



**Chubb Group of Insurance Companies**  
 15 Mountain View Road, Warren, New Jersey 07059

**REPRESENTATIONS AND  
 WARRANTIES INSURANCE  
 APPLICATION**

**BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH EXECUTIVE RISK INDEMNITY INC.**

**SELLER'S COVERAGE IS WRITTEN AS CLAIMS-MADE COVERAGE AND APPLIES ONLY TO CLAIMS FIRST MADE AND REPORTED DURING THE POLICY PERIOD. BUYER'S COVERAGE APPLIES TO LOSS FIRST DISCOVERED AND REPORTED DURING THE POLICY PERIOD, AND TO CLAIMS FIRST MADE AND REPORTED DURING THE POLICY PERIOD.**

**THE LIMIT OF LIABILITY WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE.**

This Application is for (check one only):  Seller's Coverage  Buyer's Coverage

**I. THE APPLICANT**

(NOTE: The terms "You" and "Your" refer to the Applicant.)

Your Name: \_\_\_\_\_

Principal Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Identify and describe **your** role in the proposed transaction (e.g., Buyer, Seller(s), Acquired Company): \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

**II. THE TRANSACTION**

Provide a brief narrative description of the transaction in which the representations and warranties are being made (attach an additional sheet if necessary):

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

The transaction is:

- A stock purchase
- A purchase of all or substantially all the assets of the acquired company
- A purchase of less than substantially all the assets of the acquired company
- Other (describe): \_\_\_\_\_

The total purchase price is: \$ \_\_\_\_\_

The purchase price will be paid in the form of (check all that apply, and provide descriptions of all non-cash components of the purchase price):

Cash payable at closing (enter amount): \$ \_\_\_\_\_

Cash payable after the closing (enter amounts and payment schedule): \$ \_\_\_\_\_

Stock (at closing): \_\_\_\_\_

Stock (deferred): \_\_\_\_\_

Notes: \_\_\_\_\_

Other (describe): \_\_\_\_\_

Will an escrow be established?  Yes  No If "Yes," please enter amount and duration: \$ \_\_\_\_\_

Please identify (by article and section number) the representations and warranties proposed to be insured, and (by name and draft date or execution date) the agreement in which those representations and warranties appear: \_\_\_\_\_

**III. THE BUYER AND THE BUYER'S PROFESSIONAL ADVISERS**

Please complete this section whether or not the Buyer is applying for coverage. (If **you** are the Seller, this section should be completed to the best of **your** knowledge.)

Buyer's Name: \_\_\_\_\_

Principal Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Web Site: \_\_\_\_\_

Form of Organization:

- Individual(s)
- Corporation
- Partnership
- Other: \_\_\_\_\_
- Non-Profit
- Privately Held
- Publicly Traded

State of Incorporation or Organization: \_\_\_\_\_ Date Established: \_\_\_\_\_

Nature of Business: \_\_\_\_\_

Ownership of the Buyer:

Total number of shareholders: \_\_\_\_\_

Please identify, by name and percentage of holdings, all owners of 5% or more of the common shares (or other ownership units) of the Buyer: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please describe any other equity securities issued by the Buyer, and the ownership thereof: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

In connection with the transaction in which the representations and warranties are being made, please identify the Buyer's:

Legal counsel: \_\_\_\_\_

Auditors/Accountants: \_\_\_\_\_

Investment bankers: \_\_\_\_\_

Other financial advisers: \_\_\_\_\_

Please identify any other mergers or acquisitions involving the Buyer during the last three years: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Has the Buyer sued, or threatened with suit, the maker of representations or warranties in any other merger, acquisition, or similar transaction in which the Buyer has previously been involved?  Yes  No

If "Yes," please attach a detailed description of the circumstances of each suit or threat of suit, including the identities of the parties; the factual and legal basis for the claim; the disposition, including the dollar amount of any settlements or judgments; and the citation of any judicial proceeding associated with the claim.

Has the Buyer or any of its directors or officers been involved in any of the following:

Antitrust or intellectual property-related disputes?  Yes  No

Civil or criminal action or administrative proceeding charging violation of a federal or state securities law or regulation?  
 Yes  No

Any other criminal actions?  Yes  No

Representative actions, class actions or derivative suits?  Yes  No

Investigation by the Securities and Exchange Commission, or a similar state or foreign agency?  Yes  No

If "Yes" to any of these, please attach details.

**IV. THE SELLER AND THE SELLER'S PROFESSIONAL ADVISERS**

Please complete this section whether or not the Seller is applying for coverage.

Seller's Name: \_\_\_\_\_

Principal Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Web Site: \_\_\_\_\_

Form of Organization:

- |  |  |
|--|--|
| <input type="checkbox"/> Individual(s) | <input type="checkbox"/> Non-Profit      |
| <input type="checkbox"/> Corporation   | <input type="checkbox"/> Privately Held  |
| <input type="checkbox"/> Partnership   | <input type="checkbox"/> Publicly Traded |
| <input type="checkbox"/> Other: _____  |  |

State of Incorporation or Organization: \_\_\_\_\_ Date Established: \_\_\_\_\_

Nature of Business: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Ownership of the Seller:

Total number of shareholders: \_\_\_\_\_

Please identify, by name and percentage of holdings, all owners of 5% or more of the common shares (or other ownership units) of the Seller: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Please describe any other equity securities issued by the Seller, and the ownership thereof: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Please describe any material changes to the Seller's ownership or capitalization structure during the last twelve months (including, but not limited to, any share repurchases effected by the Seller or by any of the Seller's principal shareholders): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

In connection with the transaction in which the representations and warranties are being made, please identify the Seller's:

Legal counsel: \_\_\_\_\_

Auditors/Accountants: \_\_\_\_\_

Investment bankers: \_\_\_\_\_

Other financial advisers: \_\_\_\_\_

Actuaries for pension plans: \_\_\_\_\_

Has the Seller or (if applicable) the entity being acquired changed auditors during the past three years?

Yes  No If "Yes," please attach details.

Has the Seller or any of its directors or officers been involved in any of the following:

Antitrust or intellectual property-related disputes?  Yes  No

Civil or criminal action or administrative proceeding charging violation of a federal or state securities law or regulation?

Yes  No

Any other criminal actions?  Yes  No

Representative actions, class actions or derivative suits?  Yes  No

Investigation by the Securities and Exchange Commission, or a similar state or foreign agency?

Yes  No

If "Yes" to any of these, please attach details.

Has the Seller (or the acquired entity) or any subsidiary of the Seller (or of the acquired entity) been involved, at any time during the past five years, in a dispute with any taxing authority in which the taxing authority made demand for payment of additional tax amounting to \$50,000 or more?  Yes  No

If "Yes," please attach details.

Please identify and describe any executive compensation payments made or promised by the Seller during the last twelve months (including, but not limited to, bonuses or other payments associated with this transaction) that reflect a material change from the Seller's executive compensation structure in place during the previous three years: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please indicate how long the Seller has owned the business or assets being transferred: \_\_\_\_\_

\_\_\_\_\_

Please identify any other mergers or acquisitions involving the Seller during the last three years: \_\_\_\_\_

\_\_\_\_\_

Does the Seller currently maintain a policy or policies of D&O (Directors and Officers Liability) Insurance?

Yes  No If "Yes," please provide the following information:

Name of Insurer(s): \_\_\_\_\_

Expiration Date: \_\_\_\_\_

Limit: \_\_\_\_\_

Does the Seller currently maintain a policy or policies of Errors and Omissions (or Professional Liability) Insurance?  
 Yes  No If "Yes," please provide the following information:

Name of Insurer(s): \_\_\_\_\_

Expiration Date: \_\_\_\_\_

Limit: \_\_\_\_\_

Is any real property being transferred by the Seller in this transaction?  Yes  No

If "Yes," is title insurance being purchased in connection with this transaction in an amount at least equal to the fair market value of the real property being transferred?  Yes  No (If "No," please explain: \_\_\_\_\_)

**V. COVERAGE REQUESTED**

Limit of Liability: \$ \_\_\_\_\_

Deductible or Retention: \$ \_\_\_\_\_

Inception Date and Duration: \_\_\_\_\_

**VI. UNDERWRITING INFORMATION**

As part of this Application, please attach copies of all of the following:

- The Purchase/Sale/Acquisition/Merger Agreement including all schedules, exhibits and disclosure statements
- The last two years of audited financial statements for both the Seller and (if applicable) the entity being acquired, and all other financial statements as to which representations and warranties are being made
- Any side agreements or side letters relating to the purchase/sale/acquisition/merger or to any of the representations or warranties

**VII. PRIOR KNOWLEDGE**

After inquiry, and after all reasonable due diligence performed by **you** and/or on **your** behalf, are **you** or any of **your** partners, directors, trustees, officers, members, managers, or employees aware of any fact, circumstance, situation, transaction, event, act, error, or omission that might reasonably be expected to result in a **Claim** or in **Value Discrepancy** that would fall within the scope of the proposed insurance?  Yes  No

If "Yes," please provide full details (attach additional sheets as necessary): \_\_\_\_\_

**Without prejudice to any other rights and remedies of the insurer, it is agreed that if any such facts, circumstances, situations, transactions, events, acts, errors or omissions should have been disclosed in this Section VII but were not so disclosed, Sections IV.A and V.D of the Representations and Warranties Insurance Policy (if issued) shall govern in determining whether coverage is available under such policy.**

**VIII. CERTIFICATION**

I have read the above Application. I hereby certify that the statements made and the information and data supplied herein (and in any attachments and other documents submitted herewith) are true, accurate and complete. Such statements, information and data are given for the specific purpose of inducing Executive Risk Indemnity Inc. (the "Company") to issue a Representations and Warranties Insurance Policy to the Applicant. Although signing this Application does not bind the Applicant to purchase insurance (and accepting this Application does not bind the Company to provide insurance), it is agreed that this Application and the attachments and other documents submitted by the Applicant herewith will be the basis of the contract if a policy is issued, that the Company will have relied upon this Application and such attachments and other documents in issuing any such policy, and that this Application and such attachments and other documents will be deemed attached to and will form a part of any such policy. The Company is hereby authorized to make any investigation and inquiry in connection with this Application that it deems necessary. It is agreed that if any statement, information or data given in this Application or in any attachment or other document submitted by the Applicant herewith is materially false, inaccurate, or incomplete, the Company may deny coverage or cancel any policy that it has issued. It is further agreed that if the information in this Application or in any attachment or other document submitted by the Applicant herewith materially changes between the date of this Application and the effective date of any policy, the Applicant will immediately notify the Company, who may modify or withdraw any quotation or agreement to bind insurance.

**NOTICE TO APPLICANT - PLEASE READ CAREFULLY.**

**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, MAINE AND VIRGINIA 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 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 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 MARYLAND 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 MAY BE GUILTY OF INSURANCE FRAUD.**

**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.**

APPLICANT		
BY <i>(President or Chairman of the Board of Directors)</i>	TITLE	DATE

NOTE: This Application is signed by the President or Chairman of the Board of Directors of the Applicant acting as the authorized agent of the person(s) and entity(ies) proposed for this insurance.

**REQUIRED INFORMATION**

PRODUCED BY <i>(Insurance Agent)</i> Please print and sign name  _____  _____	
INSURANCE AGENCY	
INSURANCE AGENCY TAXPAYER ID OR SOCIAL SECURITY NO.	AGENT LICENSE NO.
ADDRESS <i>(No., Street, City, State, and ZIP)</i>	
EMAIL ADDRESS	

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)</i>		