

**OneBeacon Insurance Company
Homeland Insurance Company of New York
York Insurance Company of Maine**

**HEALTHCARE DIRECTORS & OFFICERS
LIABILITY INSURANCE APPLICATION**

General Information

1. Name of Applicant*: _____
(to appear on Declarations Page)
Street Address: _____
City, State, Zip: _____
Internet website: _____
Date of Incorporation: _____
State of Incorporation: _____

2. What is the Applicant's Bond rating?: _____

3. What is the Applicant's primary SIC Code? _____

4. Officer of the Applicant designated as the representative to receive notices from the Underwriter on behalf of all persons and entities proposed for this insurance:
Name: _____
Title: _____
Telephone: _____
E-mail address: _____

5. Which best describes the Applicant:

| | | |
|---|--|--|
| <input type="checkbox"/> Assisted Living Facility | <input type="checkbox"/> Health System | <input type="checkbox"/> Medical Group |
| <input type="checkbox"/> Association | <input type="checkbox"/> HMO/PPO | <input type="checkbox"/> Medical School/University |
| <input type="checkbox"/> Clinic | <input type="checkbox"/> Hospice | <input type="checkbox"/> Nursing Home/Long-term Care |
| <input type="checkbox"/> Community Health Center | <input type="checkbox"/> Hospital | <input type="checkbox"/> PHO |
| <input type="checkbox"/> Foundation | <input type="checkbox"/> IPA | <input type="checkbox"/> Visiting Nurses Association |
| <input type="checkbox"/> Other _____ | | |

Briefly describe the nature of Applicant's operations:

* "Applicant" means all corporations, organizations and all subsidiaries proposed for this insurance. Please include a list of all entities to be included for this coverage.

6. Amount of Insurance requested? _____

7. Applicant's previous D&O insurance program for the last 2 years:

| Limit | Deductible | Carrier | Policy Term | Premium |
|-------|------------|---------|-------------|---------|
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

Has any carrier for any of the above policies indicated an intent not to offer renewal terms? Yes No
If "yes", please provide details.

Current Schedule of Insurance

| | Limit | Deductible | Carrier | Policy Term | Premium |
|---------------------|-------|------------|---------|-------------|---------|
| Managed Care E&O | _____ | _____ | _____ | _____ | _____ |
| Medical Malpractice | _____ | _____ | _____ | _____ | _____ |
| Stop Loss/HMO Re | _____ | _____ | _____ | _____ | _____ |

Corporate Information

8. Corporate Structure: Corporation Sole Proprietorship Professional Corporation
 Joint Venture Limited Liability Company Partnership
 Other _____

9. Is the Applicant a: Not-For-Profit Organization For-Profit Organization
If Not-For-Profit, does the Organization qualify as a 501 (c) under IRS regulations? Yes No

If For-Profit:

- a) Total number of Shareholders: _____
- b) Total number of Shares: _____
- c) Any shareholders own greater than 10% of shares? _____
(Please name any) _____

10. During the past 36 months, has the Applicant or any entity proposed for coverage under this insurance completed or agreed to, or within the next 12 months, does the Applicant or any entity proposed for coverage under this insurance contemplate any of the following, whether or not such transaction was or will be completed? If "yes," please provide the terms of each such transaction.

- a) Merger, acquisition or consolidation with another entity? Yes No
- b) Sale, distribution or divestiture of any assets or stock? Yes No
- c) Closing of any locations with more than 50 employees and or layoffs? Yes No
- d) Bankruptcy, receivership, or liquidation? Yes No

11. Is the Applicant or any subsidiaries involved in any partnerships or joint ventures? Yes No

12. Does the applicant have any publicly traded securities or debt? Yes No

13. Has the applicant in the past 12 months offered or does the applicant in the next 12 months anticipate offering securities or registering securities under the Securities Acts of 33/34? Yes No
14. Does the Applicant own or manage a captive insurance company? Yes No
15. Who appoints the Directors and/or Trustees? _____

Employment Practices Information

16. Number of employees: Total number of employees: _____
 Full Time: _____ Part Time: _____ Volunteers: _____
 Last Year: _____ Last Year: _____ Last Year: _____
17. Annual percentage turnover for the past three years:
 Last Year: _____ % 2 Years ago: _____ % 3 Years ago: _____ %
18. Employees with salaries: Less than \$40,000 _____ % More than \$100,000 _____ %
19. Number of employees in: California _____ Michigan _____ Texas _____
20. Do any employees belong to Unions? Yes No If yes, _____ % of total employees
21. Does the Applicant have a Human Resources Department or full-time HR employees? Yes No
- a) Is there Human Resources representation in each location? Yes No
 - b) Does the organization have an employee manual? Yes No
 - c) Do employees sign an acknowledgement upon receipt of manual? Yes No
 - d) Is there an At-Will statement in the manual? Yes No
 - e) Are there anti-discrimination and anti-sexual harassment statements in the manual? Yes No
 - f) Are there formalized and documented procedures for layoffs and terminations? Yes No
 - g) Are written performance evaluations provided at least annually? Yes No
 - h) Is Human Resources consulted before terminations? Yes No

Antitrust/Government Investigations Section

22. Has the applicant ever asked for an advisory opinion from the Federal Trade Commission (F.T.C.)? Yes No
23. Has the applicant ever made a filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976? Yes No
24. Has the applicant ever been subject of an inquiry by the FTC? Yes No
25. Do any of your contracts have "Most Favored Nation" clauses? Yes No
26. Has the IRS ever questioned/investigated the applicant for any reason? Yes No

Regulatory Section

27. Name of Compliance Officer: _____
28. Has the Applicant adopted a compliance plan? Yes No
 If "Yes", for how long? _____
29. Do employees regularly participate in ongoing compliance education/training? Yes No
30. Is there a hotline or similar avenue for employees to make complaints? Yes No

31. Does the Applicant utilize an outside firm to audit billing procedures? Yes No
32. Has the Applicant entered into a Corporate Integrity Agreement with the Government? Yes No
33. Has the Applicant received any inquiry, or been the subject of any audit or investigation, for allegations of unlawful referrals, billing issues, false claims or anti-kickback violations under Stark I, II, False Claims Act (or any amendments thereto) or any similar laws? Yes No

Litigation and Claim Information *(Please provide details to any "yes" answer)*

34. During the last 5 years has the Applicant and/or any Director or Officer proposed for this insurance been named as a party in any civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any other demands for money or services? Yes No
35. During the last 5 years, has the Applicant and/or any Director or Officer proposed for this insurance received any demand or other notice involving:
- a) Violations of federal or state securities laws? Yes No
 - b) Violations of federal or state antitrust or fair trade laws? Yes No
 - c) Violations of copyright or patent litigation? Yes No
 - d) Representative actions, class actions or derivative suits? Yes No
 - e) Violations of government funding fraud statutes including Qui Tam actions? Yes No
36. Is the undersigned or any Director or Officer proposed for this insurance aware of any fact, circumstance or situation involving the Applicant, or the Directors or Officers of the Applicant, which he or she has reason to believe might result in any future claim under the insurance for which this Application is made? Yes No

Without prejudice to any other rights and/or remedies of the Underwriter, no coverage will be available under the proposed insurance for any claim based on or arising from any claim, fact, circumstance, situation or transaction that has been or should have been disclosed in response to questions 34, 35, or 36 above.

Documents to be Submitted with Application

- a. Latest Annual report with two most recent Audited Financials Statements
- b. Latest Interim Financial Statement
- c. Most recent organizational chart(s)
- d. Most recent edition of the Corporate By-laws
- e. List of Directors, Officers and Trustees
- f. Details to all "yes" answers by attachment

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSONS AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE, AFTER REASONABLE INQUIRY, THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE UNDERWRITER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE UNDERWRITER TO OFFER THIS INSURANCE.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND ALONG WITH THE APPLICATION IS CONSIDERED PHYSICALLY ATTACHED TO THE POLICY AND WILL BECOME PART OF IT. THE UNDERWRITER HAS RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING THE POLICY. THIS APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT MUST NOTIFY THE UNDERWRITER, WHO MAY MODIFY OR WITHDRAW THE QUOTATION.

THE UNDERSIGNED DECLARES THAT THE INDIVIDUALS AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT:

- A. THE POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE AGAINST THE "INSURED PERSONS" DURING THE "POLICY PERIOD";
- B. THE LIMIT OF LIABILITY IS REDUCED BY AMOUNTS INCURRED AS "DEFENSE EXPENSES" AND SUCH EXPENSES SHALL BE SUBJECT TO THE DEDUCTIBLE AMOUNT; AND
- C. THE POLICY DOES NOT PROVIDE FOR ANY DUTY BY THE UNDERWRITER TO DEFEND THE "INSURED PERSONS."

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 CONTAINING ANY 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 KENTUCKY APPLICANTS: 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 FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

NOTICE TO MINNESOTA AND OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD, WHICH IS A CRIME.

NOTICE TO OKLAHOMA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

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 FLORIDA APPLICANTS: ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO INJURE, DEPRAUD, OR DECEIVE ANY EMPLOYER OR EMPLOYEE, INSURANCE COMPANY, OR SELF-INSURED PROGRAM, FILES A STATEMENT OF CLAIM CONTAINING ANY FALSE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTE: This Application must be signed by (1) the Chief Executive Officer, President or Chairman, and (2) the Chief Financial Officer or equivalent officer, with the understanding and agreement that both such individual signers are acting as the authorized agents of all individuals and entities proposed for this insurance.

| | | |
|-----------|-------|------|
| Applicant | | |
| By : | Title | Date |
| Applicant | | |
| By : | Title | Date |

Submitted By:

| | |
|--|----------------------|
| Insurance Agency | |
| Insurance Agency Taxpayer ID or SSN | Agent License Number |
| Address (No., Street, City, State and ZIP) | |
| E-mail Address | |
| Print Name | Sign Name |