



**APPLICATION FOREFRONT BY AICC FOR INSURANCE COMPANIES**

**UNDERWRITTEN IN FEDERAL INSURANCE COMPANY OR VIGILANT INSURANCE COMPANY**

**FOREFRONT BY AICC FOR INSURANCE COMPANIES WILL COVER ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMITS OF LIABILITY MAY BE COMPLETELY EXHAUSTED BY THE COST OF LEGAL DEFENSE. ANY DEDUCTIBLE IS SIMILARLY REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS.**

**A. GENERAL INFORMATION**

1)

- a) Name of Applicant:
- b) Address of Applicant:
- c) Date Applicant Established :
- d) Number of Employees:
- e) AM Best rating:                                              Date:
- f) Claims paying ability rating:                                              Rating Agency:                                              Date:
- g) Provide the following information

	<u>Total Assets</u>	<u>Written Premium</u>	<u>Surplus</u>	<u>Operating Income</u>
Year to Date				
Prior Year End				

2) Name of Agent and Agent's License Number:

3) Limits Requested: \$

4) Deductible Amount:

- a) Employment Practices Liability                      Included                      \$
- b) Directors and Officers Liability                      Included                      \$
- c) Outside Directors Liability                      Included                      \$
- d) Fiduciary Liability                      Included                      \$
- e) Insurance Services Professional Liability (optional)                       YES  NO                      \$
- f) Financial Services Professional Liability (optional)                       YES  NO                      \$
- g) Lender Liability (optional)                       YES  NO                      \$

5) Type of Ownership :                       Stock                       Mutual

a) If stock company, please complete the following:

- (1) Number of shareholders:
- (2) Number of shares outstanding:
- (3) Name and percentage of shares owned by shareholders directly or beneficially holding 5% or more of the common stock (if none, so indicate).

b) Are there any other securities which are convertible to common stock?                       YES                       NO

**If Yes, please provide, on a separate sheet, full details.**



**B. EMPLOYMENT PRACTICES INFORMATION**

- 1) Does the proposed Applicant:
- a) Distribute an employee handbook to all employees?  YES  NO  
**If No**, please explain
  - b) Have a manual of its human resource procedures?  YES  NO  
**If Yes**, indicate the date it was last revised
  - c) Provide formal training for its supervisors in administering these procedures?  YES  NO
  - d) Have a written policy against discrimination, including sexual harassment?  YES  NO  
**If Yes**, how is it communicated to employees?
  - e) Have a written grievance procedure for dealing with employee grievances?  YES  NO
  - f) Use any tests (e.g. psychological, drug, polygraph, etc.) for screening applicants or for continued employment?  YES  NO  
**If Yes**, please provide, on a separate sheet, full details.
  - g) Use an employment application for all applicants?  YES  NO  
**If No**, please explain
- 2) Who has the authority to hire employees?
- 3) Who has the authority to fire employees?
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**C. EMPLOYEE BENEFIT PLAN INFORMATION**

- 1) Names of Employee Benefit Plans of the Applicant:
- 2) Investment Managers:
- 3) Does the investment manager(s) have discretionary control over the investing of the total plan assets?  YES  NO
- 4) Do you handle any investment decisions in house for the plans listed above?  YES  NO  
**If Yes**, please describe
- 5) In the past three (3) years, have any of the Applicant's plans been merged?  YES  NO
- 6) In the past three (3) years, have any of the Applicant's plans been merged?  YES  NO  
**If Yes**, please provide, on a separate sheet, full details.
- 7) Do the plans conform to the standards of eligibility, participation, vesting and other provisions of ERISA?  YES  NO
- 8) Have the plans been reviewed to assure that there are no violations of any plan trust agreements, prohibited transactions or party-in interest rules?  YES  NO
- 9) Do you have any outstanding delinquent contributions to any plans?  YES  NO
- 10) Does the Applicant have an ESOP?  YES  NO
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**D. PROFESSIONAL SERVICES INFORMATION**

**(Complete only if requesting Insurance Services Professional Liability, Financial Services Professional Liability or Lender Liability Coverages)**

1) Is the Applicant or any Subsidiary currently offering or planning to offer any of the following Insurance Services?

- |                                                    | <u>For Policy Holders</u>                                | <u>For Other Than Policy Holders</u>                     |
|----------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| a) Actuarial consulting?                           | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| b) Claim handling and adjusting?                   | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| c) Insurance pool management?                      | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| d) Insurance risk management?                      | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| e) Personal injury rehabilitation?                 | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| f) Premium financing?                              | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| g) Recovery subrogation?                           | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| h) Safety engineering, inspection or loss control? | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| i) Salvage?                                        | <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| j) Other Insurance Service? (please specify)       |                                                          |                                                          |

2) Is the Applicant or any Subsidiary currently offering or planning to offer any of the following Financial Services?

- |                                              |                                                          |
|----------------------------------------------|----------------------------------------------------------|
| a) Data Processing Services?                 | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| b) Insurance Agency?                         | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| c) Investment Advisor/Counselor/Manager?     | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| d) Lending or Leasing Services?              | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| e) Pension Fund Management?                  | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| f) Proprietary Mutual Funds?                 | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| g) Real Estate Agency?                       | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| h) Securities Broker/Dealer?                 | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| i) Other Financial Service? (please specify) |                                                          |

3) If the Applicant or any Subsidiary is currently offering or planning to offer Lending Services, please complete the following:

- |                                                                                                                                 |                                                          |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| a) Does the investment manager(s) have discretionary control over the investing of the total plan assets?                       |                                                          |
| b) Is there a formal lending policy (adopted by the Board of Directors) addressing all types of loans in which you participate? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| c) Does your formal lending policy describe minimum documentation standards for each type of loans in which you participate?    | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| <b>If No</b> , please describe, on a separate sheet, full details.                                                              |                                                          |
| d) Who is charged with the responsibility of monitoring your lending function?                                                  |                                                          |
| e) Is there a loan committee?                                                                                                   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| <b>If No</b> , please describe, on a separate sheet, the loan review process.                                                   |                                                          |
| f) Is there an independent credit review function?                                                                              | <input type="checkbox"/> YES <input type="checkbox"/> NO |

- g) Is there an independent function to resolve problem loans?  YES  NO
- h) Is a loan customer required to complete a loan application?  YES  NO  
**If No**, please describe, on a separate sheet, under what circumstances a loan application is not required.
- i) Are all loan declinations notified in writing to the loan customer as to reason(s) for the declination?  YES  NO  
**If No**, please describe exceptions on a separate sheet.
- j) Are formal commitment letters provided to all approved loans?  YES  NO  
**If No**, please describe exceptions on a separate sheet.
- k) Have all Internal Audit and Compliance exceptions within the lending function been corrected?  YES  NO  
**If No**, please provide, on a separate sheet, full details.
- l) Does the Applicant ever become involved in the management of a business of any lending customer either directly or indirectly?  YES  NO  
**If Yes**, please provide, on a separate sheet, full details.
- m) Have all regulatory criticisms been addressed and corrected to the satisfaction of your regulator(s)?  YES  NO  
**If No**, please provide, on a separate sheet, full details.
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## **E. CLAIMS HANDLING INFORMATION**

- 1) Approximate total number of claims handled annually:
- 2) Number of field claims offices:
- 3)
- a) Number of inside claims adjusters :
- b) Number of outside claims adjusters:
- c) Number of claims medical staff:
- d) Number of claims attorneys:
- 4) Does the Applicant or any Subsidiary contract outside adjustment services?  YES  NO  
**If Yes**, what percentage of claims are handled by outside adjustment services?
- 5) Does the Applicant grant authority to independent agents to negotiate and settle claims?  YES  NO  
**If Yes**, how many agencies and what is the maximum authority?  
 Number of Agencies: \_\_\_\_\_ Maximum Authority: \_\_\_\_\_
- 6) Are there established procedures for handling claims or suits against the Applicant for errors and omissions, extra contractual liability, and punitive damages?  YES  NO  
**If Yes**, please provide, on a separate sheet, full details describing procedures.
- a) Have there been any changes in these procedures in the past year?  YES  NO
- b) How often are these procedures reviewed and analyzed?
- c) Who is the senior person responsible for monitoring and assessing all such suits and claims?  
 Name of Officer: \_\_\_\_\_ Title: \_\_\_\_\_



**AMBASSADOR INVESTMENT CAPTIVE CORPORATION**

391 N.W. 179th Avenue, Beaverton, Oregon, 97 006, United States of America

**F. PAST ACTIVITIES**

1) Has the Applicant or any Subsidiary been involved in any of the following in the past three (3) years, or has any director, officer or ERISA fiduciary been involved in any of the following at any time?

	<u>Organistaion</u>	<u>Persons</u>
a) Anti-trust, copyright or patent litigation?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
b) Accused, found guilty or held liable or a breach of ERISA or similar law?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
c) Any other criminal actions?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
d) Received a cease and desist order from any regulatory agency?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
e) Merger, acquisition, or divestment?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
f) Any representative actions, class actions or derivative suits?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
g) Civil, criminal or administrative proceeding alleging violation of any federal or state securities law?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

If Yes to any of the above, please provide, on a separate sheet, full details.

2) Have any payments been made on behalf of any Applicant under any previous policy that provided insurance similar to that for which you are applying?  YES  NO

If Yes, please provide, on a separate sheet, full details.

3) Has the Applicant or any Subsidiary been involved within the last three (3) years, or contemplated in the next twelve (12) months:

a) Any actual or proposed merger, acquisition or divestment?	<input type="checkbox"/> YES <input type="checkbox"/> NO
b) Any registration for a public offering or a private placement of securities?	<input type="checkbox"/> YES <input type="checkbox"/> NO
c) If a mutual company, any actual proposed conversion from mutual stock form of ownership, including but not limited to the formation of a holding company incidental thereto?	<input type="checkbox"/> YES <input type="checkbox"/> NO
d) Any layoffs, staff reductions or facility closings?	<input type="checkbox"/> YES <input type="checkbox"/> NO
e) Any change in outside auditors?	<input type="checkbox"/> YES <input type="checkbox"/> NO

If Yes to any of the above, please provide, on a separate sheet, full details.

4) Please attach a listing of all lawsuits, administrative proceedings or Department of Labor investigations commenced or demand letters received during the past three (3) years. Describe the type of allegation, the court or agency involved, and the current status for each, including any determination, judgment, defense costs or settlement.

**G. PRIOR INSURANCE**

1. Do you currently have:

<u>Coverage</u>	<u>Yes</u>	<u>No</u>	<u>Insuer</u>	<u>Limit</u>	<u>Deductible</u>	<u>Policy Period</u>
a. Employment Liability	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$	
b. Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$	
c. D&O Liability	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$	
d. Ins. Co. E&O	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$	
e. Lender Liability	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$	
f. Fidelity Bond	<input type="checkbox"/>	<input type="checkbox"/>		\$	\$	

2. Attach a copy of the prior application (with any prior insurer) for which continuity of coverages is to be maintained. The Company will be relying upon the declarations and statements contained in such prior application and those declarations and statements shall be considered to be incorporated in, and form part of the Policy.



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3. Has the Applicant or any Subsidiary given written notice under the provision of the policies listed above or any prior policies providing similar insurance of specific facts or circumstances which might give rise to a claim being made against the Applicant or any Subsidiary?  YES  NO

If Yes, please provide, on a separate sheet, full details.

**H. PRIOR KNOWLEDGE**

If you answered No to any coverage type in Section G., Prior Insurance, or you are requesting limits of liability for any coverage type larger than the limits set forth in Section G., Prior Insurance, the following statement must be completed:

No person proposed for coverage is aware of any facts or circumstances which he or she has reason to suppose might give rise to a future claim that would fall within the scope of any of the requested coverages for which you do not currently maintain insurance, or within the scope of a requested larger limit of liability except:

None  or

**It is understood and agreed that the above statement applies to (a) those coverages for which no coverage is currently maintained, and (b) for those coverages where the Applicant is requesting larger limits of liability greater than currently maintained.**

**It is understood and agreed that if knowledge of any such facts or circumstances exist, whether or not disclosed, any claim or action arising from them is excluded under any policy issued by the Company.**

**I. OTHER INFORMATION**

Please attach the following information with this completed Application:

- a. Latest year audited financial statements.
- b. A list of your board of directors and their outside affiliations.
- c. Your most recent employee handbook.
- d. Your EEO-1 reports for the past three years.
- e. Your most recent C.P.A. management letter and response.
- f. Your most recent Convention Statement.
- g. Your most recently filed Form 5500 and the related schedules for all ERISA plans except health and welfare plans.

The undersigned person declares that to the best of his knowledge the statements set forth herein in all sections of this APPLICATION and in any attachments to this APPLICATION are true and correct, and that every reasonable effort has been made to obtain sufficient information from all persons proposed for this insurance to facilitate the proper and accurate completion of this APPLICATION. The undersigned further agree that, if between the date of this APPLICATION and the effective date of this Policy (1) any material change in the condition of the Applicant is discovered or (2) there is any material change in the answers to the questions contained herein, either of which would render this APPLICATION inaccurate or incomplete, notice of such change will be reported in writing to the Company immediately, and, if necessary, any outstanding quotation may be modified or withdrawn.

The signing of this APPLICATION does not bind the undersigned on behalf of the Applicant to purchase the insurance, but it is agreed by the Applicant and all persons proposed for this insurance that the particulars and statements contained in this APPLICATION and the attachments and materials submitted with this APPLICATION (which shall be retained on file by the Company and shall be deemed attached to the Policy, if insurance is provided, as if physically attached thereto) are true and correct and will be the basis of the Policy and will be considered as incorporated in and constituting a part of the Policy. It is further agreed by the Applicant, and all persons proposed for this insurance, that such particulars and statements are material to the decision to provide this insurance and that any Policy will be issued in reliance upon the truth of such particulars and statements.

PLEASE NOTE: ONLY DULY APPOINTED AGENTS OF THE COMPANY AND LICENSED BROKERS ARE AUTHORIZED TO SOLICIT APPLICATIONS FOR COVERAGE. AGENTS AND BROKERS ARE NOT AUTHORIZED TO BIND COVERAGE. NO COVERAGE SHALL BE PROVIDED UNLESS THE COMPANY ACCEPTS THE APPLICATION AND BINDS THE COVERAGE.



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**False Information:**

**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 material fact thereto, commits a fraudulent insurance act, which is a crime.**

**False Information (Florida Only):**

**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.**

**False Information (Louisiana Only):**

**Any person who, knowingly and with intent to deceive 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 material fact thereto, commits a fraudulent insurance act, which is a crime, when such person subsequently submits a claim.**

**False Information (Maine Only):**

**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.**

**False Information (Nebraska Only):**

**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 material fact thereto, commits a fraudulent insurance act, which is a crime, where such person subsequently submits a claim.**

**False Information (New York Only):**

**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 material fact 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.**

**False Information (Oregon Only):**

**Any person who, knowingly and with intent to defraud any insurance company or other person, files an Application for insurance concerning any false information, or conceals for the purpose of misleading, information containing any material fact thereto, may be guilty of a insurance fraud.**

**False Information (Pennsylvania Only):**

**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 material fact thereto, commits a fraudulent insurance act, which is a crime, and subjects such person to criminal and civil penalties.**

**False Information (Virginia Only)**

**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 act, which is a crime.**

By \_\_\_\_\_  
Signature of Chief Executive Officer  
or Chairman, Board of Directors

By \_\_\_\_\_  
Signature of General Counsel

Date

Date

A Policy cannot be issued unless the APPLICATION is properly signed and dated by the Chief Executive Officer, or Chairman, Board of Directors; and General Counsel.

**NOTE:** This APPLICATION and all exhibits shall be treated in strictest confidence.