CapSpecialty
A Community of Insurance Specialists

☐ Capitol Indemnity Corporation
☐ Capitol Specialty Insurance Corporation

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Insurance Company Management and Professional Liability Application

I. APPLICANT INFORMATION

1.1	Proposed **First Named Insured** (This is how the name & address of the Insured will read on the Declarations Page if coverage is Bound.):	
	Name:	
	Address:	
	City, State, Zip:	
	County:	
	Phone:	
1.2	Website Address(es):	
1.3	Has the name or ownership of the entity changed or has any other business been purchased, merged or consolidated with this entity within the last 5 years?	☐ Yes ☐ No
1.4	Does any entity own or control your business or does your business own or control any entity?	☐ Yes ☐ No
	If you answered "Yes" to 1.4 please describe below:	

Name of Entity	Nature of Operations	Dates (mm/dd/yyyy)	Revenues
			$
			$
			$

1.5	Coverage Terms Requested by Applicant:	

Type of Coverage	Limit of Insurance	Deductible	Effective Date
Management Liability:			
Employment Practices Liability:			
Professional Liability:			

1.6	Please indicate the Applicant's Financial Strength Rating from AM Best, Demotech, Weiss or other rating agency:	

FOR THE REMAINDER OF THIS APPLICATION, "*APPLICANT*" REFERS INDIVIDUALLY AND COLLECTIVELY TO THE ENTITY(IES) FOR WHICH COVERAGE IS DESIRED, AS WELL AS EACH PERSON WHO IS AN OFFICER, DIRECTOR, OWNER, PARTNER OR EMPLOYEE OF THESE ENTITY(IES).

II. STRUCTURE OF ORGANIZATION

2.1	Is the Applicant publicly held, or a public reporting company under the Securities Exchange Act of 1934?	☐ Yes ☐ No
2.2	Does the Applicant participate in any Joint Ventures? If so, please provide details in a separate attachment.	☐ Yes ☐ No
2.3	Is the Applicant a General Partner with one or more other partners who are not affiliated with the Applicant?	☐ Yes ☐ No
2.4	Type of Insurance Company (Stock, Mutual, Fraternal, RRG, Captive, Reciprocal, Other (describe)	

III. FINANCIALS

3.1	Please provide the following financial information of the Applicant:	

	Latest Fiscal Year End	Prior Fiscal Year End
Total Assets:		
Total Liabilities:		
Surplus:		
Gross Premium Written:		
Net Premium Written:		
Net Income:		
Combined Ratio:		

3.2	Date of the Applicant's last actuarial audit:	
3.3	Name of Applicant's outside Actuarial Firm:	
3.4	Has Actuarial Firm opined that Claim Reserves are Adequate? If not, please provide details in a separate attachment.	☐ Yes ☐ No

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3.5	Has any auditor identified material weakness in the internal controls of the Applicant?	☐ Yes ☐ No
3.6	Has any auditor rendered a "going concern opinion" for the financial statements of the Applicant?	☐ Yes ☐ No
3.7	Has there been any change in outside actuaries, auditors or accountants in the past 18 months or anticipated in the next 12 months? If so, please provide details in a separate attachment.	☐ Yes ☐ No

IV. MANAGEMENT LIABILITY (complete only if applying for this coverage)

4.1	What is the Applicant's total number of owners?:	
4.2	What is the total percentage of ownership units directly of beneficially owned by directors and officers of the Applicant?:	%
4.3	Does any owner, excluding directors or officers, directly or beneficially own 10% or more of the ownership units? If so, please provide details in a separate attachment.	☐ Yes ☐ No
4.4	Have there been any changes in directors or senior management of the Applicant in the past 18 months, or anticipated in the next 12 months? If so, please provide details in a separate attachment.	☐ Yes ☐ No
4.5	Over the next 12 months does the Applicant anticipate registering any securities under the Securities Act of 1933?	☐ Yes ☐ No

If "yes" to 4.5, please provide details in a separate attachment.

4.6 Please provide the following information on all subsidiaries:

Name of Subsidiary	% Owned	Date Acquired or Created	Nature of Business	Revenue
	%			$
	%			$
	%			$
	%			$
	%			$

4.7	Has the Applicant or any Subsidiary, in the past 3 years completed, attempted or planned, or is it contemplating within the next 12 months, any of the following transactions:	
	a. Demutualization:	☐ Yes ☐ No
	b. Merger:	☐ Yes ☐ No
	c. Mutual Holding Co.:	☐ Yes ☐ No
	d. Consolidation:	☐ Yes ☐ No
	e. Divestment:	☐ Yes ☐ No
	f. Acquisition:	☐ Yes ☐ No
	g. Rehabilitation of supervision by Insurance or other Regulatory authority:	☐ Yes ☐ No
	h. Change in voting control of Board:	☐ Yes ☐ No
	i. Bankruptcy:	☐ Yes ☐ No

If "yes" to any in 4.7, please provide details in a separate attachment.

4.8	Is the Applicant currently, or has the Applicant at any time during the past 12 months been:	
	a. In breach of any debt covenant or loan agreement?	☐ Yes ☐ No
	b. A party to any legal proceeding or regulatory or governmental proceeding or investigation, which are material to its operations?	☐ Yes ☐ No

If "yes" to any in 4.8, please provide details in a separate attachment.

V. EMPLOYMENT PRACTICES LIABILITY (complete only if applying for this coverage)

5.1 Please provide the following information for the Applicant and all Subsidiaries:

	Current Year	Prior Year
Number of Full Time Employees:		
Number of Part Time Employees:		
Total:		
Number of Independent Contractors:		
Number of Involuntary Terminations:		

5.2	Does the Applicant::	
	a. Distribute a written employee handbook?	☐ Yes ☐ No
	b. If so, please provide year of last update or revision:	
	c. If so, does each employee sign an acknowledgment of receipt and understanding?	☐ Yes ☐ No
	d. Have a Human Resources (HR) Department?	☐ Yes ☐ No
	e. Have outside counsel review Human Resources policies and employment handbook?	☐ Yes ☐ No
	f. Have an "at will" employment statement for all employees?	☐ Yes ☐ No
	g. Have written procedures for interviewing and hiring of employees, employee evaluations, and discipline or termination of employees?	☐ Yes ☐ No
	h. Conduct background checks and substance abuse screening prior to hiring?	☐ Yes ☐ No
	i. Conduct harassment training for employees?	☐ Yes ☐ No

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VI. PROFESSIONAL LIABILITY (complete only if applying for this coverage)

6.1 Please categorize your total annual **direct written premium volume** by line of business:
% of Total Premium for each Category

Commercial Lines	Current Year	Prior Year	Personal Lines	Current Year	Prior Year
Commercial Auto	%	%	Auto-Standard	%	%
BOP / CGL / Package	%	%	Auto-Non-Standard	%	%
Umbrella / Excess	%	%	Auto-Assigned Risk / FAIR Plan	%	%
Property Coverage	%	%	Homeowners & Standard Fire	%	%
Crop Coverage	%	%	Non-Standard Fire	%	%
Workers Compensation	%	%	Watercraft	%	%
Flood	%	%	Umbrella	%	%
Wet Marine	%	%	Flood	%	%
Livestock Mortality	%	%	Farm Owners	%	%
Medical Malpractice	%	%	Other (List)	%	%
Professional Liability-Non-Medical	%	%			
Aviation	%	%			
Bonds	%	%			
Long Haul Trucking	%	%			
Other (List)	%	%			
Total:	**%**	**%**	**Total:**	**%**	**%**

Total Commercial and Personal::	**100%**	**100%**

Life Insurance	Current Year	Prior Year	A&H Insurance	Current Year	Prior Year
Annuities	%	%	Group-Carrier Insured	%	%
Credit Life	%	%	Group-Self-Insured	%	%
Group	%	%	HMP/PPO/DSP	%	%
Individual	%	%	Individual	%	%
Other (List)	%	%	Other (List)	%	%
Total:	**%**	**%**	**Total:**	**%**	**%**

Total Life and A&H::	**100%**	**100%**

6.2 List the five states with the highest **direct premium written** and the % of total premium for each:

State:	Direct Premium Written	% of Total Premium
		%
		%
		%
		%
		%

6.3 Please complete the following table with respect to Professional Services provided by Applicant and its Subsidiaries::

Services	Service Provided	Current Year
Actuarial Consulting	☐ Yes ☐ No	$
Asset Management	☐ Yes ☐ No	$
Claims Handling & Adjusting	☐ Yes ☐ No	$
Data Processing	☐ Yes ☐ No	$
Financial Planning	☐ Yes ☐ No	$
Insurance Agency / Broker Operations	☐ Yes ☐ No	$
Investment Advisory Services	☐ Yes ☐ No	$
Managed Care Services	☐ Yes ☐ No	$
Mutual Fund Operations	☐ Yes ☐ No	$
Pension Consulting	☐ Yes ☐ No	$
Personal Injury Rehabilitation Services	☐ Yes ☐ No	$
Premium Financing	☐ Yes ☐ No	$
Safety Inspection / Loss Control	☐ Yes ☐ No	$
Salvage & Subrogation	☐ Yes ☐ No	$
Third Party Administration	☐ Yes ☐ No	$
Other (describe):	☐ Yes ☐ No	$

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6.4	Please the name(s) of all Outside Service Provider(s) and the respective service(s) provided:

Outside Service Provider	Services Provided

6.5	Does the Applicant delegate claims handling authority to any outside service provider?	☐ Yes ☐ No
6.6	Does the Applicant have written claims handling guidelines detailing all claims handling procedures?	☐ Yes ☐ No
6.7	Does the Applicant have a formal training program in place for Claims Adjuster or Examiners?	☐ Yes ☐ No
6.7	What is the average number of claims handled annually, per claims adjuster?	
6.8	Does the Applicant have established procedures in effect for the handling of suits, or threats of legal action, against the Applicant alleging errors or omissions or bad faith in the handling of claims, or seeking punitive or extra contractual damages?	☐ Yes ☐ No
	If so, please describe here:	

VII. INSURANCE AND LOSS HISTORY

7.1	Provide your agency's recent insurance history below:

Year	Insurance Company	Limits			Policy Period (mm/dd/yyyy)	Annual Premium
		D&O	EPL	E&O		
Current						
Previous 1						
Previous 2						
Previous 3						
Previous 4						

7.2	Are you being cancelled or non-renewed by your current management or professional liability carrier?	☐ Yes ☐ No
	If yes, please explain why:	
7.3	After inquiry with each person as appropriate, in the last five (5) years, have any claims been made against any person or entity applying for insurance, or any of your past or present partners, officers, directors, or employees, any predecessors in business or against any corporation that any proposed Insured was formerly employed by, associated with or had an interest in?	☐ Yes ☐ No
7.4	After inquiry with each person as appropriate, are you, or any of your officers, directors, or employees, aware of any circumstances, acts, errors, omissions, or any allegations or contentions of any incident which may result in a claim?	☐ Yes ☐ No
7.5	After inquiry with each person as appropriate, have you, or any of your officers, directors, or employees been the subject of any state Department of Insurance complaint or any criminal, administrative, or regulatory investigation during the past five (5) years?	☐ Yes ☐ No

If "yes" to 7.3, 7.4 or 7.5 please complete a separate Supplemental Claim form for each claim or suit and include a currently valued loss run for each claim.

The Applicant acknowledges that the answers provided herein are based on a reasonable inquiry and/or investigation. The Applicant warrants that the above statements and particulars together with any attached or appended documents are true and complete and do not misrepresent, misstate or omit any material facts. The Applicant agrees to notify us of any material changes in the answers to the questions on this questionnaire which may arise prior to the effective date of any policy issued pursuant to this questionnaire and the Applicant understands that any outstanding quotations may be modified or withdrawn based upon such changes at our sole discretion. Completion of this form does not bind coverage. Applicant's acceptance of the company's quotation is required prior to binding coverage and policy issuance. All written statements and materials furnished to the company in conjunction with this application are hereby incorporated by reference into this application and made a part of this application.

Applicant Signature: _____ Title _____

(Must be signed by a Principal, Partner, or Officer of the Firm)

Print / Type Applicant Name: _____ Date _____

Agent / Broker Name: _____

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V. FRAUD WARNINGS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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 that person to criminal and civil penalties.

(Not applicable in AL, AR, CO, DC, FL, KY, KS, LA, ME, MD, NJ, NM, NY, OH, OK, OR, PA, RI, TN, VA, WA and WV).

APPLICABLE IN AL, AR, DC, LA, MD, NM, RI AND WV

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

APPLICABLE IN CO

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.

APPLICABLE IN FL AND OK

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)*. *Applies in FL only.

APPLICABLE IN KS

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

APPLICABLE IN KY, NY, OH AND PA

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 (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY only.

APPLICABLE IN ME, TN, VA AND WA

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME only.

APPLICABLE IN NJ

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

APPLICABLE IN OR

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.