

Atlantic Specialty Insurance Company
(Stock company owned by the *OneBeacon Insurance Group*)

**EMPLOYED LAWYERS PROFESSIONAL LIABILITY INSURANCE
APPLICATION**

NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES, SUBJECT TO ITS TERMS, ONLY TO “CLAIMS” THAT ARE FIRST MADE AGAINST THE “INSURED” DURING THE “POLICY PERIOD” OR TO “CLAIMS” THAT ARE FIRST MADE AGAINST THE “INSURED” DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES, SETTLEMENTS, OR JUDGMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY “DEFENSE EXPENSES,” AND “DEFENSE EXPENSES” SHALL BE APPLIED AGAINST THE RETENTION. READ THE ENTIRE APPLICATION BEFORE SIGNING.

1. PLEASE PROVIDE CURRENT COPIES OF THE FOLLOWING:

- a) List of “Employed Lawyers” of the Company and its subsidiaries, including name, title and director/officer designation, year/jurisdiction of all bar admissions, and principal area of practice;
- b) List of all contract/leased attorneys used in the legal department of the Company and its subsidiaries, with a description of the practice areas in which these attorneys work;
- c) Company’s Annual Report with most recent Audited Financials Statement, or the equivalent;
- d) Organizational charts of the legal department and of the Company with respect to its subsidiaries; and
- e) Legal department handbook or any written policies or procedures described in Question 4.i).

2. GENERAL INFORMATION

- a) Name of Company: _____
(Wherever used, Company shall mean the entity applying for this insurance.)
- b) Address of principal office of the Company: _____
City: _____ State: _____ ZIP: _____
- c) State of Incorporation: _____ Years in business: _____ Web site: _____
- d) Total number of employees in the Company: _____
- e) Current number of the following in the legal department of the Company and its subsidiaries:
“Employed Lawyers” _____ Paralegals, legal assistants and staff _____
Contract/leased attorneys _____ Law students/Others _____
- f) Risk Manager or other individual designated as the representative to receive notices from the Underwriter on behalf of the Company and all individuals proposed for this insurance:
Name: _____ Title: _____
E-mail address: _____ Phone Number: _____

3. COMPANY INFORMATION

a) Please provide a general description of the business of the Company:

b) The Company is: Publicly held Privately held
 For-profit Non-profit

c) Is the Company considering a public offering of debt or equity within the next eighteen (18) months?
 Yes No

If "Yes," please provide details. _____

d) Does the Company have an indemnification policy or practice applicable to "Employed Lawyers," regardless of whether those "Employed Lawyers" are directors or officers of the Company?
 Yes No

4. LEGAL DEPARTMENT INFORMATION

a) Please check all areas which account for more than five percent (5 %) of the total work done by all "Employed Lawyers" of the Company and its subsidiaries and indicate the number of lawyers working in each area:

| | | | |
|---------------------------------------|--------------------------------|------------------------|--------------------------------|
| Antitrust/Trade Regulation | <input type="checkbox"/> _____ | Litigation | <input type="checkbox"/> _____ |
| Collection/Repossession | <input type="checkbox"/> _____ | Mergers & Acquisitions | <input type="checkbox"/> _____ |
| Contract Drafting/Review/ Approval | <input type="checkbox"/> _____ | Regulatory Compliance | <input type="checkbox"/> _____ |
| Copyright/Patent/Trademark | <input type="checkbox"/> _____ | Pro Bono | <input type="checkbox"/> _____ |
| Corporate Finance | <input type="checkbox"/> _____ | Real Estate | <input type="checkbox"/> _____ |
| Corporate Transactional | <input type="checkbox"/> _____ | Securities | <input type="checkbox"/> _____ |
| Entertainment | <input type="checkbox"/> _____ | Taxation | <input type="checkbox"/> _____ |
| Environmental Law | <input type="checkbox"/> _____ | Trust & Estate | <input type="checkbox"/> _____ |
| ERISA/Employee Benefits | <input type="checkbox"/> _____ | Utility Regulation | <input type="checkbox"/> _____ |
| International Law | <input type="checkbox"/> _____ | Other _____ | <input type="checkbox"/> _____ |
| Labor/Employment | <input type="checkbox"/> _____ | Other _____ | <input type="checkbox"/> _____ |

b) Does any "Employed Lawyer" issue written legal opinions to or for the use of:
The Board of Directors: Yes No
Subsidiaries or joint ventures: Yes No
Third parties: Yes No
Others: _____ Yes No

If "Yes" to any part of this question, please describe the types of opinions issued and the recipients thereof. _____

- c) Does any "Employed Lawyer" prepare, review, comment on, or approve financial statements, proxy statements, prospectuses, registration statements, annual or quarterly reports, or other reports filed with federal or state agencies or released to shareholders or the public regarding the Company and/or its subsidiaries?
 Yes No

If "Yes," please describe the role of "Employed Lawyers" in such preparation, review, comment or approval. _____

- d) Does any "Employed Lawyer" represent individual employees of the Company or its subsidiaries in judicial, administrative, or other proceedings?
 Yes No

If "Yes," please provide details. _____

- e) Does any "Employed Lawyer" provide personal legal services to any director, officer, or employee of the Company or its subsidiaries in such director's, officer's or employee's individual capacity?
 Yes No

If "Yes," please indicate the type of personal legal services provided and the percentage of the "Employed Lawyer's" time devoted to the provision of personal legal services: _____

- f) Does any "Employed Lawyer" provide "moonlighting" legal services to third party entities or to individuals who are not directors, officers or employees of the Company or its subsidiaries?
 Yes No

If "Yes," please indicate the type of "moonlighting" legal services provided and the percentage of the "Employed Lawyer's" time devoted to the provision of "moonlighting" legal services: _____

- g) Does any "Employed Lawyer" serve as a director, officer or partner of any organization, other than the Company, which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code?
 Yes No

If "Yes," please list the organizations served: _____

h) Please provide a brief description of the structure and management of the legal department, including the legal department's placement within the general organization of the Company: _____

i) With regard to the legal department, does the Company have written policies or procedures for the following:

- | | | |
|---|------------------------------|-----------------------------|
| Training of newly hired Employed Lawyers? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Continuing legal education for Employed Lawyers? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Performance reviews for Employed Lawyers and staff? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Circulation and updating of commonly used form documents? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Litigation docket control? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Preparation and approval of legal opinions? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Compliance with the Sarbanes-Oxley Act of 2002? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Handling internal investigations of employee complaints? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If "No" to any of the above, please describe any relevant unwritten policies and procedures.

j) Please indicate the types of legal work that are typically referred by the Company to outside counsel and any guidelines governing such referrals. _____

5. COMPANY'S CURRENT SCHEDULE OF INSURANCE

| | Limit | Deductible | Carrier | Policy Term | Premium |
|---|-------|------------|---------|-------------|---------|
| Employed Lawyers Professional Liability | | | | | |
| Directors & Officers Liability | | | | | |
| Errors & Omissions (Professional) Liability | | | | | |

6. CLAIMS INFORMATION

a) Has any "Employed Lawyer" ever been the subject of a reprimand, sanction, fine or discipline by, or been refused admission to, a bar association, court, the U.S. Securities and Exchange Commission or any administrative agency?

Yes No

If "Yes," please provide the name of the "Employed Lawyer" and a brief explanation. _____

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS AND REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM ARISING FROM ANY REPRIMAND, SANCTION, FINE, DISCIPLINE OR ADMISSION REFUSAL REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 6.a) IS EXCLUDED FROM THE PROPOSED INSURANCE.

- b) During the past five (5) years, has any claim or suit been made against any "Employed Lawyer" arising out of his or her provision of legal services, whether or not such claims or suits arose out of work performed for the Company or its subsidiaries?
- Yes No

If "Yes," please complete a Claim Summary Supplement for each such claim or suit.

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS AND REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM OR SUIT REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 6.b) IS EXCLUDED FROM THE PROPOSED INSURANCE.

- c) Is any "Employed Lawyer" aware of any fact, circumstance, situation, transaction, event, act, error or omission which he or she has reason to believe may or could reasonably be foreseen to give rise to a claim against any "Employed Lawyer" in his or her capacity as an attorney, director or officer of the Company or its subsidiaries?
- Yes No

If "Yes," please complete a Claim Summary Supplement for each such fact, circumstance, situation, transaction, event, act, error or omission.

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS AND REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 6.c) IS EXCLUDED FROM THE PROPOSED INSURANCE.

7. SIGNATURES AND AUTHORIZATIONS

The undersigned, as authorized agent of the Company, its subsidiaries and all individuals proposed for this insurance, declares that, to the best of his/her knowledge and belief, after reasonable inquiry, the statements in this Application and any attachments of information submitted with this Application (together referred to as the "Application") are true and complete.

The information in this Application is material to the risk accepted by the Underwriter. If a policy is issued it will be in reliance by the Underwriter upon the Application, and the Application will be the basis of the contract.

The information contained in and submitted with this Application is on file with the Underwriter and, along with the Application will be considered physically attached to, part of, and incorporated into the policy, if issued.

The Underwriter is authorized to make any inquiry in connection with this Application. The Underwriter's acceptance of this Application or the making of any subsequent inquiry does not bind the Company or the Underwriter to complete the insurance or issue a policy.

If the information in this Application materially changes prior to the effective date of the policy, the Company will immediately notify the Underwriter, and the Underwriter may modify or withdraw any quotation or agreement to bind insurance.

The undersigned declares that the Company and all individuals proposed for this insurance understand:

- a) the policy, if issued, shall apply only to "Claims" that are first made against the "Insured" during the "Policy Period" or the Extended Reporting Period, if applicable; and
- b) the limit of liability available under the policy, if issued, to pay damages, settlements, or judgments shall be reduced, and may be exhausted, by payment of "Defense Expenses," and "Defense Expenses" also shall be applied against the retention.

FRAUD WARNINGS

NOTICE TO ARKANSAS, 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 COLORADO APPLICANTS: 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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder 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.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING - it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who, knowingly and with intent to injure, defraud, or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim or an application containing any false or misleading information is guilty of a felony of the third degree.

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 LOUISIANA, NEW MEXICO AND RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: 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, or a denial of insurance benefits.

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

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.

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 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 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 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 OREGON AND TEXAS APPLICANTS: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

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.

| | | |
|--|--------|-------|
| COMPANY: | | |
| BY (General Counsel, CEO, CFO or Risk Manager of the Company): | TITLE: | DATE: |

Notice: This Application must be signed by the General Counsel, CEO, CFO or Risk Manager of the Company acting as the authorized agent of the Company, its subsidiaries and all individuals proposed for this insurance.

| | |
|---|-------------------|
| PRODUCED BY (<i>Insurance Agent</i>) | INSURANCE AGENCY |
| INSURANCE AGENCY TAXPAYER ID OR SOCIAL SECURITY NO. | AGENT LICENSE NO. |
| ADDRESS (<i>No., Street, City, State, and ZIP Code</i>) | |

| | | |
|---|---|-------------------|
| SUBMITTED BY (<i>Insurance Agency</i>) | INSURANCE AGENCY TAXPAYER ID OR SOCIAL SECURITY NO. | AGENT LICENSE NO. |
| ADDRESS (<i>No., Street, City, State, and ZIP Code</i>) | | |