

**EMPLOYMENT-RELATED PRACTICES LIABILITY
INSURANCE APPLICATION**

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

THIS POLICY APPLIES ON A DEFENSE WITHIN LIMITS BASIS. ANY DEFENSE COSTS PAID UNDER THIS COVERAGE WILL REDUCE THE LIMIT OF INSURANCE BY UP TO 50%. UP TO 50% OF THE RETENTION AMOUNT WILL BE PAYABLE FOR DEFENSE COSTS.

I. CORPORATE HISTORY

- 1) Describe the firm's operations:

- 2) Number of years in business? _____

- 3) Have you had any plant, facility, branch or office closings, consolidations, layoffs or staff reductions (greater than 10% of the workforce), mergers or acquisitions within the past 24 months or, do you anticipate any of the above within the next 12 months? Yes No
If yes, please provide details on the supplemental application attached.

- 4) Does the organization have any contracts with or receive financial assistance from the Federal Government? Yes No
If yes, please provide details on the supplemental application attached.

II. EMPLOYEES

- 5) By state, please list the total number of locations and employees, broken down by Full time employees (FT), Part time employees* (PT), Temporary/Leased workers (TL), and Independent contractors** (IC) for each of the last 3 calendar years:

| <u>1. Last Full Year (1/1 thru 12/31)</u> | | | | | | <u>2. Last Full Year Prior to 1.</u> | | | | | |
|---|-------------------------------------|-------------|------------------|-----------|-----------|---|-------------------------------------|-------------|-------------|-------------|-------------|
| <u>State</u> | <u>Number of Locations by State</u> | <u># FT</u> | <u>Employees</u> | | | <u>State</u> | <u>Number of Locations by State</u> | <u># FT</u> | <u># PT</u> | <u># TL</u> | <u># IC</u> |
| | | | <u>#</u> | <u>PT</u> | <u>TL</u> | | | | | | |
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| Totals | | | | | | Totals | | | | | |
| <u>3. Last Full Year Prior to 2.</u> | | | | | | * Defined as employees working less than 32 hours per week/1600 per year. ** Independent Contractors are not covered under the basic policy, but their use must be reported. If you desire coverage for potential claims by independent contractors, please use the Supplemental Application attached. | | | | | |
| <u>State</u> | <u>Number of Locations by State</u> | <u># FT</u> | <u>Employees</u> | | | | | | | | |
| | | | <u>#</u> | <u>PT</u> | <u>TL</u> | | <u># IC</u> | | | | |
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| Totals | | | | | | | | | | | |

6) Percent of workforce that have been union members in the last three calendar years:
Last _____ First Prior _____ Second Prior _____

7) Breakdown of current Full Time employees by their total cash compensation (salary + bonus):

| Salary ranges | # of Employees | % of total |
|-------------------------------|-----------------------|-------------------|
| \$30,000 or less per year | _____ | _____ |
| \$30,001 - \$100,000 per year | _____ | _____ |
| Over \$100,000 per year | _____ | _____ |
| Total | _____ | _____ |

8) Turnover

Number of Full Time and Part Time employees terminating employment (whether initiated by employer or employee) during the year divided by the total at the start of the year (e.g. Total employees; at start of year = 100; Number of employees terminating employment during year = 5; $5 \div 100 = 5\%$):

Last full calendar year _____ % Next Prior _____ % Next Prior _____ %

9) Total number of employer initiated terminations of F/T and P/T employees for last three calendar years:

Last full calendar year _____ Next Prior _____ Next Prior _____

III. LOSS HISTORY

10) Within the last 5 years has the firm, inclusive of predecessor firms, or any individual proposed for this insurance:

a) received any employment related inquiry, complaint or charge from any municipal, state, or federal regulatory authority or any other governmental entity? Yes No

b) had a claim, suit, grievance, or demand been brought against them? Yes No

If Yes to either, explain each on the supplemental application attached:

11) Are you aware of any facts, incidents, or circumstances which may result in a claim(s) being made against you? Yes No

If yes, explain on the supplemental application attached.

IV. HUMAN RESOURCES FUNCTION

12) a. Who is responsible for the Human Resources or Personnel functions?

Name _____ Title _____

b. Who is designated to handle all employment-related incidents?

Name _____ Title _____

13) Do you make use of any of the following tests screen employment applicants, to promote employees, or for the purpose of continuing employment?

a) Psychological or personality tests: Yes No

b) Drug or alcohol tests Yes No

c) Pre employment offer medical tests Yes No

If yes, provide details on the supplemental application attached.

V. INSURANCE INFORMATION

14) Do you currently carry Employment-Related Liability Insurance? Yes No
If yes, please provide:
Insurer: _____ Limit: _____ per claim: _____ agg
Policy Period: _____ Retroactive Date: _____
Retention Amount : _____ Co-Insurance Amount: _____
Premium: _____

15) Has any insurer ever canceled or non-renewed this type of coverage? Yes No
If yes, provide details on supplemental application attached.

16) Current GL or BOP carrier? _____
Limit of Liability _____

17) Check desired limits of liability (per claim/aggregate):
 \$100,000 / \$100,000 \$250,000 / \$250,000
 \$500,000 / \$500,000 \$1,000,000 / \$1,000,000

18) Check desired:
a) Retention (per claim)
 \$5,000 (standard) \$10,000 \$25,000 \$50,000 \$100,000
b) Coinsurance Retention (not applicable to the Small Biz program or any policy that includes a \$100,000 Limit of Liability)
 0% (standard) 5% 10%
Per Claim Cap
 \$25,000 \$50,000

VI. RISK MANAGEMENT PRACTICES

19 a) Have all your employment related policies and procedures been reviewed and approved by outside counsel? Yes No
If yes, when? _____
By whom? Firm: _____ Atty: _____

b) Have all recommendations from that review been implemented? Yes No
If not, explain or provide timeframe for implementation on supplemental application attached.

20) Do you use an employment application during your hiring process? Yes No
If yes, does it contain:
a. An employment at will statement? Yes No
b. Authorization to check references & criminal conviction records? Yes No
c. The applicant's signature attesting that all representations are true? Yes No
d. An equal employment opportunity statement? Yes No

- 21) Do you distribute an employment handbook to your employees? Yes No
 If yes, does it contain:
- a. an employment at will statement? Yes No
 - b. a written equal employment opportunity statement? Yes No
 - c. a written anti-sexual and general harassment policy? Yes No
 - d. a written internal complaint procedure for discrimination and sexual harassment claims? Yes No
- If no do you have written policies on all of the above that are distributed separately? Yes No
- Specify any that are not:**
- 22) Do you have a progressive disciplinary program? Yes No
 If yes, is it distributed to supervisors in writing? Yes No
- 23) Do you post, in places conspicuous to all employees and applicants for employment, all notices required by law? Yes No
- 24) When requested by employees, do you distribute information as required by federal law regarding the Family Medical Leave? Yes No
- 25) Do you require that all employment terminations be reviewed by the personnel having human resources responsibilities? Yes No
- 26) Have you informed supervisory personnel, in writing, of their responsibility to provide you with prompt notice of any claims, incidents or allegations? Yes No

VII. ADDITIONAL INFORMATION

Please attach each of the following, if they exist:

- Employee handbook
- Employee grievance, disciplinary, termination, and out-placement procedures
- Employment application Form(s)
- EEO and Discrimination and Sexual Harassment Policy
- Separation Agreement Form

THE UNDERSIGNED REPRESENTS TO THE BEST OF HIS OR HER BELIEF AND KNOWLEDGE, AFTER REASONABLE INQUIRY AND DUE DILIGENCE, THE STATEMENTS SET FORTH IN THIS APPLICATION AND ANY SUPPLEMENTS THERETO ARE TRUE AND CORRECT.

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 INSURER. AS A RESULT, THE INSURED MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATION OR AGREEMENT TO BIND THE INSURANCE.

THE FIRM UNDERSTANDS AND AGREES THIS APPLICATION AND ANY SUPPLEMENTS THERETO SHALL BE INCORPORATED INTO ANY POLICY THAT MAY BE ISSUED AND THE UNDERWRITERS ARE RELYING ON THE TRUTH OF THE STATEMENTS SET FORTH HEREIN IN MAKING A DETERMINATION TO ISSUE ANY POLICY.

THE UNDERSIGNED INDIVIDUAL REPRESENTS HE OR SHE IS DULY AUTHORIZED AND EMPOWERED TO MAKE THIS APPLICATION, INCLUDING THIS REPRESENTATION, ON BEHALF OF THE FIRM OR ANY INDIVIDUAL WHO MAY SEEK COVERAGE UNDER ANY BINDER OR INSURANCE POLICY ISSUED IN RELIANCE HEREON.

THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE. IT IS AGREED, HOWEVER, THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT AND IS BEING RELIED UPON BY THE COMPANY SHOULD A POLICY BE ISSUED. IF A POLICY IS ISSUED, THIS APPLICATION WILL BE DEEMED ATTACHED TO AND MADE A PART OF THE POLICY, WHETHER PHYSICALLY ATTACHED OR NOT.

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 each such violation.

Signatures of:

Sole Proprietor, Partner, Manager (if Limited Liability Company), or President or Chairman (if Corporation): _____

Dated: _____

Individual responsible for Human Resources function: _____

Dated: _____

NOTE: Attached Supplement must be completed when you are interested in coverage for independent contractors or if you have answered "yes" to questions 3, 4, 10, 11, 13, 15 or 19 above.

Supplemental Application

To be completed by any applicant with "Yes" responses to questions **3, 4, 10, 11, 13, 15** or **19** on the standard application, or interest in coverage for independent contractors.

- 3)** Details of plant, facility or branch office closings, consolidations, layoff/staff reductions (greater than 10% of the workforce), mergers or acquisitions within the past 24 months

Details on any of the above anticipated in the next 12 months

- 4)** Description of contacts with Federal Government, including revenue size and any financial assistance.

Is there an affirmative action plan?

Y ___ N ___

If yes, please attach a copy and describe reason for implementing.

- 5)** Details of all independent contractor contracts for which you would want coverage under this insurance for claims brought by such contract workers. Include number of workers, type of work, approximate average hours/week and/or months of use, and whether workers are primarily on site or off.

- 10) a.** Details of any employment-related inquiry, complaint, charge, from any municipal, state, or federal regulatory authority or any other governmental entity within the last 5 years: (Provide date, complete description, amount demanded, and amount paid and/or reserved.)

- b.** Details of any claim, suit, grievance, or demand within the last 5 years:
(Provide date, complete description, amount demanded, and amount paid and/or reserved.)

- 11)** Details of any facts, incidents, or circumstances which may result in a claim(s) being made against you:

13) Tests used to screen employment applicants, to promote employees, or for the purpose of continuing employment.

Describe:

- a) type of test;
- b) how the test is administered, i.e.: to all employees or segments of, please detail procedures; and
- c) Company creating test and validation documentation.

15) Details of canceled Employment Practices Liability Insurance:

Carrier:

Cancellation Date

Reason:

19) Explain any recommendations made by outside counsel which have not been implemented, and reason why or timeframe to complete.