



## American International Companies

Name of Insurance Company

To which Application is Made: \_\_\_\_\_  
(herein called the Company)

The following are the available coverages under this policy form:

### PLEASE ALWAYS COMPLETE SECTION

- 1) Coverage A. Investment Adviser Professional Liability and Corporate Reimbursement, please complete Section II.
- 2) Coverage B. Mutual Fund Professional Liability and Directors and Officers Liability and Corporate Reimbursement, please complete Section III.
- 3) Coverage C. Directors and Officers Liability and Corporate Reimbursement, please complete Section IV.
- 4) Coverage D. Distributor Professional Liability and Corporate Reimbursement, please complete Section V.

### INVESTMENT MANAGEMENT INSURANCE APPLICATION

IF A POLICY IS ISSUED, IT WILL BE ON A CLAIMS-MADE BASIS

NOTICE: THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION AMOUNT. ALSO NOTE THAT THE COMPANY HAS THE RIGHT, BUT NOT THE DUTY TO DEFEND THE INSURED, BUT WILL PAY DEFENSE COSTS AS THEY ARE INCURRED.

IF A POLICY IS ISSUED THE APPLICATION IS ATTACHED TO AND MADE A PART OF THE POLICY SO ITS IS NECESSARY THAT ALL QUESTIONS BE ANSWERED IN DETAIL.

#### GENERAL INFORMATION (MUST BE COMPLETED):

- 1 (a) Name of applicant: \_\_\_\_\_  
(b) Mailing Address: \_\_\_\_\_  
(c) State of incorporation (if applicable) \_\_\_\_\_  
(d) If other than a corporation, state form of organization and identify applicable law controlling said form of organization. State what public authority any documents relating to formation of such organization (e.g., limited partnership certificate of record) are filed with.  
\_\_\_\_\_
2. (a) Limit of liability requested: \$ \_\_\_\_\_ aggregate  
(b) Retentions requested: \$ \_\_\_\_\_
3. Is applicant registered with the SEC as an Investment Adviser? ☐ Yes ☐ No

4. (a) Has the applicant been involved in any mergers, acquisitions and/or consolidations during the past three years? ☐ Yes ☐ No
- (b) Are any plans for merger, acquisition or consolidation being considered? ☐ Yes ☐ No
- (c) If so, have they been approved by the board of directors? ☐ Yes ☐ No
- (d) If so, have they been submitted to the shareholders for approval? ☐ Yes ☐ No

**II. COVERAGE A: INVESTMENT ADVISER PROFESSIONAL LIABILITY INCLUDING COMPANY REIMBURSEMENT (COMPLETE ONLY IF COVERAGE IS DESIRED):**

- 1 Attach copies of following:
- (a) Applicant's latest audited annual report;
  - (b) Applicant's latest 10-K report filed with the SEC (if the Applicant is publicly traded);
  - (c) Copy of brochure and sample contract offered to clients;
  - (d) Information indicating overall portfolio performance for past five years and include comparative results to Standard and Poors, Salomon Brothers Bond Index or similar indices;
  - (e) Latest prospectus and audited annual report for each mutual fund for which the applicant acts as Investment Adviser;
  - (f) Complete ADV report parts I and II (as filed with the SEC);
  - (g) List of applicant's affiliates and subsidiaries.
2. Year investment advisory operations commenced: \_\_\_\_\_
3. (a) Does the applicant have a parent (ownership of more than 50% of applicant)? ☐ Yes
- (b) If "Yes", please supply full details and attach parent's latest audited annual report.
- \_\_\_\_\_
- (c) Is coverage desired for any entity affiliated with applicant? ☐ Yes
- (d) If "Yes", state entity and describe its function and relationship. \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
4. (a) Total asset value of all accounts managed:
- |              |               |
|--------------|---------------|
| Current Year | Previous Year |
| \$ _____     | \$ _____      |
- (b) Asset value of largest account: \$ \_\_\_\_\_
- (c) Number of accounts lost during last 12 months and corresponding total asset value: \_\_\_\_\_
- (d) Reasons for loss of accounts: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

- (e) Percentage of accounts for which the applicant acts as custodian: \_\_\_\_\_
- (f) Percentage of accounts for which the applicant acts as financial planner or consultant: \_\_\_\_\_
- (g) Minimum size of accounts currently accepted as new accounts: \$ \_\_\_\_\_
5. Complete for all those accounts for which the applicant acts as Investment Adviser:
- |  | MARKET<br>ASSET VALUE      | NUMBER<br>OF ACCOUNTS              |
|--|----------------------------|------------------------------------|
| (a) Discretionary Accounts:  |                            |                                    |
| ERISA pension & employee benefit plans   | \$ _____                   |                                    |
| Non-ERISA pension & employee benefit plans   | \$ _____                   |                                    |
| Mutual Funds   | \$ _____                   |                                    |
| REITS  | \$ _____                   |                                    |
| All other accounts   | \$ _____                   |                                    |
| Total book value of all accounts   | \$ _____                   |                                    |
| (b) Non-Discretionary Accounts:  |                            |                                    |
| ERISA pension & employee benefit plans   | \$ _____                   |                                    |
| Non-ERISA pension & employee benefit plans   | \$ _____                   |                                    |
| All other accounts   | \$ _____                   |                                    |
| Total book value of all accounts   | \$ _____                   |                                    |
| (c) Does the Applicant Investment Adviser(s) manage private account assets of related and/or affiliated companies? |                            |                                    |
| <input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, state amount of total managed assets: _____    |                            |                                    |
| Are these assets included in Question 4.(a)? <input type="checkbox"/> Yes <input type="checkbox"/> No              |                            |                                    |
| commodity futures _____ %  | real estate _____ %        | unregistered securities _____ %    |
| private placements _____ %   | options _____ %            | direct placements _____ %          |
| junk bonds _____ %   | annuities _____ %          | oil and gas joint ventures _____ % |
| GICs/GACs _____ %  | foreign securities _____ % | limited partnerships _____ %       |

9. (a) Does the applicant have measures instituted to assure that clients' plans are in compliance with ERISA?  
☐ Yes ☐ No

(b) State frequency and nature of auditing services. \_\_\_\_\_

(c) Do the clients of the applicant transfer all fiduciary liability to the applicant? ☐ Yes ☐ No

If yes, please explain \_\_\_\_\_

\_\_\_\_\_

10. Does the applicant have procedures for decisions and executions when a portfolio manager is not available?

☐ Yes ☐ No

(a) Annual fees for investment advisory services: \$ \_\_\_\_\_

Other Income (annual) \$ \_\_\_\_\_

(b) Explain sources of other income: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

12. Please explain how the applicant insures that the clients investment management contracts are adhered to? Also the internal compliance procedures for client accounts.

\_\_\_\_\_

\_\_\_\_\_

13. Describe how the applicant protects itself from the liabilities of a previous investment adviser which it succeeds? (Hold harmless, etc.)

\_\_\_\_\_

\_\_\_\_\_

14. Does the applicant guarantee in any way to its clients a predetermined return on investments?

☐ Yes ☐ No If yes, please explain \_\_\_\_\_

\_\_\_\_\_

15. Previous Investment Adviser Professional Liability Insurance:

(a) Insurer \_\_\_\_\_ Limits of Liability \$ \_\_\_\_\_

Policy Term \_\_\_\_\_ Premium \$ \_\_\_\_\_

Loss Experience \_\_\_\_\_

(b) Has any insurer refused, cancelled or non-renewed coverage? ☐ Yes ☐ No

(c) If "Yes", state name of insurer, reason and date of refusal, cancellation or non-renewal:

\_\_\_\_\_

\_\_\_\_\_

17. Name and address of law firm acting as counsel: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1 Attach copies of the following:

- (a) Each Fund's latest prospectus;
- (b) Latest annual and quarterly report for each Fund;
- (c) - Statement of additional information for each Fund.

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\_\_\_\_\_

- (b) Name of Advisers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Name of sub-advisers (if any): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(d) Number of offices of the Funds and the location of each: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(e) Name and address of the bank or firm performing shareholder accounting services: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. (a) Have there been any changes or modifications in the investment restrictions or limitations of any Fund during the past two (2) years? ☐ Yes ☐ No

If "Yes", please give full details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (b) Have there been any material changes in the administrative operations or investment policies of any Fund during the past two (2) years? ☐ Yes ☐ No

If "Yes", please give full details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Does any Fund utilize 12b-1 distribution plans? ☐ Yes ☐ No

If "Yes", please state name of Fund and fee percentage: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. State criteria used in selecting institutions approved for repurchase agreements, reverse repurchase agreements and lending of securities wherein these investments comprise more than 25% of any one Fund's assets. (Please attach list of institutions).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Do the directors, officers, partners and trustees (as a group) of the Funds or their Investment Advisers own more than 5% of the outstanding shares of any of the Funds? ☐ Yes ☐ No

If "Yes" give full details. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(a) Name and address of the law firm acting as counsel \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (b) Does the firm supply a written opinion as to the legality of any change in investment and management policy? ☐ Yes ☐ No

8. Previous Mutual Fund Professional Liability Insurance:

(a) Insurer: \_\_\_\_\_  
Policy Term: \_\_\_\_\_  
Loss Experience: \_\_\_\_\_  
Limit of Liability: \_\_\_\_\_  
Premium: \_\_\_\_\_

- (b) Has any Insurer refused, cancelled or non-renewed coverage? ☐ Yes ☐ No

If "Yes" attach full details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Current Fidelity Bond in force

Insurer: \_\_\_\_\_  
Limit: \_\_\_\_\_  
Term: \_\_\_\_\_

10. Has any claim been brought against the applicant or any of its trustees, partners, officers, directors or employees? ☐ Yes ☐ No

If "Yes", attach full details. It is agreed that such prior or existing claim(s) will not be covered by the policy.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IV. COVERAGE C: DIRECTORS AND OFFICERS LIABILITY AND COMPANY REIMBURSEMENT (NOT APPLICABLE TO FUNDS) (COMPLETE ONLY IF COVERAGE IS DESIRED):**

1 Attach copies of the following:

- (a) Latest annual report
- (b) Latest 10K report filed with SEC (if the Company is publicly traded)
- (c) Latest interim financial statement available
- (e) Latest copy of the notice of annual meeting of shareholders
- (f) Latest proxy statement
- (g) Certified copy of the indemnification provisions of the charter and the by-laws or partnership agreement. Also attach a copy of any standard indemnification agreement.

2. List of entities for which coverage is desired:

<u>NAME</u>	<u>BUSINESS OR TYPE OF OPERATION</u>	<u>OWNED BY</u>	<u>PERCENTAGE OF OWNERSHIP</u>	<u>DATE ACQUIRED</u>	<u>DOMESTIC OR FOREIGN</u>

3. (a) Annual Sales \_\_\_\_\_

(b) Net Worth \_\_\_\_\_

(c) Total Assets \_\_\_\_\_

4. Organization has continually been operating since \_\_\_\_\_

5. Stock ownership

(a) Total number of common shares outstanding \_\_\_\_\_

(b) Total number of common stock shareholders \_\_\_\_\_

(c) Total number of common shares owned by its Directors (direct and beneficial) \_\_\_\_\_

(d) Total number of common shares owned by its Officers  
(direct and beneficial) who are not Directors \_\_\_\_\_

(e) In the event any shareholder owns 5 percent or more of the common shares directly or beneficially, designate name and percentage of holdings.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



- (f) Please designate if there are any other securities convertible to common stock. If so, describe fully.

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6. Complete list of all directors of parent company by name and affiliations with other corporations.

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7. Complete list of all officers of parent company by name and affiliations with other corporations.

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8. Does the organization anticipate any new public offering of securities or any registration of securities under the Securities Act of 1933 or qualification of securities under Regulation A within the next year? (if "Yes", give details and submit prospectus). ☐ Yes ☐ No

9. There has not been nor is there now pending any claim(s) against any person proposed for insurance in their capacity as director, officer, partner or trustee of the organization named in 2. above, except as follows:

(attach complete details) (if no such claims, check here: ☐ None)

It is agreed that such prior or existing claims will not be covered by the policy.

10. Has the Organization or any of its directors, officers, partners or trustees been involved in or have any knowledge of any fact or circumstances involving the following which may give rise to a claim under the proposed policy?

(a) Antitrust, copyright or patent litigation? ☐ Yes

(b) Been charged in any civil or criminal action or administrative proceeding with a violation of any federal or state securities law or regulation? ☐ Yes

(c) Been charged in any civil or criminal action or administrative proceeding with a violation of any federal or state antitrust or fair trade law? ☐ Yes ☐ No

(d) Been involved in any representative actions, class actions or derivative suits? ☐ Yes ☐ No

(if any of the above are answered "Yes", attach full details.)

It is agreed that if such knowledge, information or involvement exists, any claim or action arising therefrom is excluded from this proposed coverage.

11. It is agreed that the Organization will file with the Company, as soon as they become available, a copy of each registration statement and annual or interim report which the Organization may from time to time file with the Securities and Exchange Commission.

12. Previous Directors and Officers Insurance (answer each item)

- (a) Name of insurance company \_\_\_\_\_
- (b) Limit \_\_\_\_\_ Self-Insured Retention \_\_\_\_\_
- (c) Policy Expiration Date \_\_\_\_\_
- (d) Premium \_\_\_\_\_ (indicate one year or other)
- (e) Loss Experience (attach full details) (if no Losses, check here: ☐ None)

13. Has any insurance carrier refused, cancelled or nonrenewed coverage? ☐ Yes ☐ No

(If "Yes", state when) \_\_\_\_\_

V. **COVERAGE D: DISTRIBUTOR PROFESSIONAL LIABILITY AND CORPORATE REIMBURSEMENT**  
(COMPLETE ONLY IF COVERAGE IS DESIRED):

Name and address of general distributor: \_\_\_\_\_

2. Please provide average number of transactions on a daily basis \_\_\_\_\_

3. Please provide average dollar value of transactions \_\_\_\_\_

4. (a) Give number of notices, letters, and complaints received in the past three years by the Applicant:

(b) How many were unsettled after 60 days? \_\_\_\_\_

(c) Attach full details regarding any cases in the last five years involving monetary settlement in excess of \$5,000.

5. Describe measures the Distributor has instituted for verifying customers orders and determining that confirmations are accurate and received on time:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VI. **THE FOLLOWING APPLIES TO ALL INSURING CLAUSES AND MUST BE COMPLETED.**

Does the applicant or any of its partners, directors, officers, employees or trustees have any knowledge of any fact or circumstance which might give rise to a claim under the proposed policy?

☐ Yes ☐ No

It is agreed that if such knowledge exists any claim arising from such fact or circumstances will not be covered by the policy.

THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE APPLICANT AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF INSURANCE, APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATION OR AGREEMENT TO BIND THE INSURANCE.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT NOR THE COMPANY TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND BECOME PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE COMPANY IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

NOTICE: IN NEW YORK AND OHIO, 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.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

(Must be signed by the chairman of the board or  
the president if a corporation, general partner  
if a partnership).

Broker: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

PLEASE CONTINUE TO NEXT PAGE

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED, THIS SIGNED STATEMENT WILL BE ATTACHED TO THE POLICY.

The Insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Company shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The Insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

(Must be signed by the chairman of the board or  
the president if a corporation, general partner  
if a partnership).