



Venture Capital

NOTICE: THE VENTURE CAPITAL ASSET PROTECTION INSURANCE POLICY PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE 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 DEDUCTIBLE AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

APPLICATION INSTRUCTIONS

1. Whenever used in this Application, the term "Applicant" shall mean the Parent Organization
2. Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.

A. GENERAL INFORMATION:

1. a. Name of Applicant:

- b. Address of Applicant:

(Street Address)

(City)

(State)

(Zip Code)

- c. Web Address:

2. Officer designated, as agent of the Applicant and all Insured Persons, to receive any and all notices from the Insurer or its authorized representative(s) concerning this insurance:

3. Date Established: _____

4. Business Form:

- Corporation
- General Partnership
- Limited Partnership
- Limited Liability Company
- Other

5. Total number of:
 General Partner(s) or Managing Members _____
 Limited Partners or Members _____

B. MANAGEMENT:

1. How often are Board of Directors/Partnership Management Committee meetings held? _____

2. Indicate the areas in which formal policies and/or procedures have been implemented by the Board of Directors/Management Committee to address the following:

- | | |
|-----------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> Portfolio Company Valuations | <input type="checkbox"/> Merger and Tender Offers |
| <input type="checkbox"/> Audit Policy | <input type="checkbox"/> Operation Procedures |
| <input type="checkbox"/> Conflicts of Interest Policy | <input type="checkbox"/> Personnel Policy |
| <input type="checkbox"/> Duties of Directors and Officers | <input type="checkbox"/> Risk Management Policy |
| <input type="checkbox"/> Investment Policy | <input type="checkbox"/> Selection Process for New Directors/Partners |
| <input type="checkbox"/> Distribution Policy | <input type="checkbox"/> Protection of Non-Public Information |
| <input type="checkbox"/> Insider Trading | <input type="checkbox"/> Portfolio Company Securities Trading
"Blackout Period" |

3. How often does the Board of Directors/Management Committee review the following?

- a. Financial Statements _____
- b. Portfolio Company Performance _____
- c. Portfolio Company Valuations _____
- d. Insurance _____
- e. Investment/Lending Strategy _____
- f. Threatened or Actual Litigation _____

4. Is an Advisory Board and/or investment committee involved in management decision making? YES NO

a. **If yes**, please provide, on a separate sheet, full details including composition, roles/responsibilities and affiliations of Advisory Board and/or investment committee members.

b. Is indemnification provided for Advisory Board and/or investment committee members? YES NO

5. Have there been any changes in senior management in the last five (5) years? YES NO

If yes, please provide, on a separate sheet, full details.

6. Has the Applicant changed the Certified Public Accounting firm that prepares its independent audited financial statements within the last three (3) years? YES NO

If yes, please provide, on a separate sheet, reasons for making such change.

7. Has the Applicant changed its outside counsel and/or law firm within the last three (3) years? YES NO

If yes, please provide, on a separate sheet, reasons for making such change.

8. Is the Applicant considering the formation of any new Private Fund(s) within the next twelve (12) months? YES NO

If yes, please provide, on a separate sheet, the anticipated size and investment focus for each such Private Fund(s).

C. PORTFOLIO COMPANIES

1. With respect to Portfolio Companies:
- a. Does the Applicant require a hold harmless agreement when an investment is made by a Private Fund? YES NO
 - b. Is unanimous approval of the Applicant's general partners, managing members, members of a Board of Managers or Board of Directors required for an investment to be made? YES NO
- If no**, please provide, on a separate sheet, a description of the investment decision making process.
- c. Please provide, on a separate sheet, a description of professional services provided by the Applicant to the Portfolio Companies.
2. Does the Applicant ever provide any professional services to entities that are not Portfolio Companies? YES NO
- If yes**, please provide, on a separate sheet, details on how often and under what circumstances.
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D. OUTSIDE DIRECTORSHIP LIABILITY (Complete only if requesting Outside Directorship Liability Coverage)

1. Does the Applicant secure board representation when an investment is made by a Private Fund? YES NO
- If yes**, please provide, on a separate sheet, the following:
- a. A list of all Portfolio Companies for which board representation has been secured, and
 - b. Directors and officers liability insurance information for each Portfolio Company.
2. Does the Applicant require that directors & officers liability insurance be in place prior to securing board representation? YES NO
3. Does the Applicant confirm whether indemnification is available from each Portfolio Company for which a board position has been secured? YES NO
4. Are Advisory Board members ever requested to take Portfolio Company board directorships? YES NO
- If yes**, please provide, on a separate sheet, details on how often and under what circumstances
5. Does the Applicant ever maintain board representation:
- a. post distribution? YES NO
 - b. Post Portfolio Company Securities trading "Blackout Period"? YES NO
- If yes**, please provide, on a separate sheet, details on how often and under what circumstances.
-

E. PAST ACTIVITIES

1. Have there been during the last five (5) years, or are there now pending, any suits, claims or proceedings against this Applicant, Private Fund or any subsidiaries? YES NO

If yes, please provide, on a separate sheet, full details.

2. Have there been, or are there now pending, any suits, claims, or proceedings against any person proposed for this insurance in their capacity as either director, officer, general partner, managing general partner, managing member, member of a Board of Managers, governor, or equivalent executive of this Applicant, Private Fund, Organization or any subsidiary proposed for insurance? YES NO

If yes, please provide, on a separate sheet, full details.

PERTAINING TO QUESTIONS E.1. AND E.2 ABOVE, IT IS AGREED THAT ANY CLAIMS ARISING FROM SUCH SUITS, CLAIMS OR PROCEEDINGS ARE EXCLUDED FROM THE PROPOSED INSURANCE.

3. Is the undersigned or any director, officer, general partner, managing general partner, managing member, member of a Board of Managers, governor, or equivalent executive of this Applicant proposed for this insurance aware of any fact, circumstance, situation, or wrongful act involving the Applicant, Private Fund, Organization, its subsidiaries, or any director, officer, general partner, managing general partner, managing member, member of a Board of Managers, governor, or equivalent executive of this Applicant or any Private Fund, Organization or its subsidiaries which he has reason to believe might result in any future claim that would fall within the scope of the proposed insurance? YES NO

If yes, please provide, on a separate sheet, full details.

4. Has the Applicant, Private Fund, Organization or its subsidiaries, or any director, officer, general partner, managing general partner, managing member, member of a Board of Managers, governor, or equivalent executive of this Applicant been involved in:
- a. Any antitrust, copyright or patent litigations? YES NO
 - b. Any civil or criminal action or administrative proceeding involving a violation of any federal or state security law or regulation? YES NO
 - c. Any civil or criminal action or administrative proceeding involving a violation of any federal or state antitrust or fair trade law? YES NO
 - d. Any representative actions, class actions, or derivative suits? YES NO

If any of the above are answered yes, please attach, on a separate sheet, full details.

PERTAINING TO QUESTIONS E.3. AND E.4. ABOVE, IT IS AGREED THAT IF THE UNDERSIGNED OR ANY DIRECTOR, OFFICER, GENERAL PARTNER, MANAGING GENERAL PARTNER, MANAGING MEMBER, MEMBER OF A BOARD OF MANAGERS, GOVERNOR, OR EQUIVALENT EXECUTIVE OF THIS APPLICANT PROPOSED FOR THIS INSURANCE IS AWARE OF ANY FACT, CIRCUMSTANCE, SITUATION OR WRONGFUL ACT, ANY CLAIM SUBSEQUENTLY ARISING THEREFROM SHALL BE EXCLUDED FROM INSURANCE UNDER THE PROPOSED INSURANCE POLICY.

PLEASE COMPLETE THE ATTACHED SCHEDULES F., G. AND H.

F. SCHEDULE OF SUBSIDIARIES

Name of Subsidiaries	Date Created or Acquired	Domestic or Foreign	State of Incorporation	Percent of Ownership	Nature of business	Audited Financial Information at Most Recent Fiscal Year End		
						Total Revenues	Total Assets	Net Income

This information is attached to and forms a part of the APPLICATION Form for the Venture Capital Asset Protection Policy.

It is agreed that coverage is only provided for subsidiaries listed above or by attachment.

G. SCHEDULE OF PRIVATE FUNDS

Name of Private Funds	Date Created or Acquired	State or Country of Principal Operations	Number of Limited Partners or Members	Total Committed Capital (in Millions)	Industry Focus	Investment Stage	Financial Information at Most Recent Fiscal Year End					
							Total Contributed Capital to Date (in Millions)	Number of Portfolio Companies	Number of Portfolio Companies Written Off	Internal Rate of Return (IRR)		

This information is attached to and forms a part of the APPLICATION Form for the Venture Capital Asset Protection Policy. It is agreed that coverage is only provided for Private Funds listed above or by attachment.

H. SCHEDULE OF ALL PORTFOLIO COMPANIES SINCE DATE APPLICANT ESTABLISHED

Name of Portfolio Companies	Date Created or Acquired	Total Amount Invested	Current Fair Market Value	Percent of Ownership	Nature of Business	State or Country of Principal Operations	Number of Board Seats	Publicly Traded: Yes or No	Financial Information at Most Recent Fiscal Year End					
									Total Revenues (in Millions)	Total Assets (in Millions)	Total Debt (in Millions)	Net Income (in Millions)		

This information is attached to and forms a part of the APPLICATION Form for Venture Capital Asset Protection Policy.

It is agreed that coverage is only provided for Portfolio Companies listed above or by attachment.

I. OTHER INFORMATION

1. With respect to the Applicant and Subsidiaries (other than proposed Private Funds), please attach the following documents with this Application:
 - a. Latest audited annual financial statements.
 - b. Latest quarterly financial statements.
2. With respect to each Private Fund proposed for insurance, please attach the following documents with this Application:
 - a. Copy of fund agreement, including any and all amendments.
 - b. If not included in 2.a., provide list of limited partners/members and corresponding capital commitments.
 - c. Copy of private placement memorandum or offering memorandum or equivalent.
 - d. Copy of latest audited annual financial statement.
 - e. Copy of latest quarterly report to limited partners/members.
3. With respect to Portfolio Companies proposed for outside directorship liability insurance, please attach the following documents with this Application:
 - a. List of Portfolio Company directorship positions, including board observer positions, for each general partner and/or managing member.
 - b. Directors & Officers liability insurance information.
4. Please attach Applicant's current organizational chart.

J. MATERIAL CHANGE:

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

K. DECLARATION, FRAUD WARNING AND SIGNATURE:

The **Applicant's** submission of this Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. 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 insurance policy should a policy 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 policy; and that the Company will have relied on all such materials in issuing any such policy.

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

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.

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.

(Two different persons must sign)

Company

Signature of Chief Executive Officer
or other Senior Officer

Signature of Chief Executive Officer, Chairman of the Board of Directors
or Managing Partner/Member

Date

Produced By: Agent: _____ Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____

Submitted By: Agency: _____

Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____