question 2 and complete the corresponding section in the Financial Institution Professional Liability Supplemental Application (FIPL-1300S-SUP).*
2. Provide the Total Assets under the Trust Department's management for the most recent three years in each respective category below (include consolidated **Applicant** information):

Year	Custodial Accounts*	Non-Discretionary Accounts**	Managed/Discretionary Accounts***	Total Assets Under Management
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$

\*Trust Department has no investment or managerial responsibilities.

\*\*Trust Department does not have investment discretion.

\*\*\*Trust Department has investment discretion.

**VIII. CURRENT INSURANCE INFORMATION/REQUESTED INSURANCE TERMS**

Coverage	Requested Limit (A)	Requested Retention (B)	Requested Effective Date (C)	Coverage Currently Purchased (Yes or No) (D)
Lender Liability Coverage	\$	\$		
Professional Services Liability Coverage	\$	\$		
Trust Services Liability Coverage	\$	\$		

Coverage	Expiring Limit and Retention (E)	Expiring Premium (F)	Current Insurer (G)	Date Coverage First Purchased (H)
Lender Liability Coverage	Limit: \$ Retention: \$	\$		
Professional Services Liability Coverage	Limit: \$ Retention: \$	\$		
Trust Services Liability Coverage	Limit: \$ Retention: \$	\$		

1. What is the **Applicant's** preference for defense coverage? Duty to Defend  Reimbursement

2. If any Liability Coverage is currently purchased as indicated in Column (D) above, but has been in place for less than 3 years, please answer the following question:

As of the date the **Applicant** first purchased any such Liability Coverage, and with respect only to such Liability Coverage, is the **Applicant** or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim being made against them under such Liability Coverage for which the **Applicant** is applying? Yes  No   
*If Yes, please attach an explanation.*

3. If any Liability Coverage is not currently purchased as indicated in Column (D) above, please answer the following question:

With respect only to such Liability Coverage, is the **Applicant** or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under such Liability Coverage for which the **Applicant** is applying? Yes  No   
*If Yes, please attach an explanation.*

4. If for any Liability Coverage the Requested Limit in Column (A) exceeds the Expiring Limit in Column (E), please answer the following question:

Solely with respect to any such Liability Coverage and such higher limits requested or that may ultimately be issued for such Liability Coverage for the proposed insurance, is the **Applicant** or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under such Liability Coverage for which the **Applicant** is applying? Yes  No   
*If Yes, please attach an explanation.*

*With respect to the information required to be disclosed in response to the questions above, the proposed insurance will not afford coverage for any claim arising from any fact, circumstance, situation, event or act about which any executive officer of the **Applicant** had knowledge prior to the issuance of the proposed policy, nor for any person or entity who knew of such fact, circumstance, situation, event or act prior to the issuance of the proposed policy.*

**IX. LOSS INFORMATION**

1. Has any person or entity proposed for this insurance been a party to any securities claims, criminal actions, administrative or regulatory proceedings, charges, hearings, demands or lawsuits during the past 3 years including but not limited to, security holder, creditor, antitrust, fair trade law, copyright or patent litigation, whether or not insured? Yes  No   
*If Yes, please complete the table below:*

Date of Such Claim	Nature of Claim	Amount Paid for Defense	Amount Sought or Paid for Damages	Covered by Insurance? (Yes or No)	Corrective Procedures Implemented	Current Status
		\$	\$			
		\$	\$			

**X. REQUIRED ATTACHMENTS**

As part of this Application, please submit the following documents (*these documents, and the representations and facts they contain, are made a part of this Application, whether such documents are physically delivered to the Company by the **Applicant** or are obtained by the Company from any public source, including the Internet*):

- Most recent annual financial statement
- Copy of the **Applicant's** most recent annual audit or director's exam and management letter and the **Applicant's** responses to any recommendations made therein.

## XI. COMPENSATION NOTICE

### Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: [http://www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html)

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

## XII. FRAUD WARNINGS

### **Attention: Insureds in Alabama, Arkansas, D.C., Maryland, New Mexico, and Rhode Island**

Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### **Attention: Insureds in Colorado**

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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder 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.

### **Attention: Insureds in Florida**

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

### **Attention: Insureds in Kentucky, New Jersey, New York, Ohio, and Pennsylvania**

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. (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.)

### **Attention: Insureds in Louisiana, Maine, Tennessee, Virginia, and Washington**

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.

### **Attention: Insureds in Oregon**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

### **Attention: Insureds in Puerto Rico**

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years; if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

## XIII. SIGNATURE SECTION

**THE UNDERSIGNED AUTHORIZED REPRESENTATIVE (PRESIDENT, CEO, OR OTHER OFFICER ACCEPTABLE TO TRAVELERS) OF THE APPLICANT DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS SET FORTH IN THIS APPLICATION FOR INSURANCE ARE TRUE AND COMPLETE AND MAY BE RELIED UPON BY TRAVELERS. IF THE INFORMATION IN ANY APPLICATION CHANGES PRIOR TO THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL NOTIFY TRAVELERS OF SUCH CHANGES, AND TRAVELERS MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION. TRAVELERS IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION.**



THE SIGNING OF THIS APPLICATION DOES NOT BIND TRAVELERS TO OFFER, NOR THE APPLICANT TO PURCHASE, THE INSURANCE. IT IS AGREED THAT THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, WILL BE THE BASIS OF THE INSURANCE AND WILL BE, IN ALL STATES OTHER THAN NC AND UT, CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY, IF ISSUED. TRAVELERS WILL HAVE RELIED UPON THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, IN ISSUING THE POLICY.

ELECTRONICALLY REPRODUCED SIGNATURES WILL BE TREATED AS ORIGINAL.

\_\_\_\_\_  
Signature\* of **Applicant's** Authorized Representative  
(President or CEO)

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**\*IF YOU ARE ELECTRONICALLY SUBMITTING THIS APPLICATION TO TRAVELERS, APPLY YOUR ELECTRONIC SIGNATURE TO THIS FORM BY CHECKING THE ELECTRONIC SIGNATURE AND ACCEPTANCE BOX BELOW. BY DOING SO, YOU HEREBY CONSENT AND AGREE THAT YOUR USE OF A KEY PAD, MOUSE, OR OTHER DEVICE TO CHECK THE ELECTRONIC SIGNATURE AND ACCEPTANCE BOX CONSTITUTES YOUR SIGNATURE, ACCEPTANCE, AND AGREEMENT AS IF ACTUALLY SIGNED BY YOU IN WRITING AND HAS THE SAME FORCE AND EFFECT AS A SIGNATURE AFFIXED BY HAND.**

**AUTHORIZED REPRESENTATIVE'S ELECTRONIC SIGNATURE AND ACCEPTANCE**

**XIV. PRODUCER INFORMATION (ONLY REQUIRED IN FLORIDA, IOWA, AND NEW HAMPSHIRE):**

\_\_\_\_\_  
Producer Signature

\_\_\_\_\_  
Producer Name (Printed)

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Agency Code

\_\_\_\_\_  
License Number