

### Employment Practices Liability Insurance

#### CLAIMS MADE WARNING FOR APPLICATION

**THIS PROPOSAL FORM IS FOR A CLAIMS MADE POLICY, RELATING TO CLAIMS MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.**

Whenever printed in this Proposal Form, the terms in boldface type shall have the same meanings as indicated in the Policy. This Proposal Form is to be completed with respect to the entire Insured Entity. **Insured Entity** as used herein is defined to include the **Named Insured** and any **Subsidiaries**. Provide details to all "Yes" answers, when applicable, by attachment.

Name of **Named Insured**

Street Address

City State Zip Code

The Officer designated as agent of the **Insured Entity** and of all **Insureds** to receive any and all notices from the **Insurer** or their authorized representatives concerning this insurance:

Name	Title	E-Mail Address
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#### General Information

1. The **Named Insured** has been in continuous operation since: \_\_\_\_\_
2. (a) Primary Standard Industry Code (SIC): \_\_\_\_\_
- (b) Federal Employer Identification Number (FEIN) or Taxpayer Identification Number: \_\_\_\_\_
- (c) Describe the nature of the **Named Insured's** business: \_\_\_\_\_

3. Form of organization:     Corporation     Sole Proprietorship     Joint Venture  
 Partnership     Non-profit Organization     Other: \_\_\_\_\_

4. Is the **Insured Entity** a federal government contractor and/or subject to Executive Order No. 11246?  Yes  No

5. Has the **Insured Entity** been involved in any bankruptcy proceeding within the last 3 years or has the **Insured Entity** contemplated filing a petition for protection under the bankruptcy code within the next 12 months?  Yes  No

6. Provide the following information on all Subsidiaries of the **Insured Entity**. If "None", so state.  None

- |                                  |  |                         |
|----------------------------------|--|-------------------------|
| (a) Name                         | (c) Percent of ownership                         | (d) Nature of business  |
| (b) Date of acquisition/creation | (if less than 100 percent, list minority owners) | (e) Domestic or foreign |

7. Provide the following information on all plants, facilities, branches or offices of the **Insured Entity**. If "None", so state.  None

- |              |                        |  |
|--------------|------------------------|--|
| (a) Location | (b) Nature of business | (c) Estimated number of <b>Employees</b> |
|--------------|------------------------|--|

**IT IS UNDERSTOOD AND AGREED THAT COVERAGE IS NOT PROVIDED FOR SUBSIDIARIES IN QUESTION 6. UNLESS THE INFORMATION REQUESTED ABOVE IS PROVIDED BY ATTACHMENT. ALSO, PROVIDE DETAILS TO QUESTION 7. BY ATTACHMENT, AS APPROPRIATE.**

8. Has the **Insured Entity** had any **Subsidiary**, plant, facility, branch or office closings, consolidations or layoffs within the past 18 months, or anticipate any within the next 24 months?  Yes  No

9. Has the **Insured Entity** conducted any analysis or studies of any particular **Subsidiary**, plant, facility, branch or office which may relate to future restructuring of the **Insured Entity** or its workforce?  Yes  No

#### Current Employee Information

10. Have there been any changes in senior management in the last 3 years?  Yes  No

11. (a) Number of <b>Employees</b> :	Total Number		Voluntary Terminations		Involuntary Terminations	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Current Year						
Prior Year						
Two Years Ago						

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11. (b) Does the **Named Insured** employ, during the course of the year, more than 10 percent of its total workforce in seasonal laborers, or utilize temporary **Employees**?  Yes  No

12. Annual pay ranges:

	Number of Full Time <b>Employees</b>	Number of Part Time <b>Employees</b>
\$50,000 or less		
\$50,001 to \$100,000		
\$100,001 and over		

13. (a) Does the **Insured Entity** currently employ a full time Human Resources professional? Provide details below, as appropriate.  Yes  No  
 If "Yes", what is the name and title of the senior Human Resources professional?

Name: \_\_\_\_\_ Title: \_\_\_\_\_

If "No", what is the name and title of the person who performs the Human Resource function?

Name: \_\_\_\_\_ Title: \_\_\_\_\_

(b) Does the **Insured Entity** currently utilize employment counsel? Provide details below, as appropriate.  Yes  No

If "Yes", what is the name of the firm utilized? Firm: \_\_\_\_\_

14. Does the **Insured Entity** (details to "Yes" or "No" answers are not required by attachment):

(a) Utilize employment applications for all prospective **Employees**?  Yes  No

(b) Conduct reference checks on all prospective **Employees**?  Yes  No

(c) Use any tests, including drug or skill tests to screen applicants, or to promote or monitor **Employees**?  Yes  No

(d) Maintain a personnel file on each **Employee**?  Yes  No

(e) Maintain confidential and segregated **Employee** medical records?  Yes  No

(f) Have a document retention policy for all **Employee**/employment related documents?  Yes  No

If "Yes", how long are they retained? \_\_\_\_\_

(g) Inform all **Employees** in writing that their employment relationship is "at-will"?  Yes  No

(h) Require the Human Resource Department to review and approve each proposed **Employee** termination?  Yes  No

(i) Have outside employment counsel review each proposed **Employee** termination?  Yes  No

(j) Document each **Employee's** personnel file with all reasons for termination?  Yes  No

(k) Require any **Employee(s)** to retire upon attaining a certain age?  Yes  No

(l) Have written employment agreements with any **Employees**?  Yes  No

(m) Have collective bargaining agreements with any group of **Employees**?  Yes  No

(n) Maintain a written arbitration policy/procedure for employment related disputes?  Yes  No

(o) Maintain a written policy prohibiting Sexual Harassment and distribute that policy to all **Employees**?  Yes  No

(p) Have a policy prohibiting the display or distribution of material, whether printed or electronic, which may be deemed offensive to others, and distribute that policy to all **Employees**?  Yes  No

(q) Conduct mandatory periodic **Employee** education regarding prohibited forms of harassment?  Yes  No

(r) Periodically have its employment policies and procedures reviewed by outside employment counsel?  Yes  No

15. Indicate which formal written policies and procedures have been implemented and attach a copy of each. If "None", so state.  None

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Written Employee Evaluation Policy                | <input type="checkbox"/> Anti-Harassment Policy, including Sexual Harassment                      | <input type="checkbox"/> Anti-Discrimination Policy      |
| <input type="checkbox"/> Progressive Discipline Policy                     | <input type="checkbox"/> Adherence to Employment "at-will" relationship with all <b>Employees</b> | <input type="checkbox"/> Complaint / Grievance Procedure |
| <input type="checkbox"/> Human Resources Manual (or equivalent guidelines) |   | <input type="checkbox"/> Workplace Safety Policy         |
|  |   | <input type="checkbox"/> Family Medical Leave Act Policy |

## Previous Insurance Information

16. Provide the following information regarding the **Insured Entity's** most recent insurance policies. If "None", so state.  None

	Insurance Carrier	Expiration Date	Limit of Liability	Deductible	Premium
Employment Practices Liability					
Directors' and Officers' Liability					
General Liability					

17. Has the Extended Reporting Period (or Discovery Period) been exercised for the **Named Insured's** most recent Employment Practices Liability Policy?  Yes  No

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## Litigation and Claim Information

18. In the last 5 years, has any current or former **Employee** or third party made any **Claim**, or otherwise alleged discrimination, harassment, wrongful discharge and/or **Wrongful Employment Act(s)** against the **Insured Entity** or its directors, officers or **Employees**?  Yes  No

A **Claim** is not limited to the filing of a lawsuit or complaint with the EEOC or similar state or local agency. A **Claim** may also include a written demand or threat by any current or former **Employee** seeking relief in connection with an employment-related dispute or grievance. Please provide details of all incidents even if the matter has since been settled or otherwise resolved.

19. During the last 5 years, has the **Insured Entity** or any of its directors, officers or **Employees** thereof known of, or been involved in any lawsuit, charges, inquiries, investigations, grievances or other administrative hearings or proceedings before any of the following agencies and/or under any of the following forums?

- |  |  |
|--|--|
| (a) National Labor Relations Board?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Equal Employment Opportunity Commission?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Office of Federal Contract Compliance Programs?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (d) U.S. Department of Labor?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (e) Any state or local government agency such as the Labor Department or fair employment agency? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (f) U.S. District or state court?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Provide details of all incidents even if the matter has since been settled or otherwise resolved.

**IF "YES" TO QUESTION 18. OR ANY PART OF QUESTION 19., PROVIDE THE FOLLOWING INFORMATION FOR EACH ALLEGATION BY ATTACHMENT, OR BY COMPLETING A CLAIMS SUPPLEMENT FORM.**

- |                |                                     |  |   |                          |
|----------------|-------------------------------------|--|---|--------------------------|
| (a) Allegation | (b) Date <b>Claim</b><br>first made | (c) Paid damages/expenses<br>including attorneys' fees | (d) Outstanding damages/expenses<br>including attorneys' fees | (e) Total costs incurred |
|----------------|-------------------------------------|--|---|--------------------------|

20. Is the **Insured Entity** or its management aware of any fact, circumstance or situation involving any **Insureds** that he or she has reason to believe might result in a **Claim**, including, but not limited to, situations involving:

- (a) Threats by any current or former **Employee** or third party to take legal or other action against the **Insured Entity** or any of its **Employees**, or a demand or request by any current or former **Employee** for monetary or non-monetary relief, arising out of any alleged discrimination, harassment, wrongful termination, constructive discharge, or other **Wrongful Employment Act(s)**?
- (b) Knowledge that any current or former **Employee** is engaging in, or has engaged in, acts of discrimination, harassment, or other **Wrongful Employment Act(s)**?
- (c) Complaints or accusations by other **Employees** or third parties that a current or former **Employee** is engaging in, or has engaged in, acts of discrimination, harassment, or other **Wrongful Employment Act(s)**?
- (d) Warnings, reprimands, or other disciplinary measures taken against any current or former **Employee** for acts of discrimination, harassment, or other **Wrongful Employment Act(s)**?

Yes  No

**IF "YES" TO QUESTION 20., PROVIDE DETAILS BY ATTACHMENT.**

**IT IS UNDERSTOOD AND AGREED THAT THE INSURER SHALL NOT BE LIABLE TO MAKE ANY PAYMENT FOR LOSS IN CONNECTION WITH ANY CLAIM MADE AGAINST ANY INSURED BASED UPON, ARISING OUT OF, DIRECTLY OR INDIRECTLY RESULTING FROM OR IN CONSEQUENCE OF, OR IN ANY WAY INVOLVING ANY LAWSUIT, ADMINISTRATIVE PROCEEDING, WRITTEN DEMAND, FACT, CIRCUMSTANCE, OR SITUATION SET FORTH IN THE INSURED'S RESPONSE TO QUESTIONS 18., 19. OR 20.**

### Documents Required

Please submit one copy of each of the following documents. These documents will be attached to and made a part of this Proposal Form.

- (a) Provide details to all "Yes" answers, when applicable, by attachment (b) The most recent Employee Handbook or Employee Policy Manual

# Carolina Casualty Insurance Company

## Please Read Carefully

The undersigned Chairman of the Board of Directors, President or Chief Executive Officer and Human Resources Manager declare that to the best of their knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information to facilitate the proper and accurate completion of this Proposal Form.

The undersigned agree that the particulars and statements contained in the Proposal Form and any material submitted herewith are their representations and that they are material and are the basis of the insurance contract. The undersigned further agree that the Proposal Form and any material submitted herewith shall be considered attached to and a part of the Policy.

It is further agreed that:

- if any significant change in the condition of the applicant is discovered between the date of this Proposal Form and the Policy inception date, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the **Insurer** immediately;
- any Policy, if issued, will be in reliance upon the truth of such representations; provided, however, with respect to such statements and representations, no knowledge or information possessed by any **Director or Officer or Employee**, except for those person or persons who executed the Proposal Form, shall be imputed to any other **Director or Officer or Employee** and further provided that if any person who executed the Proposal Form knew that such statement or representation was inaccurate or incomplete, then this Policy will be void as to all **Insureds**;
- the information contained in this Proposal Form shall not be used by any **Insureds** as notice as provided for in section VII. of the Policy, nor will the **Insurer** recognize and/or accept the information contained herein as notice as provided for in section VII. of the Policy;
- this Proposal Form has been completed as respects the entire Insured Entity;
- the signing of this Proposal Form does not bind the undersigned to purchase the insurance.

**NOTICE TO COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

**NOTICE TO NEW YORK APPLICANTS:** 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.

**NOTICE TO NEW MEXICO, PENNSYLVANIA APPLICANTS:** 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.

**NOTICE TO APPLICANTS OF KENTUCKY:** ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A CRIME AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO APPLICANTS OF FLORIDA, MINNESOTA, NEW JERSEY, OHIO, AND OKLAHOMA:** ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO DISTRICT OF COLUMBIA, MAINE, MASSACHUSETTS AND VIRGINIA APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

	Dated:
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Chairman of the Board of Directors, President or Chief Executive Officer

	Dated:
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Human Resources Manager (or equivalent position)

This Carolina Casualty Insurance Company Proposal Form, including any material submitted herewith, shall be held in strictest confidence.

**A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL FORM IS PROPERLY SIGNED AND DATED.**

Please submit this Proposal Form including appropriate documentation to:

Monitor Liability Managers, Inc., 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4034

	Dated:
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Submitted by (PRODUCER)

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AGENT'S NAME (Please Print Name Here)

AGENT'S LICENSE NUMBER