

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

**HEALTHCARE ORGANIZATION  
MANAGEMENT LIABILITY RENEWAL APPLICATION**

**NOTICE: THE LIABILITY COVERAGE SECTIONS OF THE HEALTHCARE ORGANIZATION MANAGEMENT LIABILITY POLICY PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE UNDERWRITER BE LIABLE FOR "DEFENSE EXPENSES" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.**

**APPLICATION INSTRUCTIONS**

Whenever used in this Application, the term "**Applicant**" shall mean the organization identified in response to Question 1 of Section I. General Information and all subsidiaries, unless otherwise stated.

**I. GENERAL INFORMATION**

1. Name of **Applicant** \_\_\_\_\_
2. Address of **Applicant**: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Website: \_\_\_\_\_
3. State of incorporation: \_\_\_\_\_ Date of incorporation: \_\_\_\_\_
4. Authorized individual (Executive Officer) to receive notices and information regarding the proposed coverage sections:  
Name: \_\_\_\_\_ Title: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_
5. Individual responsible for Human Resources or employment law matters:  
Name: \_\_\_\_\_ Title: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**II. SPECIFIC INFORMATION**

1. Please indicate below which coverages for which **Applicant** seeks renewal.  
**Note: The requested coverage is not automatically provided. The terms and conditions of the coverage section, if issued, will determine actual coverage.**

Coverage Included	Limit of Liability Requested	Retention/Deductible Requested
<input type="checkbox"/> Directors and Officers Liability	\$ _____	\$ _____
<input type="checkbox"/> Employment Practices Liability	\$ _____	\$ _____
<input type="checkbox"/> Fiduciary Liability	\$ _____	\$ _____
<input type="checkbox"/> Crime	\$ _____	\$ _____

2. **Applicant** is a:  Not-For-Profit Tax Exempt Organization (Applicable Federal or State Revenue Code \_\_\_\_\_)  
 Not-For-Profit Taxable Organization  
 For-Profit Corporation  
 Partnership  
 Limited Liability Company
3. Please complete the following information:  
(a) Revenues: Previous twelve (12) months: \_\_\_\_\_  
Projected next twelve (12) months: \_\_\_\_\_  
(b) Employees: Previous twelve (12) months: \_\_\_\_\_  
Projected next twelve (12) months: \_\_\_\_\_  
(c) Total Assets: \_\_\_\_\_
4. Has **Applicant** in the past eighteen (18) months completed or agreed to, or does it contemplate during the next twelve (12) months, any of the following, whether or not such transactions were or will be completed:
- |  |  |
|--|--|
| (a) Reorganization or arrangement with creditors under federal or state law?               | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Branch, location, facility, office, or subsidiary closings, consolidations or layoffs? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Mergers, acquisitions or divestitures?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (d) Registration for a public or private offering of securities?                           | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (e) Issuance of any debt or non-taxable bonds?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (f) Entering into any new government contracts?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (g) Conversion from non-profit to for-profit status?                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If "Yes" to any part of Question 4, please describe the essential terms of each such transaction as an attachment.

**III. DIRECTORS AND OFFICERS LIABILITY INFORMATION**

**Complete if coverage is requested.**

1. Has **Applicant** experienced changes to its Board or to its Key Executives over the past year?  Yes  No  
If "Yes," please attach complete details.
2. Complete if **Applicant** has stock or other equivalent ownership instrument:  
(a) Total number of outstanding shares: \_\_\_\_\_  
(b) Total number of shares owned by non-directors or non-officers: \_\_\_\_\_  
(c) If any shareholder owns 5% or more of shares, designate name and percentage:  
\_\_\_\_\_
3. In the next twelve (12) months (or during the past twelve (12) months) is **Applicant** contemplating (or has **Applicant** completed) any public or private offering of securities or issuance of debt?  Yes  No  
If "Yes," please attach complete details.
4. Over the past twelve (12) months has **Applicant** entered into exclusive contracts with any providers?  Yes  No  
If "Yes," please provide details by separate attachment.
5. Over the past twelve (12) months has **Applicant** controlled more than twenty percent (20%) of the market share in any given geographical area of: (a) providers in any given field of practice; (b) hospital beds; (c) healthcare services; or (d) if **Applicant** provides managed care products or services, the market share of health plan members?  Yes  No  
If "Yes" to Question 5(a), (b), (c) or (d), please provide market share percentages by separate attachment.
6. (a) Over the past two (2) years has **Applicant** closed or restricted staff admissions and/or privileges of a provider for reasons other than professional competence, including but not limited to, a conflict of interest?  Yes  No  
If "Yes," how many? \_\_\_\_\_
- (b) Are there any formal plans for future staff admission/privilege closings or restrictions?  Yes  No  
If "Yes," please provide details by separate attachment.

**IV. EMPLOYMENT PRACTICES LIABILITY AND THIRD PARTY LIABILITY INFORMATION**

**Complete if coverage is requested.**

1. Enter the TOTAL number of Employees (by type) in the boxes below for **Applicant**.

*Note: Seasonal, Temporary and Leased Employees are to be included as Part-Time Employees (Non-Union if Domestic).*

**Number of Employees in ALL STATES/JURISDICTIONS:**

	Domestic		Foreign
	Union	Non-Union	
Full Time			
Part Time			
Total Number of Independent Contractors			
Total Number of Volunteers:			

2. Enter the TOTAL number of Employees (by type) located in California only in the boxes below for **Applicant**.

*Note: Seasonal, Temporary and Leased Employees are to be included as Part-Time Employees.*

**Number of Employees located in CALIFORNIA ONLY:**

	Domestic	
	Union	Non-Union
Full Time		
Part Time		
Total Number of Independent Contractors		
Total Number of Volunteers:		

3. Enter the TOTAL number of Employees (by type) located in DC, Florida, Michigan and Texas only in the boxes below for **Applicant**.

*Note: Seasonal, Temporary and Leased Employees are to be included as Part-Time Employees.*

**Number of Employees located in DC, FLORIDA, MICHIGAN and TEXAS ONLY:**

	Domestic	
	Union	Non-Union
Full Time		
Part Time		
Total Number of Independent Contractors		
Total Number of Volunteers:		

4. In the past twelve (12) months, what has been the annual percentage of turnover rate of all employees (all locations)?  
 Voluntary \_\_\_\_\_ Involuntary \_\_\_\_\_

5. In the past twelve (12) months have there been any changes to the Human Resources or Personnel Department?  Yes  No  
 If "Yes," please attach complete details.

6. In the past twelve (12) months have there been any changes to the employee handbook?  Yes  No  
 If "Yes," please attach a copy of the updated materials and a description of changes.

**V. FIDUCIARY LIABILITY COVERAGE INFORMATION**

**Complete if coverage is requested.**

1. Please list **Applicant's** employee benefits plan(s) for which coverage is requested:

Plan names (Do not include health & welfare plans)	Total assets (market value)	Type of plan*	Under funded by more than 25%? (DB only)	Number of plan participants

\* Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)

2. In the past twelve (12) months has any plan(s) (or portion of a plan) been sold, transferred or terminated?  Yes  No  
If "Yes," please attach details including transaction date, status of asset distribution, whether similar benefits are being offered, and name of insurance carrier if terminated plan benefits are secured by insurance.

**VI. CRIME COVERAGE INFORMATION**

**Complete if coverage is requested.**

- Total number of employees of **Applicant**:: \_\_\_\_\_
- Of the total employees listed above, how many employees handle, have access to or maintain records of money, securities or other property including, but not limited to, directors, officers, trustees and any person handling or having access to employee welfare or benefit plan assets? \_\_\_\_\_
- Total number of locations of **Applicant**: \_\_\_\_\_  
Domestic locations: \_\_\_\_\_ Foreign locations: \_\_\_\_\_ List Countries: \_\_\_\_\_
- Were any material weaknesses or significant deficiencies in internal controls identified by your CPA firm or internal audit staff during the past twelve (12) months?  N/A  Yes  No  
If "Yes," please attach a description of the weaknesses/deficiencies and corrective measures and implementation timeframe.
- Does a second person review the reconciliation with supporting documentation on a monthly basis and initial their approval of the information?  Yes  No
- Are all checks countersigned?  Yes  No  
(a) If there is no countersignature, who signs **Applicant's** checks? \_\_\_\_\_  
(b) Over what amount is a dual signature required? \_\_\_\_\_
- How often and by whom are physical inventory counts conducted? \_\_\_\_\_
- Are background checks performed on vendors in order to determine ownership and financial capability prior to doing business with them?  Yes  No

**VII. ATTACHMENTS**

Please attach copies of the following documents for every **Applicant** seeking coverage:

- Last audited or accountant-prepared financial statement with notes;
- Any amendments or revisions to the Bylaws or Certificate of Incorporation; and
- Current list of Board of Directors and organizational chart listing each subsidiary.

## **VIII. FRAUD WARNINGS**

**GENERAL:** Any person who knowingly and with intent to defraud any insurance company or another 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 the person to criminal and civil penalties.

**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 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.

**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 AND NEW MEXICO 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.

**IX. DECLARATIONS AND SIGNATURES**

The undersigned, as authorized agent of all individuals and entities 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 or 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 **Applicant** or the Underwriter to complete the insurance or issue a policy.

The information provided in this Application is for underwriting purposes only and does not constitute notice to the Underwriter under any policy of a Claim or potential Claim.

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

Signature <i>(Chief Executive Officer)</i>	Title	Date

This Application must be signed by the chief executive officer of the organization identified in response to Question 1 of Section I. General Information acting as the authorized representative of all person(s) and entity(ies) proposed for this insurance.

**RETURN COMPLETED APPLICATION PLUS ANY SUPPLEMENTS AND ATTACHMENTS TO YOUR INSURANCE AGENT OR BROKER.**

Produced By:

Agent: _____	Agency: _____
Agency Taxpayer ID or SS No.: _____	Agent License No.: _____
Address _____	
City: _____	State: _____ Zip Code: _____

Submitted By:

Agency: _____
Agency Taxpayer ID or SS No.: _____ Agent License No.: _____
Address _____
City: _____ State: _____ Zip Code: _____