

About TLPE

Transaction liability private enterprise (TLPE) insurance protects sellers against liabilities as a result of an inaccuracy in the representations and warranties given by the seller to the buyer in connection with the sale of a micro or small target (asset or company) (i.e. targets with an enterprise value of between \$250k and \$20m). TLPE also covers defense costs. Please note, only sellers (or individuals giving representations and warranties) can be insured under a TLPE policy – a buyer cannot be insured.

We can issue a bindable TLPE policy in less than 24 hours upon receipt of this application, the required materials and any follow-up underwriting questions being satisfactorily answered. For the purposes of this application, “target” means the target, asset or company which you are selling.

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How to complete this form

The individual who completes this application form should be a senior member of management at the company and should ensure that they have checked with other senior managers and colleagues responsible for arranging the insurance that the questions are answered accurately and as completely as possible. Once completed, please return this form to your insurance broker.

The purpose of this application form is for us to find out more about you and the target you are selling. You must provide us with all information which may be material to the cover you wish to purchase and which may influence our decision whether to insure you, what cover we offer you or the premium we charge you. Should you not have enough space to provide your answer in the corresponding answer section of each question, you can use the space provided in the “Additional Information” section on the last page of this application.

Please ensure that the following materials are provided to us:

Contract for the sale of target / asset (including Disclosure schedule)

Prior 3 years financial statements of the target (including balance sheet and income statement)

Index of Virtual Data Room

Please note that we do not need a copy of the contents of the virtual data room (VDR), just a list of all documents and materials available in the VDR.

Section 1: Company Details

1.1 a) Company name:

b) Is the name of the company different to its trading name? Yes No

If “yes”, please provide the trading name of the company:

Has the company been known by any other name in the past five years? Yes No

If “yes”, please provide the former name of company:

1.2 Website address:

1.3 Description of target activities:

1.4 Please confirm whether the target participates in any of the following activities: Yes No

- | | |
|--|---|
| a. Cryptocurrency or blockchain; | j. The sale or production of weapons or ammunition; |
| b. Artificial intelligence; | k. Cigarette/tobacco manufacturing; |
| c. Gambling or casinos; | l. Financial guarantee bonds; |
| d. Abortion clinics; | m. Tar sands/oil sands extraction or production; or |
| e. Pornography / adult entertainment; | n. Manufacturing, distribution, production or sale of marijuana or marijuana derived products including CBD and THC products. |
| f. Escort services/ prostitution ventures; | |
| g. Paramilitary organizations; | |
| h. Military security utilizing firearms/weapons; | |
| i. Armored car companies; | |

Please note that the transaction is likely to fall outside of our underwriting appetite if the target is exposed to these activities.

1.5 Enterprise value of target: \$

TLPE is available to sellers of targets/assets with an enterprise value up to \$20,000,000. Should the enterprise value be generally outside this range, we would be happy to discuss what alternative options may exist for insurance.

1.6 Please confirm the North American Industry Classification (NAIC) code of business:

NAIC codes are an important part of our underwriting process, so please endeavour to provide this information. If you are unable to obtain the code, please provide a fulsome description of the target.

1.7 Please confirm whether the company is located in California? Yes No

If "no", please confirm whether the target sells products or provides services in California? Yes No

Section 2: Insurance broker and shareholder details

2.1 Insurance broker:

Insurance broker contact:

Insurance broker email:

2.2 Please confirm whether there is a business broker or advisor working on your transaction: Yes No

If "Yes", please confirm their email address:

2.3 Please provide the following information in relation to each individual or entity to be insured under this Policy and their involvement in the business or asset to be sold:

Name:

Address:

Will the entity / individual be giving representations and warranties to the buyer? Yes No

Will the entity / individuals be insured under the TLPE Policy? Yes No

Type of shareholder (select one): Passive Investor Involved in management of Target

Position at Target:

If any additional individuals or entities are to be insured under this Policy, please provide further information in Section 7.

Section 5: Information about the Target

5.1 Please confirm whether the parties (buyer or seller) have prepared any diligence in respect of the transaction: Yes No

If "yes", please provide details

5.2 Please confirm whether the target has engaged tax advisers to assist in filing tax returns and meetings its tax obligations: Yes No

5.3 Please confirm whether the target has ever been subject to a tax audit, involved in litigation, investigated by a government agency or regulator (including tax authority) or in dispute with a third party or employee: Yes No

If "yes", please provide details:

5.4 Please state whether the target prepares financial accounts: Yes No

If "yes", please confirm:

a) the applicable audit standards used in the preparation of the target's financial accounts:

GAAP	Modified-GAAP	IFRS	Modified-IFRS
Cash	Other (please specify):		

b) whether accounts are prepared on a modified basis: Yes No

If "yes", please provide details:

c) please describe the accounting and finance functions and the internal control environment at the target:

5.5 Please state whether the target is financially distressed: Yes No

Please note that if the target is distressed or reliant on outside investment or debt to continue as a going concern, the transaction is unlikely to fall within our underwriting appetite.

If "Yes", please provide any relevant details on the target's financial position:

5.6 Please state whether all tax returns have been duly filed: Yes No

5.7 Please confirm whether the target owns any intellectual property which will be sold to the buyer in connection with the transaction: Yes No

If "yes":

a) please confirm whether the intellectual property is registered: Yes No

b) please confirm the percentage of revenue that is generated from the acquired intellectual property: %

Please describe the intellectual property to be sold:

5.8 Please confirm how many employees the target has:

5.9 Please confirm how many contractors the target has:

5.10 Please confirm if there is any recurring revenue in the target: Yes No

If "yes", please describe the type and source of recurring revenue in the target:

5.11 Please confirm whether the target requires any licenses or permits to carry on its business: Yes No

If "yes", please provide details:

5.12 Please describe the insurance coverage(s) of the target including the insurance coverage, limit, insurer and expiry date:

5.13 Please confirm whether the target:

a) has made a claim under an insurance policy in the past 3 years: Yes No

b) is aware of any claims, circumstances or incidents in the past 3 years which have not been notified to an insurance policy: Yes No

c) is aware of any incident which resulted in legal action being made against the target in the past 3 years: Yes No

If "Yes" to any of the above, please provide details:

5.14 Please confirm whether the target owns any real estate which will be sold in connection with the transaction: Yes No

If "yes", please confirm the value of the real estate:

5.15 Has title insurance been obtained for the purposes of conveyancing the real estate being acquired in this transaction: Yes No

5.16 What is the address of the real estate owned by the target?

5.17 Please confirm which regulatory regimes are applicable to the target (including but not limited to HIPPA, Medicare, Medicaid, FDCPA, CCPA, BIPE, GDPR). Does the target have any government contracts?

5.18 Are any of the assets of the business subject to any liens? Yes No

If "yes", please provide details:

5.19 Does the business have any overseas operations? Yes No

If "yes", please provide details:

Section 6: Notifiable Circumstances Declaration

6.1 Please state whether you are aware of any fact, matter or circumstance, which could result in a breach of any of the representations and warranties in the contract for the sale of the target or asset: Yes No

If "yes", please provide details:



Section 7: Additional Information

7.1 Please provide details of anything else we should know about the target/asset or the transaction for the purposes of the insurance coverage:

7.2 Please include any information you would like to provide in addition to the answers in the main section of the application: