

FI Advantage Program

Non-Bank Lenders Liability Application



AmTrust North America
An AmTrust Financial Company

*To save this form after the fields have been completed, 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/>.

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 AND MAY EXHAUST IT ENTIRELY. PLEASE READ THE POLICY CAREFULLY.

SECTION I – General Information

Applicant Name: _____

Business Name: _____

Address: _____ City: _____ State: _____ Zip Code: _____

P.O. Box: _____ City: _____ State: _____ Zip Code: _____

Telephone: _____ Website: _____

Date of Company formation: _____

Does the Applicant have any Subsidiaries? If yes, please complete the information below. Yes No

Name of Entity	Nature of Operations	Percentage of Ownership	Coverage Desired
		%	Yes No
		%	Yes No
		%	Yes No

States Licensed in (please attach licensing information for all states selected):

AK	AL	AR	AZ	CA	CO	CT	DC	DE	FL	GA
HI	IA	ID	IL	IN	KS	KY	LA	MA	MD	ME
MI	MN	MS	MT	NC	ND	NE	NH	NJ	NM	NV
NY	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT
VA	VT	WA	WI	WV	WY	ALL STATES				

For the purposes of this Application, “Applicant” means the Parent Company and any Subsidiary listed above, including any limited liability companies and joint ventures for which coverage is desired.

SECTION II – Business Information

- Description of Operations: _____
- Does the Applicant:
 - maintain any offices outside of the U.S.? If yes, attach details. Yes No
 - have publicly traded securities or debt? If yes, attach details. Yes No
- What is the total number of shareholders of the Applicant? _____
- What percentage of the Applicant’s stock is owned (directly or beneficially) by directors and officers? _____%
- Do any shareholders own (directly or beneficially) more than ten percent (10%) of the common stock? Yes No
If yes, attach details.

SECTION III – Current & Requested Coverages

Coverage Part	Current Coverage	Requesting Coverage	Requested Limit	Requested Retention
Directors & Officers Liability	Yes No	Yes No	\$	\$
Bankers Professional / Lenders Liability	Yes No	Yes No	\$	\$

- If any organization to be insured has any of the above coverages currently in place, please provide current policy details or attach a copy of the Declarations Page(s).
- Has any insurer declined, cancelled, or non-renewed any insurance policy similar to the requested coverage for any person or organization to be insured? *(Question not applicable in MO)* Yes No

Section IV – Management, Staffing and Contractors

- Please indicate the total number of persons in each of the following positions:

Principals, Partners and Officers	Loan Production	Loan Servicing	Clerical	Total Staff

- Provide the following information:

Full Name of ALL Principals, Partners, Officers and Key Professionals	Professional Qualifications	Date Qualified	How Long in Practice	How Long as Partner/Principal

- Does the Applicant use independent contractors, subcontractors, and/or independent Loan Originators? Yes No
 If yes:
 - What is the estimated percent of the time they are used? _____%
 - Describe the services they perform: _____
 - Attach a sample of the agreement the Applicant uses to engage independent contractors and subcontractors.

Section V – Directors & Officers Liability Coverage

- Has there been any change in controlling ownership of the Applicant in the last three (3) years? Yes No
- Please indicate whether formal written policies addressing the following areas have been implemented by the Applicant’s Board of Directors:

Audit	Compliance	Conflicts of Interest	Investments
Loans	Operations	Personnel	Risk Management
- Is the Applicant in discussions with any other party concerning any actual or potential:
 - merger, acquisition, divestment or tender offer? Yes No
 - public offering of securities? Yes No
 - workout or renegotiation of financing with material creditors? Yes No
- Is the Applicant in breach of any debt covenants? Yes No

If yes to any of the questions in this Section, attach details.

Section VI – Bankers Professional / Lenders Liability Coverage

1. Please indicate the amount of loans in the following types:

Loan Type	Loan Amounts Outstanding	# of Loans Outstanding	Average Interest %
Mortgage Loans	\$		%
Home Equity Loans	\$		%
Credit Card Loans	\$		%
Payday Loans	\$		%
Other:	\$		%

- 2. a. Amount of loans past due or non-performing: \$ _____
- b. Average Loan Amount: \$ _____
- c. Maximum Loan Allowable: \$ _____
- d. Loan Loss Reserve: \$ _____
- e. Average Loan Duration: _____

- 3. How are loans originated? In-House Third-Party Originators
- 4. Is there a formal loan policy in place? Yes No
- If yes, does it contain policies regarding anti-discrimination practices? Yes No
- 5. Who has authority to approve loans?

- 6. Is there a loan committee, independent credit review function, and independent loan workout function? Yes No
- If no, please attach a description of controls in place to ensure conformance with loan policy.
- 7. Are loan declinations communicated in writing? Yes No
- 8. Are formal commitment letters provided to all approved loans? Yes No
- 9. Does the Applicant service their own loans? Yes No
- 10. Does the Applicant service loans for others? Yes No
- If yes, please list total revenue derived from servicing loans for others: \$ _____

11. Please describe the Applicant's sources of funding.

- 12. Has there been any regulatory examination in the last five (5) years? Yes No
- If yes, have all criticisms been addressed? Yes No

13. Please describe the Insured's institution of Best Practices as recommended by the CFSP, CFSAA, FISCA or Online Lenders Alliance.

Section VII – Claims Information

- 1. Has any claim of the type that could be covered by the requested coverage ever been made against the Applicant? Yes No
- 2. Is the Applicant aware of any act, error, omission, or other situation which may lead to a claim against the Applicant or other loss of the type that could be covered by the requested coverage? Yes No
- 3. Has the Applicant ever been subject to an inquiry, investigation, or action by any regulatory body or administrative agency? Yes No
- 4. Has the Applicant ever been subject to a criminal action related to their lending activities or services? Yes No
- 5. Has the Applicant ever been involved in any antitrust, copyright or patent litigation? Yes No

If yes to any of the questions in this Section, attach details.

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 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: 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.

FLORIDA: 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, 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.

KENTUCKY: 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.

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.

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

NEW YORK: Any person who knowingly and with intent to defraud any insurance company or any 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 (\$5,000) and the stated value of the claim for each such violation.

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.

OKLAHOMA: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

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.

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 and subjects such person to criminal and civil penalties.

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.

VERMONT: Any person who knowingly presents a false statement in an Application for insurance may be guilty of a criminal offense and subject to penalties under state law.

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 three 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 Officer:

Print Name: _____ Signature: _____

Title: _____ Date: _____

Please provide the following information with your submission:

- Most current audited financial statements. If audit is not completed, most recent balance sheet and income statement.
- Complete organizational structure chart, including ownership percentages of all shareholders and subsidiaries
- Copy of expiring Declarations Page – New Applicants only
- Loss runs for the last five (5) years
- If the Applicant has any pending or prior litigation, please provide details, including demand amounts, name of the plaintiff(s), amount of any settlements or judgments, and steps taken to mitigate similar issues in the future

Submit Application to:

banksubmissions@amtrustgroup.com

AmTrust North America

Attention: Financial Institutions Division

800 Superior Avenue • 21st Floor • Cleveland, OH, 44114

Telephone: 866.327.6904 • Fax: 216.328.6251

www.amtrustfi.com