

Carolina Casualty Insurance Company

4600 Touchton Road East, Building 100, Suite 400, Jacksonville, FL 32246

Proposal Form

Directors' and Officers' and Corporate Liability Insurance

CLAIMS MADE WARNING FOR APPLICATION: This Proposal Form is for a Claims Made Policy, relating to claims made against the Insureds during the Policy Period or any Extended Reporting Period, if applicable.

Whenever printed in this Proposal Form, the terms in boldface type shall have the same meanings as indicated in the Policy. This Proposal Form is to be completed with respect to the entire Company. Company as used herein is defined to include the Parent Organization and any Subsidiaries.

Name of Parent Organization

Street Address

Suite

City

County

State

Zip Code

Website Address (if applicable)

Federal Employer Identification Number (FEIN)

The Officer designated as agent of the Company and of all insured Directors and Officers to receive any and all notices from the Insurer or their authorized representatives concerning this insurance:

Contact Name

Title

E-mail Address

Telephone Number

Fax Number

Producer Information

Submitted by (Agency Name)

Dated

Agent's Name (Individual's Name)

Agent's License Number

General Information (Provide details to all "Yes" answers by attachment, when appropriate)

- Is the Company publicly held or a public reporting company under the Securities Exchange Act of 1934?
If "Yes", provide the following information regarding the Company's outstanding stock. Yes No
(a) What exchanges? (AMEX, NASDAQ, NYSE, OTCBB, Other): _____
(b) Ticker Symbol: _____
- Form of organization: Cooperative Corporation Joint Venture
 Limited Liability Corporation Nonprofit Partnership Sole Proprietorship / Individual
- Within the next 12 months, is the Company:
(a) anticipating filing any Registration Statement with any Governmental Authority for an offering of securities? Yes No
(b) considering any merger, consolidation, acquisition, tender offer, or divestment? Yes No
(c) contemplating filing a petition for protection under the bankruptcy code? Yes No

Litigation and Claim Information (Provide details to all "Yes" answers by attachment)

- During the last 5 years, has the Company or any of the Directors and Officers been named as a party in any civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any written demands involving alleged violations of:
(a) federal or state copyright or patent laws or regulations? Yes No
(b) federal or state security laws or regulations? Yes No
(c) federal or state anti-trust or fair trade laws or regulations? Yes No
- During the last 5 years, has the Company or any of the Directors and Officers been named as a party in any other civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any other written demands for money or services that would otherwise be within the scope of this proposed insurance? Yes No
- During the last 5 years, have any of the Directors and Officers, as a director or officer of any other entity, been named as a party in any civil or criminal action, administrative, arbitration, regulatory or investigative proceeding, or received any demands involving alleged violations of federal or state security laws or regulations? Yes No
- Are the undersigned or any of the Directors and Officers proposed for this insurance aware of any fact, circumstance or situation involving the Company or the Directors and Officers that he or she has reason to believe might result in a future Claim? Yes No

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IF "YES" TO ANY PART OF QUESTIONS 4. THROUGH 7. PROVIDE FULL DETAILS FOR EACH ALLEGATION, EVEN IF THE MATTER HAS BEEN SETTLED OR OTHERWISE RESOLVED, BY PROVIDING THE FOLLOWING INFORMATION FOR EACH ALLEGATION BY ATTACHMENT:

- | | | | | |
|----------------|---------------------------|---|--|--------------------------|
| (a) Allegation | (b) Date Claim first made | (c) Paid damages/expenses including attorneys' fees | (d) Outstanding damages/expenses including attorneys' fees | (e) Total costs incurred |
|----------------|---------------------------|---|--|--------------------------|

IT IS UNDERSTOOD AND AGREED THAT THE INSURER SHALL NOT BE LIABLE TO MAKE ANY PAYMENT FOR LOSS IN CONNECTION WITH ANY CLAIM MADE AGAINST ANY INSURED BASED UPON, ARISING OUT OF, DIRECTLY OR INDIRECTLY RESULTING FROM OR IN CONSEQUENCE OF, OR IN ANY WAY INVOLVING ANY LAWSUIT, ADMINISTRATIVE PROCEEDING, WRITTEN DEMAND, FACT, CIRCUMSTANCE, OR SITUATION SET FORTH OR THAT SHOULD HAVE BEEN SET FORTH IN THE INSURED'S RESPONSE TO QUESTIONS 4. THROUGH 7.

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 NEW MEXICO, 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 APPLICANTS OF KENTUCKY: 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 APPLICANTS OF MINNESOTA, NEW JERSEY, OHIO, AND OKLAHOMA: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO DISTRICT OF COLUMBIA, MAINE, MASSACHUSETTS, 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 APPLICANTS OF FLORIDA: 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 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.

Please Read Carefully

The undersigned, acting on behalf of all **Insureds**, declare that the statements set forth herein are true and correct and that thorough efforts have been made to obtain sufficient information from each **Director and Officer** proposed for this insurance to facilitate the proper and accurate completion of this Proposal Form. The undersigned agrees that the particulars and statements contained in the Proposal Form and any material submitted herewith, and any public documents filed by the **Insured** on the SEC's Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") for 12 months prior to the Policy inception date, are their representations and are the basis of the insurance contract. The undersigned further agrees that the Proposal Form shall be considered attached to and a part of the Policy. Any material submitted with the Proposal Form, and material obtained from EDGAR, shall be maintained on file (either electronically or paper) with the **Insurer** and shall be deemed to be attached hereto as if physically attached. It is further agreed that:

- if any significant change in the condition of the applicant is discovered between the date of this Proposal Form and the Policy inception date, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the **Insurer** immediately;
- this Proposal Form has been completed as respects the entire Company; and
- the signing of this Proposal Form does not bind the undersigned to purchase the insurance.

Dated

President, Chief Executive Officer, Chief Financial Officer, or equivalent position (Signature)

Title

President, Chief Executive Officer, Chief Financial Officer, or equivalent position (Print Name)

This Carolina Casualty Insurance Company Proposal Form, including any material submitted herewith, shall be held in strictest confidence.

A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL FORM IS PROPERLY SIGNED AND DATED.

Please submit this Proposal Form including appropriate documentation to:

Monitor Liability Managers, Inc., 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039