

Professional Underwriters Agency, Inc.

**APPLICATION FOR
EMPLOYMENT PRACTICES LIABILITY INSURANCE
WITH THIRD-PARTY DISCRIMINATION COVERAGE**

THIS IS AN APPLICATION FORM FOR A CLAIMS MADE POLICY

INSTRUCTIONS:

1. Answer all questions (if not applicable, show N/A) and attach all additional information/explanations as required.
2. Applications must be dated and have two signatures.
3. "Applicant" refers to the company, its predecessors, and all proposed Insureds, including Subsidiaries.
4. PLEASE READ STATEMENT AT END OF APPLICATION CAREFULLY.

I. General Information

A. Name and address of Applicant: _____

B. Person to contact: _____
(name, title, telephone)

C. Corporation Professional Corporation Partnership Other
(Please specify)

N.A.I.C Code or SIC Code (If N.A.I.C Code is Unkown) _____

D. Describe nature of the Applicant's business: _____

E. Number of other locations (indicate states/countries): _____

F. Does the Applicant seek coverage for Subsidiaries (50% or more owned and wholly controlled by the entity identified in "A" above)? Yes No
(If Yes, please identify Subsidiaries on a separate sheet and all Application information should include information for each Subsidiary)

G. How long has the Applicant been in business? _____ Years

H. How long has the Applicant been under current management? _____ Years

- I. In the past twelve (12) months, has your total number of employees decreased by more than ten percent (10%) or five (5) employees, whichever is **greater**, through any reduction in force, systematic lay-off or by closure of any division, office or facility that you own or operate? Yes No
(If Yes, please complete the Reduction In Force supplement (I))
- J. In the next twelve (12) months, do you anticipate the total number of your employees to decrease by more than ten percent (10%) or five (5) employees, whichever is **greater**, through any reduction in force, systematic lay-off or by closure of any division, office or facility that you own or operate? Yes No
(If Yes, please complete the Reduction In Force supplement (J))
- K. If, during the next 12 months, circumstances of which you are currently unaware make it necessary for you to decrease the number of your Employees by ten percent (10%) or five (5) Employees, whichever is greater, through the implementation of any reduction in force, systematic lay-off or by closure of any division, office or facility that you own or operate (with any such reduction, lay-off or closure not known, anticipated or planned by you as of the date of this Application), do you agree that you will consult with, and adopt the advice of, a lawyer who specializes in labor and employment law (may include in-house counsel, but only if that counsel is qualified and experienced in the practice of labor and employment law) as respects the implementation of such reduction, lay-off or closure? Yes No
- L. Does the Applicant anticipate any merger, acquisition, or addition of any operations that would comprise a twenty five percent (25%) or ten (10) employees, whichever is **greater**, increase over the current number of employees? Yes No
(If Yes, please provide full details on a separate sheet)
- M. Has the proposed coverage ever been purchased before, whether specifically or as a part of or addition to another coverage? Yes No
- | <u>Year</u> | <u>Type of Coverage</u> | <u>Carrier</u> | <u>Limit</u> | <u>Deductible</u> | <u>Premium</u> |
|-------------|-------------------------|----------------|--------------|-------------------|----------------|
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
- N. Has any insurer ever canceled or non-renewed the Applicant or its predecessor for this type of coverage? Yes No
(If Yes, please provide details on a separate sheet)

II. Financial Information

- A. Please answer the following four (4) questions for the Insured Company, including its subsidiaries, for the most recent fiscal year end:
- i) What are the Applicant's total assets? \$ _____
- ii) What are the Applicant's total gross revenues? \$ _____

- iii) Does the Applicant currently have: Net Income or Net Loss Amount \$ _____
- iv) Does the Applicant currently have: Positive Cashflow or Negative Cashflow Amount \$ _____

- B. Has an auditor in the previous two (2) fiscal years recommended a “going concern” opinion of the financial information for the Applicant? Yes No
(If Yes, please provide details on a separate sheet)

III. Loss History

- A. Furnish details of all Wrongful Employment Practice Claims (as those terms are defined in the Policy) against the Applicant within the last 5 years. None See attached
(Please include all demands and lawsuits, as well as all charges, inquiries, investigations, grievance or other proceedings before the Equal Employment Opportunity Commission, or any other governmental agency with responsibility for employment practices.)

Total number of Claims in the last 5 years _____

PLEASE PROVIDE A FULL DESCRIPTION OF EACH CLAIM ON A SEPARATE SHEET.

- B. Does any director, officer, shareholder, principal, or employee with personnel responsibility have knowledge of any circumstances that could give rise to a Claim or in any other way suspect that a Claim may be brought? Yes No

PLEASE PROVIDE A FULL DESCRIPTION OF EACH CIRCUMSTANCE ON A SEPARATE SHEET.

For example, but not by way of limitation, it would be reasonable for you to foresee that a Claim may be brought against you if a current or former employee, including officers, or an applicant for employment, has expressed dissatisfaction with the employment relationship or the employment application process by:

- i) *making a formal complaint to an officer, principal, or supervisory employee of unfair employment practices;*
- ii) *otherwise complaining of discrimination, harassment, or unfair treatment;*
- iii) *threatening to hire an attorney; or*
- iv) *asking for a severance package in excess of what was offered.*

The Applicant acknowledges that any Claims, or Claims later arising from circumstances reported, or that should have been reported, in this Section II will be excluded from coverage.

IV. Employees (including Subsidiary employee information on a separate sheet)

- A. Number of employees: Full Time: _____ Part Time: _____
- B. Salary ranges (*including bonuses, dividends and commissions*) Number of full time employees Number of part time employees
- | | | | |
|------------------------|---|-------|-------|
| \$ 50,000 or less | : | _____ | _____ |
| \$ 50,001 to \$100,000 | : | _____ | _____ |
| \$100,001 and over | : | _____ | _____ |
- C. Does the Applicant use seasonal or temporary employees? Yes No
If so, when and how many? _____
Are these employees included in A and B above? Yes No
- D. Does the Applicant use leased workers? Yes No
If yes, how many have been retained by the Applicant in the past 12 months? _____
Are these employees included in A and B above? Yes No
- E. Does the Applicant use independent contractors? Yes No
If Yes, how many work solely for the Applicant? _____
- F. How many employees are covered by collective bargaining or other union agreements? _____
- G. In the past 12 months, how many officers have left your employ? _____
Of the above, how many were terminated? _____
- H. In the past 12 months, how many other employees have left your employ? _____
Of the above, how many were terminated? _____

V. Human Resources

- A. Does the Applicant have written employment agreements with all officers? Yes No
- B. Have the Applicant's managers and/or supervisors attended training and education programs/seminars on sexual harassment and other types of discrimination within the last 12 months? Yes No
If Yes, who has attended? _____
If Yes, who conducts the sessions? _____
- C. Does the Applicant have its employment policies/procedures reviewed by labor or employment counsel? Yes No
If Yes, identify the firm and date of last review: _____

- | | | | |
|----|--|-----|----|
| D. | Does the Applicant have a Human Resources or Personnel Department?
If No, who handles this function _____ | Yes | No |
| E. | Does the Applicant have an employee handbook?
If Yes, does the Applicant distribute it to all employees?
If Yes, do all employees sign for its receipt?
If Yes, does it expressly state that it is not a contract and that employment is "at will"? | Yes | No |
| F. | Does the Applicant have written procedures for handling employee complaints of discrimination and/or sexual harassment? | Yes | No |
| G. | Does the Applicant require all terminations to be reviewed by:
The person in charge of human resources?
Outside counsel? | Yes | No |
| H. | Does the Applicant maintain a personnel file for each employee? | Yes | No |

VI. Third-Party Information

- | | | | |
|----|--|-----|----|
| A. | Estimated number of employees with customer/client contact: _____ | | |
| B. | Has the Applicant or its predecessors ever received a complaint, formal or informal, from a non-employee, such as a customer, client, or prospective customer or client complaining about discrimination or harassment by the Applicant or any employee of the Applicant?
<i>(If Yes, please provide details on a separate sheet)</i> | Yes | No |
| C. | Does the Applicant conduct staff training on client and customer relations issues such as avoiding discriminatory behavior? | Yes | No |
| D. | Are there procedures for reporting and dealing with complaints by customers/clients? | Yes | No |
| E. | Is the Applicant in compliance with Title III of the Americans with Disabilities Act (building and premises requirements)? | Yes | No |

VII. Other Material Facts

- | | | | |
|----|---|------|--------------|
| A. | Please declare any other Material Facts on a separate sheet.
(If there are no other Material Facts, please check "None") | None | See attached |
|----|---|------|--------------|

A Material Fact is one likely to influence assessment of this risk, the premium charged or the terms and conditions imposed by Underwriters. If you are in any doubt as to whether a fact would be considered material, you should disclose it. All the information requested in this proposal is material.

Please also ensure that any additional information is attached where applicable.

The Applicant warrants after full investigation and inquiry that the statements set forth herein are true and include all material information.

The Applicant on behalf of all proposed Insureds further warrants that if the information supplied on this application changes between the date of this application and the inception date of the Policy, it will immediately notify Underwriters of such change. Signing of this application does not bind Underwriters to offer, nor the Applicant to accept, insurance, but it is agreed that this application shall be the basis of the insurance and will be attached and made a part of the Policy should a policy be issued.

_____	_____	_____
Date	Signature of Applicant's Authorized Principal or Officer	Title

_____	_____	_____
Date	Signature of Applicant's Authorized Human Resources Representative	Title

(PLEASE NOTE THAT BOTH DATED SIGNATURES ARE REQUIRED)

