

Return application to:  
CB Malaga Insurance Services LLC  
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## HARTFORD FINANCIAL PRODUCTS

### APPLICATION FOR TAX INDEMNITY INSURANCE

**NOTICE:** THIS IS AN APPLICATION FOR A CLAIMS-MADE POLICY. THE POLICY FOR WHICH THIS APPLICATION IS MADE, SUBJECT TO ITS TERMS AND CONDITIONS, IS LIMITED TO LIABILITY FOR ACTS FOR WHICH CLAIMS ARE FIRST MADE AGAINST THE INSURED AND/OR FOR LOSSES FIRST INCURRED BY THE INSURED WHILE THE POLICY IS IN FORCE.

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#### 1. APPLICANT'S IDENTITY:

Name of applicant: (proposed insured for which tax insurance coverage is sought.) If there is more than one applicant, please provide the identities of each:

- 1.1 Address of applicant: \_\_\_\_\_
- 1.2 Applicant's state of incorporation or charter: \_\_\_\_\_
- 1.3 Applicant's website address: \_\_\_\_\_
- 1.4 Date of applicant's incorporation or formation: \_\_\_\_\_
- 1.5 Applicant's ticker symbol if publicly traded: \_\_\_\_\_
- 1.6 Applicant is a ( ) natural person, ( ) corporation, ( ) partnership, ( ) limited liability corporation, ( ) limited liability partnership, ( ) other: \_\_\_\_\_
- 1.7 Nature of business of applicant: \_\_\_\_\_
- 1.8 If the applicant is not the taxpayer, please provide the above information for the taxpayer.

#### 2. REQUESTED COVERAGE:

- 2.1 Specify coverage sought []
  - Federal taxes
  - State and/or local (list jurisdictions in which coverage is sought) \_\_\_\_\_
  - Foreign country taxes (list each country) \_\_\_\_\_
  - Interest
  - Penalties
  - Defense costs (commences once all administrative appeals have been exhausted )
  - Gross-up (approximates tax on insurance proceeds)
- 2.2 Total amount of insurance sought (entire program) \$ \_\_\_\_\_ (please attach loss calculation)
- 2.3 Effective date: \_\_\_\_\_
- 2.4 Desired policy expiration date: \_\_\_\_\_
- 2.6 Tax periods covered: \_\_\_\_\_

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### 3. BROKER:

- 3.1 Broker's name: \_\_\_\_\_
- 3.2 Firm name: \_\_\_\_\_
- 3.3 Phone number: \_\_\_\_\_
- 3.4 Broker's National Producer Number: \_\_\_\_\_
- 3.5 Does the broker hold a surplus lines license in the proposed insured state? ( )Yes ( )No

### 4. UNDERLYING TRANSACTION:

- 4.1 Attach key transaction documents, and describe status and timing of the transaction (e.g., expected date of closing, status of final agreement, date of letter of intent or memorandum of understanding, etc.)
- 4.2 Is the transaction contingent upon financing or any other external event? ( ) Yes ( ) No. If yes, describe the contingency and expected timing.

### 5. TAX RISK:

- 5.1 Provide a complete description of the tax risk to be insured, addressing with particularity the (a) background of the exposure, (b) transactions or other circumstances under which the exposure arose or could arise, (c) legal authorities, analysis and conclusions which both challenge and support the reported tax positions to be insured, (d) the applicable taxes which may be incurred in connection with the exposure, and (e) the jurisdictions which may be involved.
- 5.2 Additional inquires:
  - 5.2.1 Attach all tax accrual and accounting work-papers (whether prepared in connection with FIN48, Schedule UTP, or otherwise), board minutes, memos, opinions, property valuations, analysis and correspondence prepared or received by the taxpayer, insured or the applicant which discuss or analyze the tax position to be insured, whether prepared by internal or external accountants, lawyers or advisors.
  - 5.2.2 Describe the transaction's "economic substance." Section 7701(o) of the Internal Revenue Code defines "economic substance" as existing if (A) the transaction changes in a meaningful non-tax way the taxpayer's economic position and (B) the taxpayer has a substantial non-tax purpose for entering into the transaction.
  - 5.2.3 If the transaction will be reported differently for financial statement and tax reporting purposes, describe the difference.
  - 5.2.4 Has the taxpayer received a notice from the tax authorities that a tax period or the tax issue sought to be insured is about to be audited, or is the tax period or issue sought to be insured currently under audit, before Appeals, or in litigation? ( ) No ( ) Yes. If yes, provide details.
  - 5.2.5 Has the applicant, insured, or any other person or entity made any request for a ruling or other reaction to, or entered into any correspondence or communication with the relevant tax authorities with respect to the tax exposure to be insured? ( ) No ( ) Yes. If yes, please provide copies or summaries of such communication and responses thereto.
  - 5.2.6 Describe motivation for tax indemnity insurance (e.g., reduce reserve or escrow, financial buyer seeks to remove risk, etc)
  - 5.2.7 Are there tax-indifferent parties to the transaction (e.g., foreign persons, Native American tribal organizations, tax-exempt organizations, domestic corporations with net operating losses or credit carry-forwards that they do not expect to use to offset their own income)? ( ) No ( ) Yes.

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NOTICE: Hartford excludes coverage for all “Reportable Transactions”, as defined in U.S. Treasury Regulation 1.6011-4(b). By submitting this application, the Applicant confirms that no returns or reports have been or will be required to be filed with respect to the transaction or tax risk sought to be insured as a reportable transaction under Section 6111 of the Internal Revenue Code.

6. MISCELLANEOUS MATTERS:

- 6.1 Attach the most recent three (3) years of audited financial statements and most recent three (3) years of applicable jurisdiction tax returns (as well as the proposed return, if available, for tax year in which tax risk arises if not yet filed.). If the exposure sought to be insured is not completely contained within these returns and statements, please include the additional returns and statements necessary to do so.
- 6.2 Have these returns been prepared by external tax advisors or preparers? ( ) Yes ( ) No
- 6.3 Have the taxpayer’s tax filings been audited by, subject to review, inquiry or investigation by, or involved in any tax dispute with applicable tax authorities within the past 6 years? ( ) Yes ( ) No. If yes, provide the details and outcome of the applicable matter.
- 6.4 Has the applicant or taxpayer been the subject of any proceedings initiated by any tax authority or jurisdiction in which the issue of negligence or fraud with respect to its tax affairs has been raised? ( ) No ( ) Yes.

ALL FACTUAL MATTERS (AS OPPOSED TO LEGAL ANALYSIS OR SUBSTANTIVE TAX POSITIONS) PROVIDED PURSUANT TO THIS APPLICATION ARE DEEMED TO BE A PART OF THIS APPLICATION, REGARDLESS OF WHETHER SUCH MATERIALS ARE SUPPLIED WITH OR SUBSEQUENT TO THE SIGNING OF THIS APPLICATION, AND ARE DEEMED TO BE MATERIAL TO THE RISK.

THE UNDERSIGNED AUTHORIZED OFFICERS OF THE APPLICANT DECLARES THAT THE FACTUAL MATTERS (AS OPPOSED TO LEGAL ANALYSIS OR SUBSTANTIVE TAX POSITIONS) SET FORTH HEREIN ARE TRUE AND COMPLETE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION FORM CHANGES BETWEEN THE DATE OF THIS APPLICATION FORM AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

SIGNING OF THIS APPLICATION FORM DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY.

**FRAUD WARNING STATEMENTS**

**ARKANSAS 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.**

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**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.

**DISTRICT OF COLUMBIA APPLICANTS:** 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."

**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.

**HAWAII APPLICANTS:** FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

**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.

**LOUISIANA 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.

**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 A DENIAL OF INSURANCE BENEFITS.

**MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**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.

**NEW MEXICO 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 CIVIL FINES AND CRIMINAL PENALTIES.

**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.

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**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.**

**OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAY BE VIOLATING STATE LAW.**

**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.**

**PUERTO RICO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD AN INSURANCE COMPANY 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. IF AGGRAVATED CIRCUMSTANCES PREVAIL, THE FIXED ESTABLISHED IMPRISONMENT MAY BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IF EXTENUATING CIRCUMSTANCES PREVAIL, IT MAY BE REDUCED TO A MINIMUM OF TWO (2) YEARS.**

**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."**

**TENNESSEE 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.**

**VIRGINIA 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.**

**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.**

**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."**

**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.**

**NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR**

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**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."**

A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION FORM IS PROPERLY SIGNED AND DATED BY TWO OFFICERS WITH KNOWLEDGE OF THE MATTERS CONTAINED HEREIN.

DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_

TITLE \_\_\_\_\_