



**APPLICATION FOR
COMBINED EMPLOYMENT PRACTICES, DIRECTORS &
OFFICERS , FIDUCIARY and CRIME POLICY**

INSTRUCTIONS:

1. Answer all questions (if not applicable, show N/A) and attach all additional information/explanations as required.
2. Application must be dated and signed.
3. "Applicant" refers to the company, its predecessors, and all proposed Insureds, including Subsidiaries.

I. General Information

- A. Name and address of Applicant: _____

- B. Person to contact: _____
(name, title, telephone, email) *(This individual is hereby designated to receive any and all notices from Underwriters or their authorized representatives concerning this insurance)*
- C. Web-site address _____
- D. Describe nature of the Applicant's business: _____

- E. How long has the Applicant been under current management? _____ Years
- F. Does the Applicant anticipate any merger, acquisition, or addition of any operations that would comprise a twenty percent (20%) or more increase over the current number of employees? Yes No
(If yes, please provide details on a separate sheet)
- G. Does the Applicant anticipate any merger, acquisition, or addition of any operations that would comprise a twenty percent (20%) or more increase over the current number of employees? Yes No
(If yes, please provide details on a separate sheet)

H. 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 (H))

I. 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 (I))

J. 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

K. Has the proposed coverage ever been purchased before, whether specifically or as a part of or addition to another coverage? Yes No
(If yes, please indicate specific coverage – EPL, D&O, Fiduciary or Crime)

<u>Year</u>	<u>Type of Coverage</u>	<u>Carrier</u>	<u>Limit</u>	<u>Deductible</u>	<u>Premium</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

L. Has any insurer ever canceled or non-renewed the Applicant or its predecessor for any of these coverages? Yes No
(If yes, please provide details on a separate sheet)

M. Request: Please attach a copy of the latest audited financials or, if not previously audited, please complete the following for the most recently concluded fiscal year:

Annual Revenue:	_____	Current Assets:	_____
Operating Income:	_____	Current Liabilities:	_____
Net Income:	_____	Total Assets:	_____
Annual Interest:	_____	Total Long Term Debt:	_____
Shareholder Equity:	_____	Total Liabilities:	_____

For Fiscal Year Ending: ____/____/_____

II. Employees

(To be completed by Applicants requesting EPL Coverage; please include all Subsidiary employee information on 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
\$ 75,000 or less :	_____	_____
\$ 75,001 to \$150,000 :	_____	_____
\$150,001 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? _____
 Do you want coverage for these Independent Contractors? Yes No
- F. In the past 12 months, how many officers have left your employ? _____
 Of the above, how many were terminated? _____
- G. In the past 12 months, how many other employees have left your employ? _____
 Of the above, how many were terminated? _____

III. Human Resources

- A. 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? _____

- B. Are any classes of shares publicly traded? Yes No
- C. Does any person or entity own 10% or more of any class of shares issued by the Applicant? Yes No
(If yes, please provide details on a separate sheet)
- D. Has the Applicant at any time over the last three years been in breach of any debt covenants or loan agreements? Yes No
(If yes, please provide details on a separate sheet)
- E. Has the Applicant at any time over the last three years changed its auditors, outside counsel or outside securities counsel? Yes No
(If yes, please provide details on a separate sheet)

Provide the name of the Applicant's:

Outside Counsel: _____

Outside Securities Counsel: _____

- F. Has the Applicant:
- (1) filed within the past 12 months or does it contemplate filing within the next 12 months any registration statement with the Securities and Exchange Commission for a public offering of securities? Yes No
(If yes, attach a copy of prospectus)
 - (2) issued within the past 12 months or does it contemplate issuing within the next 12 months any shares (common or otherwise)? Yes No
(If yes, please provide details on a separate sheet)
 - (3) any plans within the next 12 months for any merger, acquisition, consolidation or tender offer? Yes No
(If yes, please provide details on a separate sheet)
- G. In the last 2 years, has any auditor rendered a 'going concern' opinion for the financial statement of the Organization? Yes No
(If yes, please provide details on a separate sheet)

VI. Fiduciary Liability Information

(To be completed by Applicants requesting Fiduciary Liability Coverage)

- A. Does the Applicant have more than 5 plans to be covered under the proposed insurance? Yes No
(If the answer is yes, please provide details on a separate sheet)
- B. Indicate the type of plans to be assured:
- 1) Pension Yes No
 - 2) Welfare Sharing Yes No
 - 3) Profit Sharing Yes No
 - 4) Employee Stock Ownership Yes No
 - 5) 401k Yes No
 - 6) Defined Contribution Yes No
 - 7) Defined Benefit Yes No

- C. Total Number of Employees enrolled in all plans _____
- D. Total asset value of the combined plans for the most recent fiscal year _____
- E. Do all plans conform to the standards of eligibility, participation, vesting and other provisions of the Employee Retirement Income Security Act of 1974, as amended?
 Yes No
- F. Are the plans reviewed at least annually to assure that there are no violations of any plan trust agreements, prohibited transactions or party in interest rules? Yes No
- G. Are any plans under funded by more than 30%?
(If the answer is yes, please provide details on a separate sheet) Yes No
- H. Does the Applicant have any delinquent contributions to any plan?
(If the answer is yes, please provide details on a separate sheet) Yes No
- I. Have any of the plans been terminated, suspended, merged or dissolved within the last 24 months?
(If the answer is yes, please provide details on a separate sheet) Yes No
- J. Does the Applicant anticipate terminating, suspending, merging or dissolving any plans within the next 18 months?
(If the answer is yes, please provide details on a separate sheet) Yes No
- K. Are more than 10% of the assets of any plan, other than an Employee Stock Ownership Plan, invested in any securities of or loan to the Applicant?
(If the answer is yes, please provide details on a separate sheet) Yes No

VII. Crime Liability Information

(To be completed by Applicants requesting Crime Liability Coverage)

- A. Number of officers and employees who handle, have custody of or maintain records of money, securities or other property _____
- B. Is there an annual audit or review performed by an independent CPA on the books and accounts, including a complete verification of all securities, shares and bank balances?
 Yes No
- C. Are bank accounts reconciled by someone not authorized to deposit or withdraw from those accounts? Yes No
- D. Is counter signature of checks required? Yes No
- E. Are pre-authorized controls maintained for all programmers and operators?
 Yes No
- F. Do audit practices include tests to detect unauthorized programming changes?
 Yes No

- G. Are computerized check writing operations segregated from departments that authorize checks? Yes No

VIII. Loss History and Known Circumstances

- A. (To be completed by all Applicants:)

Does any director, officer, trustee, fiduciary, shareholder, principal or, with respect to Employment Practices Liability Insurance only, any employee with personnel responsibility, have any knowledge of any fact, circumstance, situation, event or transaction that could give rise to a Claim or in any other way suspect that a Claim may be brought?

(If yes, please provide details on a separate sheet)

Yes No

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.*

- B. (To be completed by Applicants for EPL Coverage:)

Please provide the 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 provide a full description of each claim on a separate sheet and please include copies of all demands and lawsuits, as well as all charges, inquiries, investigations, grievances or other proceedings before the Equal Employment Opportunity Commission, or any other governmental agency with responsibility for employment practices.)

Total number of Wrongful Employment Practice Claims in the last 5 years _____

- C. Has the Applicant or any director, officer or other proposed Insured been involved in any of the following, including any pending matter (please answer only if indicated coverage requested):

For Directors and Officers Liability:

(1) any anti-trust, price-fixing, tax, copyright, or patent litigation? Yes No

(2) any representative actions, class actions, or derivative suits? Yes No

(3) any civil or criminal action or administrative proceeding, inquiry or investigation for violation of any federal or state law or regulation concerning securities? Yes No

(If the answer to (1), (2) or (3) is yes, please provide details on a separate sheet)

For Fiduciary Liability:

- D. (4) Within the last 5 years, has the Applicant for this insurance been the subject of or involved in any actual or alleged violation of the Employee Retirement Income Securities Act of 1974, as amended, or similar law?
 Yes No
(If the answer is yes, please provide details on a separate sheet)
- (5) Within the last 5 years, has the Applicant for this insurance been the subject of or involved in any actual or alleged breach of trust or fiduciary duty involving any employee benefit plan?
 Yes No
(If the answer is yes, please provide details on a separate sheet)

For Crime Liability:

- E. (6) Within the last 5 years, has the Applicant for this insurance had any experience which may, or potentially involve, peril of the type covered by this policy?
 Yes No

The Applicant and all Insureds acknowledge that any Claims, or Claims later arising from circumstances reported, or that should have been reported, in this Section VII will be excluded from coverage.

Please ensure that additional information, as requested in this application, is attached.

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 Chairman of the Board or President	_____ Title
_____ Date	_____ Signature of Applicant's Human Resources Representative	_____ Title

Reduction In Force Supplement (H)

- A. How many employees were laid off? _____
- B. What date(s) did the lay-off's take place? _____
- C. Did you consult with and follow the recommendations of a lawyer who specializes in labor and employment law as respects the implementation of such reduction, lay-off or closure? Yes No
- D. Were severance packages offered to all laid-off employees? Yes No
- E. Were signed releases gained from all laid-off employees? Yes No
- F. Were exit interviews completed with all laid-off employees? Yes No
- G. Did any of the laid off employees express that they were considering bringing any sort of complaint or claim? Yes No
- H. Please provide available details on the above.

Reduction In Force Supplement (I)

A. How many employees will be laid off? _____

B. What date(s) will the lay-off be effective? _____

C. Do you agree to consult with and follow the recommendations of a lawyer who specializes in labor and employment law as respects the implementation of such reduction, lay-off or closure? Yes No

D. Will severance packages be offered to all laid-off employees? Yes No

E. Will signed releases be gained from all laid-off employees? Yes No

F. Will exit interviews be completed with all laid-off employees? Yes No

G. Please provide available details on the above.

