



40ACTPLUSSM

APPLICATION FOR HEDGE FUNDS AND PRIVATE INVESTMENT FUNDS

NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES, SUBJECT TO ITS TERMS, ONLY TO “CLAIMS” FIRST MADE DURING THE “POLICY PERIOD,” OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY “DEFENSE EXPENSES,” AND “DEFENSE EXPENSES” WILL BE APPLIED AGAINST THE RETENTION. THE UNDERWRITER HAS NO DUTY UNDER THIS POLICY TO DEFEND ANY “CLAIM.” ACCEPTANCE OR RECEIPT BY THE UNDERWRITER OF THIS APPLICATION WILL NOT OBLIGATE THE UNDERWRITER TO ISSUE ANY POLICY OF INSURANCE, NOR PROVIDE REQUESTED COVERAGE FOR ALL ENTITIES LISTED IN THIS APPLICATION OR IN ANY SCHEDULE ATTACHED HERETO. PLEASE READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

1. (a) Name of **Applicant**: _____
 Business Address: _____
 City: _____ State: _____ ZIP Code: _____
 Web site Internet address (if applicable): _____

(b) Name and title of the officer at the principal sponsor or organization for the **Applicant** designated as the representative to receive all notices from the Underwriter on behalf of all person(s) and entity(ies) proposed for this insurance:

2. (a) **SCHEDULE OF PRIVATE FUNDS** (Please attach separate sheet if necessary.)

Name of Private Fund	Type (see chart below)	Total Assets Market Value (\$mm)	Total Equity (\$mm)	General Partner's Equity (\$mm)	Minimum Investment (\$mm)	3(c)7 Fund (Yes/No)	Structure (LP, LLC, etc.)	Date Opened

TYPES OF PRIVATE FUNDS

- | | | |
|------------------|-----------------------|------------------|
| Market Neutral | Distressed Securities | Market Timing |
| Funds of Funds | Aggressive Growth | Short Selling |
| Emerging Markets | Global Macro | Merger Arbitrage |
| Income | Convertible Arbitrage | Other: _____ |

- (b) For each **Private Fund** that is a Fund of Funds please attach a schedule of **Private Fund** Investments.
- (c) Total **Private Fund** Assets: Current Year: \$ _____ Next Year (est.): \$ _____
- (d) For each **Private Fund** please attach copies of the following:
 - i. Offering Document for each **Private Fund**
 - ii. Latest Audited Financial Report for each **Private Fund**
 - iii. Any promotional or explanatory material offered to clients or prospective clients

3. Please list all Affiliated Service Providers, a description of services. (Affiliated Service Providers means any affiliated person or entity to the **Private Funds** who performs professional services for a fee or commission for the **Applicant** or for clients of the **Applicant** at the direction of and on behalf of the **Applicant**.) Please attach a separate addendum, if necessary.

Name of Affiliated Service Provider	Date Created	State of Incorp.	Percent of Ownership	Number of Employees	Nature of Professional Services Rendered to Private Funds	Domestic or Foreign

- 4. (a) Do any **Private Funds** take an active role in trying to influence the management teams of the companies they invest in? Yes No
 - (b) Does any person affiliated with the **Private Funds** sit on the board of companies invested in? Yes No
If "Yes," please attach schedule of such individuals and the name of the company.
 - (c) Do any **Private Funds** use unaffiliated Investment Managers or Sub-Advisers? Yes No
If "Yes," please attach schedule of unaffiliated entities.
 - (d) Is the short sale of securities the sole Investment Strategy of any **Private Fund**? Yes No
 - (e) Does the Investment Manager of any **Private Fund** also manage any Registered Investment Companies or private accounts? Yes No
 - (f) Does the **Applicant** intend on creating any new **Private Funds** in the next year? Yes No
If "Yes," please state total number of funds to be created and estimated total assets of all newly created **Private Funds**: # _____ \$ _____
 - (g) Are securities that are not traded on a public exchange priced by an independent third party? Yes No
If "No," please state how they are priced: _____

 - (h) Are any **Private Funds** currently accepting new money? Yes No
If "Yes," please circle the appropriate **Private Funds** on above schedule.
5. (a) Do any **Private Funds** use third party marketers to attract investors? Yes No
If "Yes," please state which marketer(s) is being used: _____

(b) Are all marketing materials approved by outside legal counsel before being distributed to prospective investors? Yes No

6. Are any **Private Fund** assets invested in the following? Yes No
 If "Yes," please indicate the percentage (%) of total assets in all **Private Funds**.

		Yes	No	% of Total Fund Assets
a.	Below Investment Grade Bonds	<input type="checkbox"/>	<input type="checkbox"/>	
b.	Commodities	<input type="checkbox"/>	<input type="checkbox"/>	
c.	Currency Futures (Non-Hedging)	<input type="checkbox"/>	<input type="checkbox"/>	
d.	Precious Metals	<input type="checkbox"/>	<input type="checkbox"/>	
e.	Foreign Securities (U.S. Exchange)	<input type="checkbox"/>	<input type="checkbox"/>	
f.	International Securities	<input type="checkbox"/>	<input type="checkbox"/>	
g.	Derivatives (Non-Hedging)	<input type="checkbox"/>	<input type="checkbox"/>	
h.	Distressed Securities	<input type="checkbox"/>	<input type="checkbox"/>	
i.	Other funds	<input type="checkbox"/>	<input type="checkbox"/>	

7. (a) Please attach a list and status of all general partner, directors & officers, and professional liability claims made during the current and the past three (3) years against any person(s) or entity(ies) proposed for this insurance. (Please include loss payment and defense costs.) (If none, check here "None.")
- (b) No person(s) or entity(ies) proposed for this insurance has any knowledge or information of any fact, circumstance or situation which might reasonably be expected to give rise to any claim that would fall within the scope of the proposed insurance, except as follows: (If none, check here "None.")

Without prejudice to any other rights and remedies of the Underwriter, any claim arising from any claims, facts, circumstances, or situations required to be disclosed in response to 7(a) or 7(b) above is excluded from the proposed insurance.

NOTICE TO APPLICANT — PLEASE READ CAREFULLY.

FOR THE PURPOSES OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE UNDERWRITER IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE UNDERWRITER TO COMPLETE, OR THE APPLICANT TO PURCHASE, THE INSURANCE.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND ALONG WITH THE APPLICATION IS CONSIDERED PHYSICALLY ATTACHED TO THE POLICY AND WILL BECOME A PART OF IT. THE UNDERWRITER WILL HAVE RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING ANY POLICY. THE APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE POLICY EFFECTIVE DATE, THE APPLICANT WILL NOTIFY THE UNDERWRITER, WHO MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT:

- (I) THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE DURING THE "POLICY PERIOD" OR ANY EXTENDED REPORTING PERIOD;
- (II) THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY "DEFENSE EXPENSES" AND, IN SUCH EVENT, THE UNDERWRITER WILL NOT BE RESPONSIBLE FOR THE CONTINUED "DEFENSE EXPENSES" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT ANY OF THE FOREGOING EXCEED ANY APPLICABLE LIMIT OF LIABILITY;
- (III) "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION; AND
- (IV) THE UNDERWRITER HAS NO DUTY UNDER THIS POLICY TO DEFEND ANY "CLAIM."

Notice to Arkansas, Minnesota, New Mexico and Ohio Applicants: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

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 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 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 Louisiana and Rhode Island 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 Maine, 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 may include imprisonment, fines or a denial of insurance benefits.

Notice to Alabama and 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 Oklahoma Applicants: Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony.

Notice to Oregon and Texas Applicants: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

Notice to 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 Puerto Rico Applicants: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

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.

APPLICANT:		
BY (<i>President, Chairman, or CEO</i>):	TITLE:	DATE:

NOTE: This Application is signed by the President, Chairman, or CEO of the **Applicant** acting as the authorized agent of the person(s) and entity(ies) proposed for this insurance.

REQUIRED INFORMATION

PRODUCED BY (<i>Insurance Agent or Broker</i>): Please print and sign name _____		
FIRM NAME:		
TAXPAYER ID OR SOCIAL SECURITY NO.:	PRODUCER LICENSE NO.:	
ADDRESS (<i>No., Street, City, State, and ZIP</i>):		
EMAIL ADDRESS:		
SUBMITTED BY (<i>Firm</i>):	TAXPAYER ID OR SOCIAL SECURITY NO.:	PRODUCER LICENSE NO.:
ADDRESS (<i>No., Street, City, State, and ZIP</i>):		