

The Cincinnati Insurance Company

PILLAR POLICY APPLICATION FOR PRIVATELY HELD COMPANIES

(other than Healthcare Institutions)

THIS POLICY PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

General Information
This section must be completed.

1. Name of Applicant: _____
2. Physical Street Address: _____
City: _____ State: _____ Zip: _____
3. Mailing Address (same as physical): _____
City: _____ State: _____ Zip: _____
4. Website: _____ Phone Number: () _____
5. Year Established: _____
6. Nature of Business: _____
7. What is the number of locations occupied by the Applicant and subsidiaries? _____
8. Does the Applicant have any subsidiaries of which their ownership or management control is greater than 50%? *If yes, please complete table below:* Yes No

Name of Subsidiary	Description of Operations	Year Established	Percent Owned
			%
			%
			%
			%

9. Please provide the following information regarding the employee count (*do not include Independent Contractors*) of the Applicant and subsidiaries:

	Currently	One Year Ago
Full-Time Employees		
Part-Time Employees		
Temporary/Seasonal		

Coverages Requested
This section must be completed.

1. Requested effective date of coverage (if known): _____
2. Please indicate coverage(s) desired in the table below:

Coverage Part	Desired Limits	Desired Deductible
<input type="checkbox"/> Directors and Officers Liability	\$	\$
<input type="checkbox"/> Employment Practices Liability	\$	\$
<input type="checkbox"/> Fiduciary Liability	\$	\$
<input type="checkbox"/> Cyber	Complete Cyber Section on Page 4.	
<input type="checkbox"/> Crime	Complete Crime Section on Page 5.	

3. Desired Pay Plan:

Installment Options	Agency Bill	Direct Bill
Annual	<input type="checkbox"/>	<input type="checkbox"/>
Semi-Annual	<input type="checkbox"/>	<input type="checkbox"/>
Quarterly	<input type="checkbox"/>	<input type="checkbox"/>
Monthly	N/A	<input type="checkbox"/>

Directors & Officers Liability Coverage
This section should only be completed if coverage is desired.

1. Complete the following table for any shareholder with ownership of 10% or more:

Shareholder	Percent Owned	Director or Officer?
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No

2. Total percentage of voting shares owned by the directors and officers of the Applicant: _____ %
3. Total number of shareholders: _____

4. Does the charter or by-laws provide indemnification to its directors and officers as permitted by law? Yes No
5. Does the Applicant have a formal Conflict of Interest Policy? Yes No

6. Has the Applicant or any subsidiary completed or been involved in the following:
If yes, please attach details.

	In the past 3 years	Contemplating in the future
Actual or proposed merger, acquisition, tender offer, consolidation, closing, purchase/sale of assets, divestment or sale of more than 10% of its total stock holdings?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Offering of securities of any kind (including stocks or bonds)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Reorganization, bankruptcy proceeding or material change in any arrangement with creditors?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Operations outside of the United States of America, Puerto Rico and Canada?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

7. In the past 5 years, has the Applicant or any subsidiary completed or been involved in the following:
If yes, please attach details.
- a. Shareholder's suit, shareholder derivative suit or class action suit? Yes No
- b. Copyright, patent or other intellectual property litigation? Yes No
- c. Antitrust litigation? Yes No
- d. Breach of any debt covenant, loan agreement or contractual obligations? Yes No
8. Is Employed Lawyers Professional Liability Coverage desired? Yes No
If yes, please complete supplemental questionnaire ML 023 A.

Employment Practices Liability Coverage
 This section should only be completed if coverage is desired.

1. List the Applicant's total number of employees in the following locations:

CA: _____ WV: _____ Foreign Countries: _____

2. Please indicate the number of employee terminations in the table below:

	Last 12 Months	Previous 12 Months
Voluntary		
Involuntary (excluding layoffs)		
Layoffs		

3. Have there been any layoffs in the last 24 months? *If yes, complete 3.a.-3.c.* Yes No

a. Was a severance package available to the affected employees? Yes No

b. Was a signed release required to receive a severance package? N/A Yes No

c. Did anyone refuse to sign the severance package release? N/A Yes No

4. Do you anticipate any layoffs in the future? *If yes, please provide complete details.* Yes No

5. How many of the Applicant's employees receive a salary of \$100,000 or more? _____

6. Does the Applicant have a human resources department or manager? Yes No

7. Does the Applicant distribute an employee handbook to all employees? Yes No

8. Does the Applicant have written guidelines, procedures or training for the following:

a. Grievances Yes No

b. Performance evaluations Yes No

c. Sexual/Workplace harassment Yes No

d. FMLA Yes No

e. Hiring/Interviewing Yes No

f. Terminations Yes No

g. Discipline Yes No

h. Discrimination Yes No

i. Workplace violence Yes No

j. Potentially hostile situations Yes No

9. Does the Applicant provide Employee Assistance Programs to all Employees? Yes No

10. Is Third Party Liability Coverage desired? *If yes, complete 10.a.-10.d.* Yes No

a. Are there written policies and procedures regarding the conduct of employees when interacting with third parties (customers, vendors, visitors, independent contractors and other third parties)? Yes No

b. What percent of employees deal with the general public? _____ %

c. Does the Applicant have Independent Contractors that are used on a regular basis? Yes No

If yes, how many? _____

d. Is the Applicant's website compliant with the Web Content Accessibility Guidelines (WCAG)? Yes No

If no, please advise time frame in which the website will be compliant. _____

Fiduciary Liability Coverage

This section should only be completed if coverage is desired.

1. Complete the table below for any employee benefit plan(s) sponsored by the Applicant and its subsidiaries:

Plan Name	Year Established	Total Plan Assets	Plan Type* (DC, DB or ESOP)	Number of Participants
		\$		
		\$		
		\$		

*Plan Type: DC-Defined Contribution, DB-Defined Benefit, ESOP-Employee Stock Ownership Plan

- 2. Are the plan(s) listed above audited by a CPA? Yes No
- 3. Are any of the above plan(s) frozen? (If yes, please provide details.) Yes No
- 4. If any plan is a Multi-Employer Plan, does the Applicant administer the entire plan? N/A Yes No
- 5. What is the funding percentage for the Applicant's defined benefit retirement plan(s)? N/A _____ %
- 6. Does any plan provide the option to invest in securities of the Applicant or any subsidiary? Yes No
- 7. Please answer the following regarding any ESOP and/or KSOP and attach the most recent plan valuation: N/A
 - a. When was the plan last appraised? _____
 - b. What was the share value? Current Year \$ _____ One Year Ago \$ _____
- 8. Are employee benefit plans reviewed periodically to ensure there are no violations of ERISA including, but not limited to, compliance with eligibility, participation, vesting or other provisions? Yes No
If no, please attach complete details.
- 9. In the past 3 years, regarding their employee benefit plans, has the Applicant or any subsidiary: If yes, please attach complete details.
 - a. Received an adverse opinion on financial condition? Yes No
 - b. Reduced benefits, merged, terminated, restructured or have plans to do so? Yes No
 - c. Been assessed fees, fines or penalties, under any voluntary compliance resolution program or voluntary settlement program? Yes No
 - d. Been investigated by the IRS, DOL or other governmental authority? Yes No

Cyber Coverage

This section should only be completed if coverage is desired.

Indicate below if either of the following Cyber options is desired. Please note that both options cannot be selected.

- Option 1 - **Cincinnati Data Defender™** and/or **Cincinnati Network Defender™** - Please check desired coverages, if any. If higher limits are desired, please complete supplemental questionnaire **ML 002**.

Cincinnati Data Defender™	<input type="checkbox"/>
Response Expenses Limit	\$50,000
Defense and Liability Limit	\$50,000
Identity Recovery Limit	\$25,000

Cincinnati Network Defender™	<input type="checkbox"/>
Computer Attack Limit	\$100,000
Network Security Liability Limit	\$100,000

- Option 2 - **Cincinnati Cyber Defense™** - Application **ML 004** must be completed if this coverage is desired.

Crime Coverage

This section should only be completed if coverage is desired.

Requested Insuring Agreements	Limit of Insurance	Deductible Amount
Employee Theft <input type="checkbox"/> Include ERISA <input type="checkbox"/> ERISA Only	\$	\$
Forgery or Alteration <input type="checkbox"/> Include Credit/Debit Card Forgery	\$	\$
Inside the Premises	\$	\$
Outside the Premises	\$	\$
Computer Fraud	\$	\$
Funds Transfer Fraud	\$	\$
Money Orders and Counterfeit Money	\$	\$
Clients' Property	\$	\$
Claim Expense	\$	\$
Social Engineering Fraud Endorsement	\$	\$

2. Name of employee benefit plan(s) to be included for coverage, if any: _____

3. Please complete the table below with regard to classification of employees of the Applicant and subsidiaries:

Employee Classifications	Total Number
Officers and employees who handle, have custody of or maintain records of money, securities or other property (including that of ERISA plans).	
All other employees not included above.	

4. If Credit/Debit Card Forgery is desired, what is the number of cardholders? _____

5. Does the Applicant perform regular audits? *If yes, complete 5.a. and 5.b.* Yes No

a. By whom? _____

b. How frequently? _____

6. Please answer the following regarding the Applicant's and subsidiaries' internal controls:

a. Are bank statements reconciled at least monthly? Yes No

b. Are accounts reconciled by someone not authorized to withdraw and deposit? Yes No

c. Are countersignatures required? Yes No

If yes, for checks over what amount? \$ _____

d. Is there a fraud policy and procedure in place? Yes No

e. Are criminal histories reviewed in the hiring/screening process? Yes No

f. Are all employees who handle or maintain records of money or securities required to take annual leave of at least 5 consecutive days? Yes No

g. Are the same internal controls in place at all locations? N/A Yes No

h. Are there regular physical inventories made? N/A Yes No

i. Are deposits made on a daily basis? N/A Yes No

Only complete questions 7-15 if Computer Fraud, Funds Transfer Fraud or Social Engineering Fraud coverage is desired.

7. Does the Applicant use electronic wire transfers? *If yes, complete 7.a.-7.c.* N/A Yes No

a. Approximately how many transfers do they process per month? _____

b. What is the average dollar amount of each transfer? \$ _____

c. What is the maximum dollar amount for a single transfer? \$ _____

8. Does the Applicant require dual authorization for all wire transfers? N/A Yes No

9. Are the Applicant's computer systems protected by the following:
- a. Firewall? Yes No
 - b. Intrusion detection software? Yes No
 - c. Antivirus software? Yes No
 - d. Software system to detect fraudulent computer usage? Yes No
10. Are passwords and access codes changed at regular intervals and when users are terminated? Yes No
11. Does the Applicant give vendors access to their proprietary systems or databases? Yes No
12. Has an internal EDP security audit been conducted in the last year? Yes No
If yes, have deficiencies been corrected? N/A Yes No
13. Does the Applicant accept funds transfer instructions from customers over the phone, email, text message or other similar method of communications? *If yes, do you authenticate the instructions prior to processing:* Yes No
- a. Call the customer at a predetermined number? Yes No
 - b. Send a text message to a predetermined number? Yes No
 - c. Require a receipt of a code known only by the customer to confirm identity? Yes No
 - d. Some other method or combination of the above? Yes No
14. For internal transactions, is there a record kept of the verification process and is it conducted by someone other than the person receiving the transfer request before the transfer is completed? Yes No
15. When a vendor or supplier requests any changes to their account details (including, but not limited to bank routing number, account numbers, telephone number, or contact information), does the Applicant:
- a. Confirm all requests by a direct call to the vendor or supplier using only a contact number provided by the vendor or supplier before the request was received? Yes No
 - b. Send notice of receipt of the requests to someone other than the person who sent the request before making the change? Yes No

Crime Expanded Coverage

This section should only be completed if coverage is desired.

1. Please check one of the following in the table below if either Crime Expanded Coverage (XC[®]) or Crime Expanded Coverage Plus (XC+[®]) is desired. The limits and coverages in Crime XC and Crime XC+ are excess of any other crime forms forming part of the same policy, if any.

Insuring Agreements	<input type="checkbox"/> Crime XC	<input type="checkbox"/> Crime XC+
Employee Theft	\$10,000	\$25,000
Forgery or Alteration	\$2,500	\$25,000
Inside the Premises	\$10,000	\$25,000
Outside the Premises	\$2,500	\$5,000
Money Orders and Counterfeit Money	\$10,000	\$25,000

History

This section must be completed.

1. Regarding any coverage being requested, in the past 3 years, has the Applicant or any subsidiary:
If yes, please provide details.
- a. Had any claim or notice of circumstance which could give rise to a claim reported to any current or previous carrier? *If yes, attach loss runs.* Yes No
 - b. Been made aware of any fact, circumstance or situation which may result in a claim being filed against the Applicant for this insurance? Yes No

Prior Coverage

This section must be completed.

1. Please complete the table below with regard to prior coverage:

Coverage	None	Insurer	Limits	Deductible	Premium
Directors & Officers Liability	<input type="checkbox"/>		\$	\$	\$
Employment Practices Liability	<input type="checkbox"/>		\$	\$	\$
Fiduciary Liability	<input type="checkbox"/>		\$	\$	\$
Cyber	<input type="checkbox"/>		\$	\$	\$
Crime	<input type="checkbox"/>		\$	\$	\$

2. Has any application for similar insurance been declined or any policy cancelled in the past 5 years? Yes No
(This question is not applicable in Missouri.)

Required Attachments

- Most Recent Annual Financial Statements (*CPA Audit, if available*)
- Current List of Directors & Officers (*if requesting Directors & Officers Liability*)
- Employee Handbook (*if requesting Employment Practices Liability*)
- Blank Employment Application (*if requesting Employment Practices Liability*)
- Most Recent IRS Form 5500 for each employee benefit plan (*if requesting Fiduciary Liability*)
- If continuity of coverage is desired, please include 5 year loss runs and previous declarations page(s)

Prior Knowledge/Representation Declarations

This section must be completed.

1. Has the applicant given written notice under any prior policy(ies) (with coverage similar to what is being applied for under this application) of specific facts or circumstances which might give rise to a claim, which would have fallen within the scope of such insurance, against any insured proposed for insurance under this application?

If yes, provide details below:

Yes No

2. Is any person proposed for this insurance cognizant of any act, error, or omission which he/she has reason to suppose might afford valid grounds for any future claim such as would fall within the scope of the proposed insurance?

If yes, provide details below:

Yes No

No fact, circumstance or situation indicating the probability of a claim or action against which indemnification would be afforded by the proposed insurance is now known by any person(s) or entity(ies) proposed for this insurance other than that which is disclosed in this application. It is agreed by all concerned that if there be knowledge of any such fact, circumstance, or situation, any claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

The undersigned authorized agent of the person(s) and entity(ies) proposed for this insurance for the purpose of this application represents that to the best of his knowledge the statements herein are true; and it is agreed that this application shall be the basis of the contract and be incorporated therein should the insurer evidence its acceptance of this application by issuance of a policy. This application will be attached to and will become part of such policy, if issued.

Signature Section

This section must be completed.

The Cincinnati Insurance Company is hereby authorized to make any investigation and inquiry in connection with this application as it deems necessary.

The undersigned authorizes the release of claim information from any prior insurer to The Cincinnati Insurance Company. Signing this application does not bind the Applicant or The Cincinnati Insurance Company to complete the insurance.

PLEASE REVIEW CAREFULLY. Except to such extent as may be otherwise in the policy, the policy for which this application is being made is limited for ONLY CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED WHILE THE POLICY IS IN FORCE.

Applicant's Signature (President, Chairperson, or Equivalent Position)

Date

Printed Name

Title

Agent's Signature

Date

Agency Name

Agency Code Number

Agent's Name and License Number (Florida only)

Refer to the following page for the current version of ACORD 63 FRAUD STATEMENTS.

**FRAUD STATEMENTS**

AGENCY		CARRIER	NAIC CODE
POLICY NUMBER	EFFECTIVE DATE	APPLICANT / NAMED INSURED	

Applicable in AL, AR, DC, LA, MD, NM, RI and WV

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. *Applies in MD Only.

Applicable in CO

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.

Applicable in FL and OK

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)*. *Applies in FL Only.

Applicable in KS

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, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or 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 commercial or personal 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 commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA

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 (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA

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 denial of insurance benefits. *Applies in ME Only.

Applicable in NJ

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

APPLICANT'S SIGNATURE_____
DATE (MM/DD/YYYY)