

HedgePro Insurance Program Abridged Application Form



- 1) Professional Liability
- 2) Errors & Omissions
- 3) General Partnership Liability
- 4) Directors & Officers Liability
- 5) Employment Practices Liability
- 6) Fiduciary Liability
- 7) Fidelity Bond

We are pleased to enclose our HedgePro application form for your review and completion. These coverage's are specifically designed to cover the exposures faced by hedge funds and their management. Please complete all sections and return the application along with the mandatory additional information directly to our office.

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1. GENERAL INFORMATION

- a. Named Insured:
- b. Address:
- c. State of Incorporation:
- d. Date Established:

2. ANNOUNCED CHANGES

Has any Proposed Insured:

- a. Disclosed that it now has under consideration any acquisition, tender offer, merger or divestiture? If yes, attach details.
- b. Disclosed or made any new offering of shares within a private placement. If yes, attach details including the prospectus.

3. PROPOSED INVESTMENT ADVISERS/FUNDS/GENERAL PARTNERS

- a. Provide the following information for each Investment

Adviser applying for coverage: (see Schedule A)

- 1.) Name of Adviser:
- 2.) Name of Fund or Limited Partnership:
- 3.) Name of General Partner:
- 4.) Date Formed:
- 5.) Total Assets under Management:
- 6.) Investment Strategy:

4. INVESTMENTS/CLIENTS

How often does any Investment Adviser or Fund review:

- 1.) The strategy used with respect to client investments?
- 2.) Whether the use of investments are consistent with the investment policy of each Fund?
- 3.) Whether the investment strategy is adequately disclosed to investors?
- 4.) The adequacy of the methods used to value investments?

5. CURRENT INSURANCE

If any Proposed Insured currently has investment advisers, directors and officers, employment practices, fiduciary liability, general partnership, errors & omissions, professional liability, or fidelity bond coverage, complete the following schedule:

Type of Insurance	Name of Insurer	Limit(s) of Liability	Deductible(s)	Policy Period

6. PAST ACTIVITIES

a. Has any Proposed Insured been involved in any of the following in the last three years:

- 1.) Civil, criminal action, or administrative proceeding, charging or investigating a violation of federal or state securities law or regulation, or any other criminal action?
- 2.) Bankruptcy, receivership or insolvency?
- 3) Any other litigation related to their business activities?

b. Has any Fund or Investment Adviser changed its accountant or legal counsel in the last two years?

c. Has the SEC, any state regulator or self-regulatory organization conducted an inspection, investigation or examination of any Proposed Insured in the last three years?

If yes to any of the questions in a., b. or c. above, attach full details including a copy of each letter of deficiency issued by the SEC, any state regulator or any self-regulatory organization and management’s response thereto.

7. EMPLOYMENT PRACTICES INFORMATION

Full-Time

Part-Time

a) Number of Current Employees:

Number of Employees One Year Ago:

b) Percentage of the Applicant’s Employees with salaries:

Less than \$25,000 _____ Between \$50,000 and \$100,000 _____
 Between \$25,000 and \$50,000 _____ More than \$100,000 _____

c) Has there been any employment related actions, complaints, investigations, charges, or litigation in the last 3 years? No _____ If yes please explain.

d) Does the Applicant have written policies or procedures with respect to the following?

Hiring: ___ Yes ___ No
Termination: ___ Yes ___ No
Discipline ___ Yes ___ No
Family and Medical Leave: ___ Yes ___ No
Sexual Harassment: ___ Yes ___ No

8. BENEFIT PLAN INFORMATION

Please provide the following information with respect to Applicant's employee benefit plans.

Name of Plan	Current Asset Value	Number of Participants
	\$	
	\$	
	\$	
	\$	

9. PRIOR KNOWLEDGE/REPRESENTATIONS

No Proposed Insured is aware of any fact or circumstance or any actual or alleged act, error or omission which it, he or she has reason to suppose might give rise to a future claim that would fall within the scope of the proposed coverage, except: (if no exceptions, please state)

10. FALSE INFORMATION

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 false information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime in certain jurisdiction

11. DECLARATION AND SIGNATURE

The undersigned declares that to the best of his or her knowledge and belief the statements set forth are true. The signing of this application does not bind the Insurer, or any Proposed Insureds to effect insurance. The undersigned agrees that this Application and its attachments shall be the basis of the contract should a policy be issued and shall be attached to and shall form part of the policy. The Insurer is hereby authorized to make any investigation and inquiry in connection with application that it deems necessary.

Signature _____ Title _____

Date _____

Additional Underwriting Information:

A) For each Investment Adviser, Fund, or Service Provider, General Partner, attach current indemnification provisions or by-laws.

B) The following material must be submitted for each Investment Adviser :

1. Standard client contract
2. Complete Form ADV, including Parts I and II and all applicable schedules, if applicable**
3. The latest CPA letter to management relating to internal controls and any written response thereto
4. Most recent financial statement**
5. Performance figures for the last 2 years with a comparison to the S&P 500 or similar indices
6. Copies of the last two issues of any newsletter or other publication

C) The following material must be submitted for each Fund:

- 1) Most recent private placement memorandum and any updates**
- 2) Most recent Financial Statement**

D) Copy of Form 5500 filed with the DOL for any employee benefit plan

E) Employee Handbook

** Mandatory underwriting information required before a quote is provided

13. FIDELITY COVERAGE:

A. NAME (List all Insureds on schedule B)

ADDRESS:

DATE ESTABLISHED:

B. INSURED OPERATES AS A :

C. INSURED IS A: (check appropriate box):

Sole Proprietorship____ Partnership____ Corporation_____

D. EMPLOYEES :

- 1) Salaried officers and employees, retained attorneys and person provided by
Employment contractors:_____
- 2) Locations outside of the U.S., Canada, Puerto Rico and Virgin Islands, list below:

E. ASSETS UNDER MANAGEMENT:

	<u>Total Assets</u>
(a) As of the latest Dec. 31	\$ _____
(b) As of the latest June 30	\$ _____

F. INSURED COMPUTER SYSTEMS:

For the Computer System(s) you operate, whether owned or leased, complete the following:

- 1) Number of independent software contractors authorized to design, implement or service programs for your System(s) _____
- 2) Is access to your System(s) by customers or other outside parties permitted?
Yes____ No ____
- 3) Other Computer Systems
List below other Computer System(s) for which coverage is desired:

4) Are outside providers engaged in the data processing of your checks or other accounting information?_____. If yes, list below the name and location of each data processor:

H. AUDIT PROCEDURES:

- 1) How often is an audit performed by an independent CPA _____
- 2) Name and location of CPA _____
- 3) Date of completion of the last audit by CPA _____
- 4) Is there a continuous internal audit by an Internal Audit Department?
Yes ___ No ___
- 5) If "Yes", are monthly reports rendered directly to all partners if a partnership or to The Board of Directors if a corporation? Yes ___ No ___
- 6) Are money and securities actually counted and verified? Yes ___ No ___

I. INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES):

- 1) Are bank accounts reconciled by someone not authorized to deposit or withdraw?
Yes ___ No ___
- 2) Is countersignature of checks required? Yes ___ No ___
- 3) Are monthly statements (whether or not there was activity in the account) mailed directly to all customers? Yes ___ No ___

J. PRIOR COVERAGE

- 1) Has any insurance been declined or canceled during the past three years?
Yes ___ No ___
- 2) Current Coverage: Limit:
Insurer:
Effective Date:
Deductible:
Premium:

K. LOSSES

List all fidelity losses sustained during the past three years, whether reimbursed or not

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location
		\$	\$	\$	\$	

Signed _____ Title _____ Date _____