



# S2S INSURANCE SPECIALISTS

WE PROVIDE COVERAGE FROM **SEED TO SALE**

## U.S. Management Liability Private Company Directors & Officers and Employment Practices

Claims Made Notice: CLAIMS MADE WARNING FOR APPLICATION: This Proposal Form is for a Claims Made, relating to claims made against the Insureds during the Policy Period or any Extended Reporting Period that may apply. Defense costs are included in the aggregate limit of liability.

This Application, and any supporting documents, will be relied upon for the underwriting and evaluation of risk, and any Policy that may be issued will be in reliance of this Application and this Application and supporting documents will constitute part of such Policy.

PLEASE PROVIDE THE FOLLOWING IN ADDITION TO THIS SIGNED AND DATED APPLICATION:

- Audited Financials if available, or 12-month income statement and balance sheet
- List of Board Members and Management Team
- Business Plan (if Applicant has less than two (2) years in business)
- Currently dated Loss Runs – up to 5 years if available

APPLICANT INFORMATION							
<b>Name:</b>			<b>DBA:</b>				
<b>Address:</b>			<b>City:</b>				
<b>State:</b>			<b>Zip Code:</b>				
<b>Website:</b>							
<b>Please list additional locations:</b>							
Address:		State:		Zip:		Country:	
Address:		State:		Zip:		Country:	
Address:		State:		Zip:		Country:	
Address:		State:		Zip:		Country:	
<b>Years in Business:</b>	Start Up	Under 2 Years	2-5 Years	Over 5 Years			
<i>If Start Up, or Under 2 Years in business, do any principals have at least 1 year of Cannabis, CBD or Hemp industry experience?</i>						Yes	No
<b>Enterprise Type:</b>	Corporation	Partnership	LLC	LLP	Individual	Other:	
<b>Use Type:</b> <small>(check all that apply)</small>	Cannabis-Recreational		Cannabis-Medical		Cannabis-Recreational & Medical		CBD
	Hemp		Other:				
<b>Operations:</b> <small>(check all that apply)</small>	Cultivation		Manufacturer/Extraction		Processor	Wholesale/Distributor	
	Transportation		Delivery Operations		Retail	Other:	
<b>SIC Code:</b>							
<b>Does the Applicant have any subsidiaries or ancillary businesses with ownership interest that Applicant is seeking coverage for under this Policy?</b>						Yes	No
<i>If yes, please list, including location and nature of business:</i>							

Name	Business Type & Operations	Ownership %	Date Acquired/Created	State
<b>Does Applicant operate in any state where Adult Use Marijuana is not legal?</b>				Yes No
<i>Please list all Current / Prior insurance coverage for Management Liability / Directors &amp; Officers / Employment Practices Liability for the past 3 years:</i>				
D&O / EPL / ML	Carrier	Policy Period	Limit of Liability	Deductible / SIR
<b>Does Applicant carry the following?</b>				
Professional Liability	Commercial General Liability	Cyber	Products Liability	Auto
<b>Does Applicant have a full time General Counsel and/or Risk Manager?</b>				Yes No
<b>Has Applicant, in the past 12 months - or in the next 12 months - expect to:</b>				
File a petition for protection under Bankruptcy Code?				Yes No
Raise funds via Private Offering, Venture Capital or Private Equity?				Yes No
File registration documents, prospectus or similar disclosure for public sale of securities?				Yes No
Engaged or plan to engage with Special Purpose Acquisition Companies (SPAC)?				Yes No
Change or changed nature of business or operations?				Yes No
Lose any license necessary to continue their operations in any place that they operate?				Yes No
Violate any debt or loan covenant?				Yes No
<i>If Yes, to any of the above, please provide additional details in writing and submit with application</i>				
<b>Does Applicant have all state, county and local licenses to operate in good standing?</b>				Yes No

### DIRECTORS & OFFICERS LIABILITY

**Please provide the following:**

Assets:	\$ <input style="width: 80%;" type="text"/>	Revenue:	\$ <input style="width: 80%;" type="text"/>	Net Income / Loss:	\$ <input style="width: 80%;" type="text"/>
Liabilities	\$ <input style="width: 80%;" type="text"/>	Cash on Hand:	\$ <input style="width: 80%;" type="text"/>	Fiscal Year:	\$ <input style="width: 80%;" type="text"/>

**Please provide your most recent Capitalization Table**

Have there been any changes to its Board or Key Executives in the past 12 months?	Yes	No
Has Applicant discontinued any business or operations in the past 12 months?	Yes	No

### EMPLOYMENT PRACTICES LIABILITY

**Please provide the following employee breakdown:**

# full time:	<input style="width: 90%;" type="text"/>	# part time:	<input style="width: 90%;" type="text"/>	# seasonal / temp:	<input style="width: 90%;" type="text"/>
--------------	--	--------------	--	--------------------	--

**Please provide a breakdown of Employee by State of Operations:**

State:	# fulltime employees:	# part time employees incl. seasonal:
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>

**Does the Applicant?**

Have written employment agreements with all Senior Management and Officers?	Yes	No
Employ Full Time HR personnel?	Yes	No
Have written Employee Handbook that is provided and available to all employees?	Yes	No
Have written procedures for complaints and disciplinary issues?	Yes	No
Provide and implement Discrimination and Sexual Harassment training to all managers and employees, and has done so in the past 12 months (if in operation)?	Yes	No
Perform annual trainings in compliance with state mandated trainings?	Yes	No
Collect, or has collected in the past 24 months, any Biometric Identifiers (including but not limited to fingerprints, DNA, retina or iris scan) on any of its employees?	Yes	No
Utilize Outside Counsel, such as Labor & Employment attorneys, for any employment issues?	Yes	No

**For the past 3 years, please state the annual percentage turnover rate for all employees and executives:**

Year 1 %: <input style="width: 90%;" type="text"/>	Year 2 %: <input style="width: 90%;" type="text"/>	Year 3 %: <input style="width: 90%;" type="text"/>
--	--	--

**Please provide the breakdown of employees & executives as a percentage, whose total annual compensation including bonus is:**

< \$25,000	<input style="width: 90%;" type="text"/>	\$25,000 - \$50,000	<input style="width: 90%;" type="text"/>
\$50,001 - \$100,000	<input style="width: 90%;" type="text"/>	>\$100,000	<input style="width: 90%;" type="text"/>

**KNOWLEDGE STATEMENT / CLAIMS HISTORY**

Within the past 5 years, has the Applicant or any Director, Officer or Manager been notified of any claims or suits alleging management liability wrongful acts, including litigation or threats or litigation, made by or against the Applicant?	Yes	No
Within the past 5 years, has the Applicant or any employee or shareholder been notified of any employment or labor related claims, including litigation or threats of litigation against the Applicant?	Yes	No
Within the past 5 years, has the Applicant been party to or notified of any charges or administrative proceeding before the EEOC, or similar state or local regulatory body whose purpose is to address employment related claims?	Yes	No
The Applicant, and any persons proposed for coverage sought under this Policy, is not aware of any fact, circumstance, situation or combination of the above that reasonably could give rise to a future notification of claim or claim that would fall within the scope of these coverages which the Application is seeking.	Yes	No

The undersigned Officer of the Organization declares that to the best of his or her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from each and every Director and Officer proposed for this insurance to facilitate the proper and accurate completion of this Application. The undersigned further agrees that if any significant adverse change in the condition of the Applicant is discovered between the date of this Application and the effective date of the Policy, which would render this Application inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately.

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 applicable in AL, AR, CO, DC, FL, KS, KY, LA, MD, ME, NJ, NM, NY, OH, OK, OR, RI, TN, VA, VT, WA or WV – see Additional Fraud Notices for these States below).

**ADDITIONAL FRAUD NOTICES**

**NOTICE TO ALABAMA, ARKANSAS, LOUISIANA, NEW MEXICO, RHODE ISLAND AND WEST VIRGINIA**

**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 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 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.

**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 KANSAS APPLICANTS:** 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.

**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 MAINE 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 denial of insurance benefits.

**NOTICE TO 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 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.

**NOTICE TO OHIO APPLICANTS:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.


**NOTICE TO OKLAHOMA APPLICANTS: WARNING:** 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.

**NOTICE TO OREGON APPLICANTS:** 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.

**NOTICE TO 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 include imprisonment, fines, and denial of insurance benefits.

**NOTICE TO VERMONT APPLICANTS:** 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. Completion and/or signing of this application does not bind the Applicant to purchase, nor the **Insurer** to provide, any insurance policy; however, no policy can be issued unless the application is properly completed, signed and dated.

The signatory declares that (s)he is authorized by the Applicant to sign this application on behalf of all prospective **Insureds** and that to the best of his/her knowledge the statements herein are true. The signatory agrees that if the



information supplied in this application and the materials submitted therewith should change between the date this application is signed and the effective date of the proposed insurance, the signatory shall immediately notify the **Insurer** of such and shall provide the **Insurer** with information that would complete, update or correct the application or materials submitted therewith. The **Insurer** may withdraw or modify any of the terms or conditions of coverage accordingly.

**ALL WRITTEN STATEMENTS, SUPPLEMENTAL QUESTIONNAIRES AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART THEREOF AND DEEMED ATTACHED HERETO.**

The signing of this Application does not bind the undersigned to purchase the insurance.

Applicant:

Date:

Signature:

Title:

**This Application including any material submitted herewith shall be treated in strictest confidence.**

**Your most recent financial statements/annual reports must be submitted with this application.**

