

## Corporate Directors & Officers Liability and Employment Practices Liability

### APPLICATION

ALL QUESTIONS MUST BE ANSWERED AND APPLICATION MUST BE SIGNED BY APPLICANT.

**THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY. PLEASE READ YOUR POLICY CAREFULLY.**

Defense Costs shall be applied against the retention.

1. Name of Organization \_\_\_\_\_  
Primary Address \_\_\_\_\_  
Web Site Address \_\_\_\_\_
  
2. Description of operations \_\_\_\_\_ Date Incorporated \_\_\_\_\_
  
3. Are there any subsidiaries?     Yes     No  
Please provide for each: Name, Date Established; Location; Operations; Ownership; Assets; Employees.
  
4. Name and Title of Officer designated to receive all notices on behalf of all Insureds \_\_\_\_\_
  
5. Current and Prior Insurance  
D&O:    Co. \_\_\_\_\_ Exp. \_\_\_\_\_ Premium \_\_\_\_\_ Limits/Retention \_\_\_\_\_  
EPL:    Co. \_\_\_\_\_ Exp. \_\_\_\_\_ Premium \_\_\_\_\_ Limits/Retention \_\_\_\_\_  
E&O:    Co. \_\_\_\_\_ Exp. \_\_\_\_\_ Premium \_\_\_\_\_ Limits/Retention \_\_\_\_\_  
Fiduciary: Co. \_\_\_\_\_ Exp. \_\_\_\_\_ Premium \_\_\_\_\_ Limits/Retention \_\_\_\_\_  
Crime:    Co. \_\_\_\_\_ Exp. \_\_\_\_\_ Premium \_\_\_\_\_ Limits/Retention \_\_\_\_\_
  
6. Ownership. If any response is "Yes", please explain fully in an attachment to this application.
  - a) Number of shares outstanding. Voting \_\_\_\_\_ Non Voting \_\_\_\_\_
  - b) Number shareholders or members. Voting \_\_\_\_\_ Non Voting \_\_\_\_\_
  - c) Number of shares/interests owned by the directors and officers (direct and beneficial). \_\_\_\_\_
  - d) Is the applicant a Subsidiary of another Organization?     Yes     No  
Name of Parent. \_\_\_\_\_
  - e) Does any shareholder own 10% or more of the voting shares directly or beneficially? . . . .  Yes     No  
Please attach list of names and percentage ownership interest.
  - f) Are there any other securities convertible to voting stock? . . . . .  Yes     No
  - g) Have any shares of the Organization been publicly traded within the last 3 years? . . . . .  Yes     No
  
7. Management. If "Yes", please explain fully in an attachment to this application.
  - a) Have there been any changes in the Board of Directors or Senior Management in the past 3 years for reasons other than expiration of term, death or retirement? . . . . .  Yes     No
  - b) Has the Organization changed outside auditors in the last 3 years? . . . . .  Yes     No
  - c) Have any auditors found any material weaknesses in Organization's system of internal controls? . . . . .  Yes     No
  - d) Has the Organization violated or breached any debt covenant, loan agreement or other material obligation in the past 3 years? . . . . .  Yes     No
  
8. Has the Organization in the past 36 months completed or agreed to, or does it contemplate within the next 12 months, any of the following, whether or not such transactions are or will be completed?  
If "Yes", please explain fully.
  - a) Merger, acquisition or consolidation with another entity? . . . . .  Yes     No
  - b) Sale, distribution or divestiture of more than 25% of assets or stock of the Organization? .  Yes     No
  - c) Any registration for a public offering? . . . . .  Yes     No
  - d) Any private placement? . . . . .  Yes     No
  - e) Reorganization or formal arrangement with creditors? . . . . .  Yes     No

9. Total number of employees.

	<b>Current 12 months</b>	<b>Prior 12 months</b>	<b>Anticipated next 12 months (If operating less than 5 years)</b>
Full Time:	_____	_____	_____
Part Time:	_____	_____	_____
Temporary/Seasonal:	_____	_____	_____
Independent Contractors:	_____	_____	_____
Leased:	_____	_____	_____

10. Is more than 20% of the Organization's work force located in a state other than that shown in Item 1?

Yes  No If yes, please provide the number of workers at each location.

11. Percentage of employees with total compensation including salaries, bonuses and commissions?

\$51,000 to \$100,000 \_\_\_\_\_ Over \$100,000 \_\_\_\_\_

12. Has the Organization closed any facilities, downsized, or otherwise reduced staff in the past 12 months?

Yes  No

Does the Organization anticipate doing so in the next 12 months?  Yes  No If yes, please attach details.

13. Number of employees involuntarily terminated or laid off in the past 12 months? \_\_\_\_\_ past 24 months? \_\_\_\_\_

14. Does the Organization have a human resources manager?  Yes  No

If "No", please advise who performs this function. \_\_\_\_\_

15. Does the Organization have an Employment Handbook? .....  Yes  No

Does it include an "Employment at will" statement? .....  Yes  No

Does it state it is "not a contract of employment"? .....  Yes  No

16. Does the Organization have a written Sexual Harassment Guideline? .....  Yes  No

Does it address harassment against third parties including customers,  
vendors and independent contractors? .....  Yes  No

17. Does the Organization have a written Anti-Discrimination (Equal Opportunity Employer) Guideline?

Yes  No

Does it address discrimination against third parties including customers, vendors and  
independent contractors?  Yes  No

18. Does the Organization have a written Guideline or policy regarding use of E-mail, Internet and similar  
systems?  Yes  No

**If the answer to any of item #'s 15-18 is "Yes", please attach copies of your Handbook and Guidelines.**

**If the answer to any of item #'s 15-17 is "No", please make sure you comply with item #23.**

19. Within the last 5 years has the Organization or any individual proposed for Insurance received any inquiry, complaint or notice of hearing from any Municipal, State or Federal Regulatory Authority or Congressional or Legislative Committee (including, but not limited to, Equal Employment Opportunity Commission (E.E.O.C.), and State Human Rights cases)?  Yes  No If Yes, please explain.
20. Within the last 5 years, has any claim been made or is now pending, against the Organization, or any person proposed for Insurance in the capacity of Director, Officer, or Employee of the Organization?  Yes  No **IF "YES", ATTACH DETAILS INCLUDING DESCRIPTION; DATE; CLAIMANT; AMOUNTS OF DEFENSE AND INDEMNITY PAYMENTS/RESERVES; WHETHER COVERED BY INSURANCE; REMEDIAL MEASURES TAKEN.)**
21. Is any person or entity proposed for this Insurance aware of any fact, circumstance or situation which may result in a claim against the Organization or any of its Directors, Officers, or Employees?  Yes  No If Yes, please explain.
22. Within the past 5 years, has any customer, vendor, independent contractor or other third party made a claim alleging sexual harassment or discrimination, is any such claim now pending against any entity or person proposed for this insurance or is any entity or person proposed for this insurance aware of any fact, circumstance or situation which may result in a claim of harassment or discrimination by a third party?  Yes  No If yes, please provide full details.
23. As President or Chairman of the Board of the applicant, I certify that the guidelines I have checked below have been implemented and distributed or will be implemented and distributed to each employee within 30 days of the effective date of the policy. United States Liability Insurance Group will attach an endorsement to the policy stating that failure to implement the guidelines I have checked below shall be grounds for denial of employment claims by the United States Liability Insurance Group. Sample guidelines are available upon request.

All applicants must place a ✓ in each box for number 1 and 2 below certifying each has been or will be implemented as stated above.

1)  Anti-Sexual Harassment Policy  
(inclusive of the following):

- Definition of Sexual Harassment
- Company will not tolerate this behavior
- Procedure for reporting and who to report it to \*
- Consequences of violating the policy

2)  Anti-Discrimination Policy  
inclusive of the following):

- Applies to employees and applicants for employment
- Identifies who a violation should be reported to
- Identifies each of the following classes:  
Race • Color • Creed • Age • Sex  
National Origin • Disability \* • Religion

A ✓ must be placed in each box for number 3 and 4 below certifying each has been or will be implemented as stated above **only** if a handbook is already in place or will be implemented by the applicant.

3)  "Employment at Will" (sample wording is available upon request)

4)  "Contract Disclaimer" (sample wording is available upon request)

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

President or Chairman of the Board

**REQUIRED INFORMATION**

- A. Completed Application signed and dated by the President or Chairman of the Board and the Human Resource Manager (or individual responsible for the human resource function).
- B. Copy of the employment application.
- C. Most recent audited financial statement.
- D. Any registration statements filed with the SEC or any private placement memorandums within the last 12 months.
- E. List of Directors and Officers

The undersigned represents that to the best of his/her knowledge and belief the particulars and statements set forth herein are true and agree that those particulars and statements are material to the acceptance of the risk assumed by the Company. The undersigned further declares that any claim, incident or event taking place prior to the effective date of the insurance applied for which may render inaccurate, untrue, or incomplete any statement made will immediately be reported in writing to the Company and the Company may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The Company is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Company not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Company and shall not estop the Company from relying on any statement in this Application. The signing of this Application does not bind the undersigned to purchase the insurance, nor does the review of this Application bind the Company to issue a policy. It is understood the Company is relying on this Application in the event the Policy is issued. It is agreed that this Application, including any material submitted therewith, shall be the basis of the contract should a policy be issued and it will be attached and become a part of the policy.

**ARIZONA AND OREGON FRAUD STATEMENT:** 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 MAY BE SUBJECT TO A CIVIL PENALTY.

**PENNSYLVANIA FRAUD STATEMENT:** 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.

**UTAH, CONNECTICUT, OHIO FRAUD STATEMENT:** 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 OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

**VIRGINIA FRAUD STATEMENT:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD AN INSURER, SUBMITS AN APPLICATION FOR INSURANCE OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

**FRAUD STATEMENT (ALL OTHER STATES):** 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 SUCH VIOLATION.

IF THE PRIMARY ADDRESS OF THE LOCATION LISTED IN ITEM #1 IS IN THE STATE OF NEW YORK OR FLORIDA, THE STATES OF NEW YORK AND FLORIDA REQUIRE THAT WE HAVE THE NAMES AND ADDRESS OF YOUR (INSURED'S) AUTHORIZED AGENT OR BROKER.

NAME OF AUTHORIZED AGENT OR BROKER. \_\_\_\_\_  
 ADDRESS. \_\_\_\_\_  
 AGENT OR BROKER LICENSE NUMBER: \_\_\_\_\_

Signature \_\_\_\_\_ Signature \_\_\_\_\_  
 (Chairman of the Board or President) (Human Resource Manager or individual performing this function)

Title: \_\_\_\_\_ Date \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_