

**BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH
FEDERAL INSURANCE COMPANY (THE "COMPANY")**

NOTICE: THE EXECUTIVE LIABILITY, ENTITY LIABILITY AND EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR AN EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE SUPPLEMENTAL APPLICATION CAREFULLY BEFORE SIGNING.

APPLICATION INSTRUCTIONS:

1. Whenever used in this Application, the term "**Applicant**" means only the "Entities" listed in III. Compliance Activities, Question 3 of this Application.
2. Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.
3. As part of this Application, submit the following documents with respect to the **Applicant**:
 - a) A copy of each **Applicant's** Compliance Program and/or Code of Conduct; and
 - b) Policies and procedures for compliance with federal and state laws pertaining to use of governmental medical research funds or grants.

I. REGULATORY COVERAGE REQUESTED:

Indicate coverage, retention, limit and effective date desired.

Note: The requested coverage is not automatically provided; the terms and conditions of the coverage section, if issued, will determine actual coverage.

Coverage Requested	Limit of Liability Requested	Retention Requested	Effective Date of Coverage
Regulatory Coverage			

II. GENERAL INFORMATION:

1. Name of **Applicant**: _____
2. **Applicant's** Principal Office: _____
3. City: _____ State: _____ Zip Code: _____
4. State of incorporation: _____ Date of incorporation: _____
5. Web site address: _____
6. Compliance Officer or authorized individual to receive notices and information regarding the proposed coverage section:
 Name: _____ Title: _____

7. Contact's e-mail address: _____ Phone: _____ Fax: _____

III. COMPLIANCE ACTIVITIES:

1. Name of Compliance Officer and title: _____
- a) To whom does the Compliance Officer report? _____
- b) Does the Compliance Officer have direct access to the Board of Directors or Trustees? Yes No
- c) Does the Compliance Officer have any other responsibilities? Yes No

If "Yes", please describe: _____

2. Compliance Program in effect? Yes No If "Yes," date implemented? _____

3. Proposed entities to be insured ("Entities"), including Parent Organization (please attach additional pages if more space is necessary):

Entity name:	Entity type (Hospital, HMO, etc.):	Compliance program in place? (Y/N)

4. Has each Entity developed and distributed written standards of conduct (such as a compliance code) to employees? (If so, enclose a copy.) Yes No
List any Entity(ies) with "No" answers: _____
5. Did each Entity's Governing Board formally adopt the compliance program? Yes No
List any Entity(ies) with "No" answers: _____
6. Has each Entity developed and implemented regular compliance education and training programs? Yes No
List any Entity(ies) with "No" answers: _____
7. Does new employee orientation for each Entity include training on compliance? Yes No
List any Entity(ies) with "No" answers: _____
8. Do employees at each Entity receive continuing education and compliance training to keep abreast of technical and regulatory changes? Yes No
List any Entity(ies) with "No" answers: _____
9. Does each Entity maintain a process, such as a hotline, to receive complaints and allegations of wrongdoing? Yes No
List any Entity(ies) with "No" answers: _____
- a) For "Yes" Entities, what is the average number of hotline complaints or allegations per month? _____

- b) Are all hotline complaints or allegations investigated? Yes No
If "No," please explain: _____
10. Does each Entity use audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem and risk areas such as billing, coding and claims processing? Yes No
List any Entity(ies) with "No" answers: _____
11. Has each Entity implemented policies and procedures addressing the non-employment or retention of sanctioned individuals? Yes No
List any Entity(ies) with "No" answers: _____
12. Has any Entity invested in billing edit-checking software? Yes No
If "Yes," which Entity(ies)?: _____
13. Does any Entity utilize an external audit firm to monitor billing and coding compliance? Yes No
If "Yes," please identify the name of the firm(s): _____
14. Does any Entity receive governmental funds or grants to perform medical research? Yes No
If "Yes," does each Entity have policies and procedures in place to ensure governmental funds or grants are used in compliance with all federal and state laws? Yes No

Please submit such policies and procedures with this Application.
15. Has any Entity proposed for this insurance been subjected to any type of audit investigating whether it allegedly: (1) received overpayments for services provided or (2) violated any law? Yes No
If "Yes," please explain: _____
16. Has any Entity proposed for this insurance voluntarily disclosed to governmental entity any violations or potential violations of the Civil False Claims Act (31 U.S.C. § 3729-3732); the Physician Ownership & Referral law {Stark Self-Referral Law} (42 U.S.C. § 1395 nn); acts potentially giving rise to Medicare/Medicaid Civil Money Penalties (including false claims and kickbacks) (42 U.S.C. § 1320a-7a(a)) or acts potentially giving rise to Program Fraud Civil Remedies (31 U.S.C. § 3801)? Yes No
If "Yes," please explain: _____
17. Has any Entity proposed for this insurance retained outside legal counsel to provide an opinion as to whether or not a certain course of conduct would be in violation of the Civil False Claims Act (31 U.S.C. § 3729-3732); the Physician Ownership & Referral Law {Stark Self Referral Law} (42 U.S.C. § 1395 nn); Medicare/Medicaid Civil Money Penalties (including false claims and kickbacks) (42 U.S.C. § 1320a-7a(a)) or Program Fraud Civil Remedies (31 U.S.C. § 3801)? Yes No
If "Yes," please explain: _____
18. Has any Entity proposed for this insurance entered into a criminal or civil settlement with the United States or with some party acting on behalf of the United States by which claims against such Entity were resolved? Yes No
If "Yes," please explain: _____
19. Does any Entity proposed for this insurance have plans to merge with or acquire any other entity within the next three (3) years? Yes No
If "Yes," please explain: _____

20. Has any Entity proposed for this insurance merged with or acquired any other entity in the past six (6) years? Yes No
 If "Yes," please explain: _____
21. Does any Entity proposed for this insurance have plans to enter into new service contracts with any government program within the next three (3) years? Yes No
 If "Yes," please explain: _____
22. During the past six (6) years, no Entity nor any individual proposed for coverage has submitted any claims or given notice of any fact, circumstance, situation, transaction, event, act, error, or omission to any insurer, except as follows. If answer is none, so state:

Without prejudice to any other rights or remedies of the Company, it is agreed that any claim required to be disclosed in response to Questions 15, 16, 17, 18 or 22 is excluded from the proposed insurance, and that any claim arising from any fact, circumstance, situation, transaction, event, act, error, or omission required to be disclosed in response to Questions 15, 16, 17, 18 or 22 is excluded from the proposed insurance.

23. No Entity nor any individual proposed for coverage is aware of any fact, circumstance, situation, transaction, event, act, error or omission which they knew or should reasonably have known may result in a claim that may fall within the scope of the proposed insurance, except as follows. If answer is "none", so state:

Without prejudice to any other rights or remedies of the Company, it is agreed that any claim arising from any fact, circumstance, situation, transaction, event, act, error or omission required to be disclosed in response to Question 23 is excluded from the proposed insurance.

IV. MATERIAL CHANGE:

If there is any material change in the answers to the questions in this Application before the coverage section inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

V. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Application does not obligate the Company to issue, or the **Applicant** to purchase, a coverage section. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Application.

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare that to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Application and in any attachments or other documents submitted with this Application are true and complete. The undersigned agree that this Application and such attachments and other documents shall be the basis of the contract should a coverage section providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such coverage section; and that the Company will have relied on all such materials in issuing any such coverage section.

The information requested in this Application is for underwriting purposes only and does not constitute notice to the Company under any insurance of a Claim or potential Claim.

Notice to Arkansas, Minnesota, New Mexico 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, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

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 Applicants: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

Notice to Florida Applicants: 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.

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 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.

Notice to Louisiana and Rhode Island 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 fines and confinement in prison.

Notice to Maine, Tennessee, Virginia and Washington 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 Alabama and Maryland Applicants: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who 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.

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 Oklahoma 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 containing any false 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.

Notice to Puerto Rico Applicants: 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 with the penalty of a fine of not less than five thousand (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are 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.

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.

This Application must be signed by the chief executive officer and chief financial officer of the Parent Organization acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Date	Signature	Title
_____	_____	<u>Chief Executive Officer</u>
_____	_____	<u>Chief Financial Officer</u>

Produced By: Agent: _____		Agency: _____	
Agency Taxpayer ID or SS No.: _____		Agent License No.: _____	
Address: _____			
City: _____		State: _____	Zip: _____
Submitted By: Agency: _____			
Agency Taxpayer ID or SS No.: _____		Agent License No.: _____	
Address: _____			
City: _____		State: _____	Zip: _____