

2. APPLICANT OPERATIONS (CONTD.)

f. List the complete names of the insurance companies in which you place business and which account for at least 85% of your total premium volume. (Attach separate sheet if necessary.)

_____ %
 _____ %
 _____ %

h. Reinsurance placed: Volume \$ _____
 Facultative _____ %
 Treaty _____ %
 Total 100%

g. (i) Give number of your total staff (including part-time):

Active partners, directors, officers, owners: _____
 Employed solicitors, brokers: _____
 Other employees: _____
 Total: _____

(ii) Provide list of names of partners or officers on a separate sheet.

i. Do you operate outside of the U.S.A? [] Yes [] No
 If yes, attach a description of operations, locations and annual premium volume.

j. Year 2000 computer systems issue:

(i) Does your computer system store a four-digit year? [] Yes [] No

If no, please describe measures taken to correct the system and the estimated correction completion date.

3. APPLICANT REVENUE

a. What percentage of total income comes from:

(i) Insurance _____ %	Annuities:
Premium Financing _____ %	Fixed _____ %
Real Estate _____ %	Variable _____ %
Mutual Funds _____ %	_____ %
Other - specify _____	

Total = 100%

(ii) Give dollar volume of mutual funds sales in last 12 months:

Fees generated in the last 12 months from operations listed below:

Claims Adjusting	\$ _____
Counseling (Insurance Programs)	\$ _____
Real Estate Appraisal	\$ _____
Engineering	\$ _____
*Third Party Administrator	\$ _____
Administrator for Insured Plans	\$ _____
Other _____	\$ _____

*If operations, include third party administration, supplemental application must be completed.

(iii) Other than those listed above, are you or any of your principals engaged in any other business? [] Yes [] No

If yes, please describe.

(iv) Approximate percentage of the total annual volume you do as:

I. Agent _____ %	II. Retailer or Business
Broker _____ %	direct from _____ %
Managing General	Insureds _____ %
Surplus Lines	Wholesale or
Broker _____ %	Business accepted
Consultant (for fee) _____ %	from other
Other (specify) _____ %	agents _____ %

Must Total 100% **Must Total** 100%

b. Total annual premium volume for:

Surplus Lines: _____ %
 Assigned Risk, Governmental Pool and Fair Plan: _____ %

c. Total annual premium volume:

(i) Life and Accident/Health:

I. Group Life, Accident/Health:	\$ _____	Volume _____ %
II. Individual Life, Accident/Health:	\$ _____	Volume _____ %

Total : \$ _____ Volume _____ %

3. APPLICANT REVENUE (CONTD.)

c. (ii) Personal Lines:

Automobile:	\$ _____	Volume _____%
Homeowners:	\$ _____	Volume _____%
Other Personal Lines written, by line:		
_____	\$ _____	Volume _____%
_____	\$ _____	Volume _____%
Total:	\$ _____	Volume _____%

(iii) Commercial Lines:

General Liability:	\$ _____	Volume _____%
Workers' Compensation:	\$ _____	Volume _____%
Commercial Auto:	\$ _____	Volume _____%
Commercial Multi-Peril:	\$ _____	Volume _____%
Other Commercial Property:	\$ _____	Volume _____%
Inland Marine:	\$ _____	Volume _____%
Wet Marine*:	\$ _____	Volume _____%
Bonds - Surety:	\$ _____	Volume _____%
Bonds - All Other:	\$ _____	Volume _____%
Aviation*:	\$ _____	Volume _____%
Umbrella/Excess:	\$ _____	Volume _____%
Physicians & Hospital Professional Liability:	\$ _____	Volume _____%
Other Professional Liability/D&O:	\$ _____	Volume _____%
Other (specify):	\$ _____	Volume _____%
_____	\$ _____	Volume _____%
_____	\$ _____	Volume _____%
Total:	\$ _____	Volume _____%

* If 20% or more of agency's volume is wet marine or aviation, supplemental application must be completed.

d. (i) Premium Volume:

Two Years Prior	19 _____	\$ _____
One year Prior	19 _____	\$ _____
Current Year	19 _____	\$ _____
Next Year	19 _____	\$ _____

d. (ii) Commission:

Actual last fiscal year: through ____/____/____
\$ _____
Estimated next fiscal year: through ____/____/____
\$ _____

(iii) Premium written under your surplus lines license: \$ _____

(iv) Number of policies

Next 12 months	Current 12 months
_____	_____
_____	_____
_____	_____

e. List all insurance companies and volume of business you placed with companies having an A.M. Best Rating of B or below, or with companies not currently rated:

<u>Companies</u>	<u>Volume</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

f. What volume of total annual premium for the agency is currently placed with:

(i) Lloyd's of London: \$ _____

(ii) Other foreign insurers: \$ _____

(iii) Please list foreign insurers and brokers below:

g. List subagents, independent contractors or office brokers (individuals paid on a commission only basis) to be NAMED as Limited Additional Insureds, and **annual premium volume** for each:

<u>Name</u>	<u>Premium Volume*</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

*Note: This premium volume must be included in items 3(c) and 3(d).

4. FOR MANAGING GENERAL AGENTS AND ADMINISTRATORS OF INSURED PROGRAMS

a. List all companies for whom you are Managing General Agency or Program Administrator or have binding authority. (Attach separate sheet if necessary.)

<u>Company</u>	<u>Lines of Insurance</u>	<u>Number of Years</u>	<u>Premium Volume</u>	<u>Loss Ratio Each of Last Three Years</u>
_____	_____	_____	_____	_____% _____% _____%
_____	_____	_____	_____	_____% _____% _____%
_____	_____	_____	_____	_____% _____% _____%

b. Producers:

- (i) Number from whom you receive business: _____
- (ii) Number that you have appointed as agents with binding authority: _____ Premium Volume: \$ _____
- (iii) Lines of business for which they are granted authority:
- (iv) What supervision do you exercise over them?

c. List all other companies for which you have been Managing General Agent or Program Administrator or agent with binding authority in the past five years.

d. List all functions you perform as Managing General Agent or Program Administrator or agent with binding authority, including rating, quoting, claims handling, policy issuance, etc.

e. Specify the maximum limit and claim handling authority for each carrier with which you have binding authority:

	<u>Limits</u>	<u>Carriers</u>	<u>Claim Handling Authority</u>
Marine/Inland	\$ _____	/ _____	/ _____
Marine/Wet	\$ _____	/ _____	/ _____
Property	\$ _____	/ _____	/ _____
Casualty	\$ _____	/ _____	/ _____
Aviation	\$ _____	/ _____	/ _____
Life/Accident	\$ _____	/ _____	/ _____
Medical	\$ _____	/ _____	/ _____

5. APPLICANT HISTORY

a. List prior Insurance Agents & Brokers E&O coverage for the past three years. If none, state none.

<u>Insurer</u>	<u>Policy Number</u>	<u>Limits of Liability</u>	<u>Deductible</u>	<u>Expiring Premium</u>	<u>Effective & Expiration Mo/Day/Yr</u>

5. APPLICANT HISTORY (CONTD.)

b. Has any application for similar insurance on behalf you, or any of your partners, executive officers or directors, or to your knowledge, on behalf of the predecessors in business, ever been declined, canceled or renewal refused? [] Yes [] No

If yes, please explain:

c. Have any claims been made during the past five years against you, or any of your past or present partners, officers, directors, solicitors, office brokers, or employees, any predecessors in business or against any corporation that any proposed Insured was formerly employed by, associated with or had an interest in? [] Yes [] No

If yes, please attach a statement giving details and status of each claim including dates, basis of claim, amount of claim, deductibles, payments, open reserves.

d. Are you, or any of your partners, officers, directors, solicitors, office brokers or employees, aware of any circumstances or any allegations or contentions of any incident which may result in a claim against you, your predecessors in business or any past or present partner, officer, director, solicitor, office broker or employee? [] Yes [] No

If yes, please attach a statement giving details.

* NOTICE TO APPLICANT: The coverage applied for is SOLELY AS STATED IN THE POLICY, which provides coverage on a "CLAIMS MADE" basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD unless the extended reporting period option is exercised in accordance with the terms of the policy. Any person who knowingly defrauds any insurance company by filing an application for insurance containing any false information or concealing, for the purpose of misleading, information concerning any fact thereto commits a fraudulent insurance act, which is subject to criminal and civil penalties.

WARRANTY: I warrant to the Insurer, that I understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Insurer evidence its acceptance of this application by issuance of a policy. **I authorize the release of claim information from any prior insurer to Shand Morahan & Company, Inc., Ten Parkway North, Deerfield, Illinois 60015..**

Name of Applicant

Title (Officer, partner, etc.)

Signature of Applicant

Date

SIGNING this application does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance, but one copy of this application will be attached to the policy, if issued.