

FDIC #: _____

DATE: _____

*To be able to save this form after the fields are filled in, you will need to have Adobe Reader 9 or later. If you do not have version 9 or later, please download the free tool at: <http://get.adobe.com/reader/>.

Professional Services Supplemental Application

THE LIABILITY POLICY THAT MAY BE ISSUED BASED UPON THIS APPLICATION PROVIDES CLAIMS MADE COVERAGE WRITTEN ON A NO DUTY TO DEFEND BASIS. DEFENSE COSTS ARE INCLUDED WITHIN THE LIMIT OF LIABILITY AND REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS AND JUDGMENTS. PLEASE READ THE POLICY CAREFULLY.

General Information

Applicant (Parent Company): _____ FDIC #: _____

Representative authorized to receive notices on behalf of the Applicant and all subsidiaries:

Name: _____ Title: _____ Email: _____

Complete only the sections applicable to the professional services offered by the Applicant.

Data Processing Services

Complete only if Data Processing Services are provided.

Data Processing Services includes a. Accounting/payroll services, accounts payable/receivable; b. Cost and general accounting; c. Management reporting; d. Computer consulting, including software, hardware and systems analysis; e. Designing, selling, installing or servicing computer software; f. Microfiche services.

1. a. Indicate the agency performing and the date of the last two regulatory exams of the EDP operation:

Agency that Performed Regulatory Exam	Date of Regulatory Exam

- b. Were there any criticisms or comments noted in the most recent regulatory exam of the EDP operations?

If yes, attach details including if appropriate corrective action has been taken.

☐ Yes ☐ No

2. Does the Applicant or any Subsidiary provide: (a) computer consulting services, including software, hardware, systems or telecommunication analysis; (b) systems integration services; or (c) designing, developing, selling, licensing, distributing, installing or servicing computer software services?

☐ Yes ☐ No

If yes, complete question 3.

3. Provide the most recent annual fees or revenue from each of the following services:

Service	Most Recent Annual Fees or Revenue
a. Computer consulting, including software, hardware, systems analysis and telecommunications.	
b. Systems Integration	
c. Designing, developing, selling, licensing, distributing, installing or servicing computer software.	

Insurance Services

Complete only if Insurance Services are provided.

Insurance Services include: a. Offering credit life, accident, and disability insurance; b. Services as an insurance agent or broker involving individual life, health, accident or disability insurance, individual or commercial property or casualty insurance products; c. The purchase or sale of annuities; d. Any other insurance or risk management related services.

1. Complete the following information pertaining to the scope of Insurance Services provided:

Commercial Lines	Annual Gross Fee Income or Revenue	Personal Lines	Annual Gross Fee Income or Revenue
a. Automobile		a. Automobile (standard)	
b. Aviation		b. Automobile (non-standard)	
c. Bonds		c. Homeowners	
d. Directors & Officers Liability		d. Credit Life Accident & Disability	
e. Non-Medical Professional Liability		Accident & Health and Life	
f. Medical Malpractice		a. A & H Group	
g. Ocean and Inland Marine		b. A & H Individual	
h. Excess and Surplus Lines		c. Annuities or Mutual Funds	
i. Workers Compensation		d. Life Group	
j. Standard Property & Casualty		e. Life Individual	

2. Is there a written policy and procedures manual for insurance services addressing the following areas:

- | | | |
|--|------------------------------|-----------------------------|
| a. Confirm all verbal binders promptly, and in writing, to both client and carrier? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Maintain a policy expiration list (including direct bill) and make certain all policies are renewed and all binders issued on time? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Check all policies and endorsements for accuracy and completeness before mailing? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. Maintain a written procedure for all licensed personnel to read all policy forms prior to using? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| e. Maintain a system to immediately notify the insurance carrier of all claims and incidents reported to the agency by Insured or third party claimants? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f. Maintain a suspense system for following up on receipt of requested items? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| g. Conduct internal audits to monitor compliance with errors and omissions procedures? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| e. Require annual attendance of brokers and agents at errors and omissions seminars? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f. A policy that prohibits the placement of insurance with carriers rated lower than A- by A.M. Best Company, or that are not rated? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

3. Are any of the following insurance related services provided: **If yes, attach details.**

- | | | |
|---|------------------------------|-----------------------------|
| a. Sale of annuities | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Third-Party administrative services | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Claims adjusting services | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. Program administrator or MGA for any insurance program | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| e. Loss control services | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f. Insurance company | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Investment Adviser / Financial Planning Services

Complete only if Investment Adviser/Financial Planning Services are provided.

Investment Adviser/Financial Planning Services include: a. Registered investment adviser; b. Financial planning; c. Asset allocation; d. Wealth asset management; e. Economic forecasting.

- | | | |
|--|------------------------------|-----------------------------|
| 1. Does the Applicant or any Subsidiary act as an Investment Adviser pursuant to the Investment Advisers Act of 1940? If yes, complete questions 2 through 15. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Are investments in specialty areas other than securities (e.g. futures, forwards, swaps, precious metals, options, restricted securities, real estate, and limited partnerships) recommended?
If yes, attach details. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Are there written policies and procedures addressing the following areas: | | |
| a. Investment and regulatory compliance | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Accurate pricing of securities | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Accurate trade executions | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

4. When the Applicant succeeds another investment adviser is a hold harmless agreement executed? ☐ Yes ☐ No
5. Do all registered investment advisers maintain professional designations such as CFP, CFA or have the equivalent training and expertise? ☐ Yes ☐ No
6. Are there written policies and procedures addressing the following areas:
- a. Investment and regulatory compliance ☐ Yes ☐ No
- b. Accurate pricing of securities ☐ Yes ☐ No
- c. Accurate trade executions ☐ Yes ☐ No
7. When the Applicant succeeds another investment adviser is a hold harmless agreement executed? ☐ Yes ☐ No
8. Do all registered investment advisers maintain professional designations such as CFP, CFA or have the equivalent training and expertise? ☐ Yes ☐ No
9. Provide the following information regarding registered Investment Adviser services provided by the Applicant:

Account Information	Current Year	Prior Year
a. Total asset value of all accounts		
b. Percent of total assets under management that are discretionary		
c. Percent of total assets under management that are non-discretionary		
d. Asset value of largest account		
e. Total number of accounts		
f. Annual fees for investment advisory services		

Account Information	Market Asset Value	No. of Accounts
a. Individual		
b. Trusts		
c. ERISA and Non-ERISA Pension Plans		
d. Institutional		
e. Other (please explain)		

10. Does the Applicant or any Subsidiary provide Financial Planning Services? ☐ Yes ☐ No
11. Indicate the number of financial plans completed in the past two years:

Year	Financial Plans Completed

12. Do financial planners also sell financial products to implement the recommended financial plan for the client? ☐ Yes ☐ No
- If yes, has a conflict of interest policy been adopted and implemented?** ☐ Yes ☐ No
13. Do all financial planners maintain professional designations such as CFP, CFA or have the equivalent training and expertise? ☐ Yes ☐ No
14. Does the Applicant or any Subsidiary publish any newsletter or other publication providing investment advice or opinions on investments? ☐ Yes ☐ No
- If yes, does any such publication contain disclaimers regarding the advice provided?** ☐ Yes ☐ No
15. Does the Applicant or any Subsidiary provide any economic forecasting services? ☐ Yes ☐ No

Real Estate Services

Complete only if Real Estate Services are provided.

Real Estate Services include: a. Real estate agent or broker; b. Real estate appraisals; c. Property management; d. Title Abstracter; e. Title agent services.

1. Does the Applicant or any Subsidiary provide Real Estate Agent or Real Estate Broker Services? ☐ Yes ☐ No

If yes, complete questions 24 through 25.

2. For the most recent year, provide the following information:

Real Estate Portfolio	Number Properties Sold	Total Dollar Value of Properties Sold	Commission
a. Commercial			
b. Residential			
c. Other			
Total			

3. Indicate the number of officers or employees who are licensed real estate brokers or agents:

4. Does the Parent Company or its Subsidiaries provide real estate appraisal services? ☐ Yes ☐ No

If yes, are all real estate appraisers required to obtain professional certification and belong to related professional associations?

☐ Yes ☐ No

5. Does the Parent Company or its Subsidiaries provide Property Management Services? ☐ Yes ☐ No

If yes, complete questions 28 through 31.

6. For the most recent year, provide the following information:

Real Estate Portfolio	Number Properties Managed	Estimated Dollar Value of Properties Managed	Management Fees
a. Commercial			
b. Residential			
c. Other			
Total			

7. Indicate by checking the box which Property Management Services are provided:

a. Accounting/Bookkeeping ☐ Yes ☐ No

b. Evictions ☐ Yes ☐ No

c. General Maintenance ☐ Yes ☐ No

d. Insurance Payments ☐ Yes ☐ No

e. Investigate and Handle Tenant's Complaints ☐ Yes ☐ No

f. Security System Maintenance ☐ Yes ☐ No

g. Mortgage Payments ☐ Yes ☐ No

h. Rent Collection ☐ Yes ☐ No

i. Safety Inspections ☐ Yes ☐ No

8. Does the Parent Company and its Subsidiaries require a hazardous waste survey before accepting any appointment as manager of real estate properties? **If no, attach details.** ☐ Yes ☐ No

9. Does the Parent Company and its Subsidiaries have specific guidelines regarding the maintenance of insurance on managed real estate properties? **If no, attach details.** ☐ Yes ☐ No

10. Does the Parent Company or its Subsidiaries provide any of the following real estate services?

a. Abstractor ☐ Yes ☐ No

b. Auctioneer ☐ Yes ☐ No

c. Closing Officer ☐ Yes ☐ No

d. Escrow Agent ☐ Yes ☐ No

e. Title Agent ☐ Yes ☐ No

Security Broker / Dealer Services

Complete only if Security Broker/Dealer Services are provided.

Security Broker/Dealer Services include: a. Purchase or sale of securities by a registered broker/dealer; b. Discount brokerage services.

1. Indicate the number of registered representatives: _____
2. a. Indicate the average total daily trading volume: \$ _____
b. Indicate the average per account daily trading volume: \$ _____
c. Indicate the highest trading volume on any one day in the most recent past year: \$ _____
3. Are margin accounts offered? ☐ Yes ☐ No
If yes, state the percentage of total volume represented by margin accounts: % _____
4. State the percentage of broker/dealer revenues which are derived from the following:

Investment Trade	% of Broker/Dealer Revenues	Investment Trade	% of Broker/Dealer Revenues
a. Listed Stock		h. International Securities	
b. Unlisted Stocks		i. Mutual Funds	
c. Bonds		j. Limited Partnerships	
d. Unregistered Bonds or Securities		k. Direct private Placement	
e. Commercial Paper		l. Market Making/Specialist	
f. Options Contracts		m. Underwriting	
g. Commodity Futures		n. Other (attach full details)	

5. Does the brokerage department clear its own trades? ☐ Yes ☐ No
If no, indicate the name and location of the broker or clearing agent utilized:
6. Do all contracts contain an arbitration provision? ☐ Yes ☐ No
7. Has a registered representative answered "Yes" to question 22 of such registered representative's FORM U-4? ☐ Yes ☐ No
If yes please provide copies of such FORM U-4.
8. Are discount brokerage services offered? ☐ Yes ☐ No
If yes, does the contract or other literature distributed to clients clearly define the Insured's responsibility and specifically indicate that no investment advice will be given? ☐ Yes ☐ No

Trust Department Liability Services

Complete only if Trust Department Liability Services are provided.

1. Year Trust Department was established: _____
2. Number of trust officers: _____ Average years of trust officer experience: _____
3. Please provide annual gross revenues (in thousands) of the Trust Department for the past 3 years:
Year 1: \$ _____ Year 2: \$ _____ Year 3: \$ _____
4. Please provide the following information, showing asset amounts in thousands:

Type of Account	No. of Accounts	Book Value of Assets	Managed/ Discretionary	Advisory/ Nondiscretionary	Custodial
Individual		\$	%	%	%
ERISA		\$	%	%	%
Corporate		\$	%	%	%
Other		\$	%	%	%
Total		\$	%	%	%

5. Are there written Trust Department policies and procedures addressing all of the following:
- | | | |
|--|------------------------------|-----------------------------|
| a. Approval of new accounts? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Approval of closing accounts? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Reviewing accounts on a periodic basis for compliance with trust terms? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. Approval of the purchase and sale of trust assets? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| e. The need for legal review of trust documents and changes to trust terms? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f. Acceptable criteria for trust investments? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| g. Conflict of interest, including investments in financial instruments of the Parent Company or its subsidiaries? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| h. Providing financial reports to clients? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| i. The use of formal checklists to document which administrative trust duties (payment of taxes, insurance, etc.) are performed and when they are performed? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- If any of the above are not addressed, provide details by attachment.**
6. As of the most recent Trust Department regulatory examination:
- | | | |
|---|------------------------------|-----------------------------|
| a. Were any conflict of interest criticisms rendered? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Were there any other criticisms of Trust Department operations or management? If yes, attach details. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
7. Is the Trust Department subject to a Cease and Desist Order, Memorandum of Understanding or similar action by any Regulatory Authority? **If yes, attach details.** ☐ Yes ☐ No
8. Does the Trust Department have an approved list of securities? ☐ Yes ☐ No
If not, attach details on the criteria used for investment selections.
9. Does the Trust Department manage any common trust funds? ☐ Yes ☐ No
If yes, attach copy of the most recent CPA audit of each fund.
10. Are financial reports sent to Trust Department clients on a monthly basis? ☐ Yes ☐ No
11. Is a hold harmless agreement protecting the Trust Department from the liabilities of a previous trustee obtained when the Trust Department succeeds an outside trustee? ☐ Yes ☐ No
12. Does the Trust Department control 5% or more of the stock of any corporation? ☐ Yes ☐ No
If yes, attach a listing of such corporations including the percentage held.
13. Does the Trust Department perform shareholder accounting services for mutual funds? **If yes, provide details.** ☐ Yes ☐ No
14. Does the Trust Department provide actuarial services for clients? **If yes, provide details.** ☐ Yes ☐ No
15. Is the Trust Department involved in the actual operations of any farms, ranches, or other real estate, oil, gas, mineral, timber or other natural resource leases, or other types of client business? ☐ Yes ☐ No
If yes, attach full details including the number of clients and total assets involved.
16. Are any services provided outside a trust agreement, such as investment advice, tax planning, etc.? ☐ Yes ☐ No
If yes, attach details including the qualifications of the persons providing such services.

Other Professional Services

Complete only if Professional Services other than those identified in the preceding sections is provided.

Other Professional Services include: a. Accounting and tax preparation services; b. Actuarial services; c. Travel agent services.

1. Attach a list of such Professional Services including a description of the nature of the Professional Service, the professional training, qualifications or designations maintained by the employees that provide such Professional Services and the number of employees holding such designations.
2. Are there any special auditing or internal control procedures in place with respect to any Other Professional Service provided? ☐ Yes ☐ No

Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or another 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 may be a crime and may subject the person to criminal penalties.

ALABAMA, ARKANSAS, LOUISIANA, NEW JERSEY, NEW MEXICO, RHODE ISLAND, VIRGINIA and WEST VIRGINIA: 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. In Alabama, Arkansas, Louisiana, Rhode Island and West Virginia that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

COLORADO: 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.

DISTRICT OF COLUMBIA, KENTUCKY and PENNSYLVANIA: 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 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. In District of Columbia, penalties include imprisonment and/or fines. In addition, the Insurer may deny insurance benefits if the Applicant provides false information materially related to a claim. In Pennsylvania, the person may also be subject to criminal and civil penalties.

FLORIDA and OKLAHOMA: Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

KANSAS: An act committed by 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 personal or commercial 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 is considered a crime.

MAINE: 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 denial of insurance benefits.

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

OHIO: Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an Application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OREGON: 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 may be guilty of a crime and may be subject to fines and confinement in prison.

TENNESSEE and WASHINGTON: 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/or denial of insurance benefits.

Representation Statement

The undersigned declare that, to the best of their knowledge and belief, the statements in this Application, any prior Applications, any additional material submitted, and any publicly available information published or filed by or with a recognized source, agency or institution regarding business information for the Applicant for the 3 years prior to the Bond/Policy's inception [hereinafter called "Application"] are true, accurate and complete, and that reasonable efforts have been made to obtain sufficient information from each and every individual or entity proposed for this insurance. It is further agreed by the Applicant that the statements in this Application are their representations, they are material and that the Bond/Policy is issued in reliance upon the truth of such representations.

The signing of this Application does not bind the undersigned to purchase the insurance and accepting this Application does not bind the Insurer to complete the insurance or to issue any particular Bond/Policy. If a Bond/Policy is issued, it is understood and agreed that the Insurer relied upon this Application in issuing each such Bond/Policy and any Endorsements thereto. The undersigned further agrees that if the statements in this Application change before the effective date of any proposed Bond/Policy, which would render this Application inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately.

Chief Executive Officer, President or Chairman of the Board:

Print Name: _____ Signature: _____

Title: _____ Date: _____

Chief Financial Officer or Equivalent Officer:

Print Name: _____ Signature: _____

Title: _____ Date: _____

A BOND/POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS SIGNED AND DATED BY TWO INDIVIDUALS

Agent Name: _____ License Number: _____

Agent Signature: _____

Please provide the following information with your submission:

- Current Declarations Page from the Applicant's Financial Institution Bond, D&O Policy, Bankers Professional Liability Policy, Trust Errors & Omissions Policy, Employment Practices Liability Policy and/or Kidnap & Ransom Policy, if such bond/policies are not currently written by Specialty Program Group.
- Most recent Annual Report or audited financial statements. If not applicable, attach a copy of the most recent Directors' Examination Report.
- Management Letter and Applicant's responses to any recommendations made therein.
- If applicable, most recent Form 10-K, 10-Q and any other Registration Statement filed with the SEC within the past 12 months.