



APPLICATION FOR EMPLOYMENT PRACTICES LIABILITY INSURANCE

PLEASE NOTE:

- **Employment Practices Liability Insurance is written on a claims-made basis and covers only Claims first made against the Insured Persons during the Policy Period or the Extended Reporting Period, if exercised. The Limit of Liability available to pay judgments or settlements shall be reduced by amounts incurred as Defense Costs.**
- **This application and all exhibits attached shall form a part of this proposal and shall be held in strictest confidence.**

The following material must be attached to this application:

1. EEO-1 Report (consolidated for the past three (3) years)
2. Latest 10K Report/Latest Annual Report
3. Employee Handbook/Manual (including copies of Sexual Harassment Policy, ADA Policy, Family Medical Leave Policy, Termination Procedures and Progressive Disciplinary Policies), EEO Statement, At-Will Policy
4. Employment Applicant Forms
5. Employee Performance Evaluation Forms
6. Affirmative Action Plan (if applicable)

Please indicate if any of the materials requested above are not attached to this application and the reason why.

The following material must be attached to this application (if applicable):

1. Foreign Operational Information Supplemental Form
2. Claim Information Supplemental Form
3. Downsizing/Layoff Information Supplemental

This application is submitted by:

Insurance Agency/Agent: _____

Address: _____

Please submit this completed proposal Application with all attachments to:

Zurich-American Specialties
Executive Assurance Department
One Liberty Plaza, 30th Floor
New York, New York 10006

Please answer all of the following questions and indicate if a question is not applicable.

1. GENERAL INFORMATION

- A. (1) Name of Parent Company _____
 (2) Address _____
 City/State/Zip _____
 (3) Date Incorporated _____
 Corporation Professional Corporation Proprietorship Other (specify) _____
 (4) Standard Industrial Code _____
 (5) Please provide a brief description of major Products/Services of the Company _____

 (6) On a separate sheet, please attach a list of subsidiaries proposed for coverage. Please include the nature of business and the percentage owned by the Parent Company.
 (7) Are there any operations outside the United States or Canada for which coverage is desired? Yes No If yes, please complete and attach the Foreign Operations Supplement.
- B. Provide Coverage Desired - Limit of Liability: _____ Retention: _____
- C. Prior Employment Practices Liability Insurance (EPLI) or Human Resources Practices (HPR) coverage for the past three (3) years:

<u>PERIOD</u>	<u>INSURER</u>	<u>PREMIUM</u>	<u>LIMIT</u>

- D. Have you ever been canceled or nonrenewed for this coverage? (Missouri applicants are not required to answer this question.) Yes No
- E. Is EPLI coverage currently provided under your Commercial General Liability or Directors and Officers Liability coverage? Yes No

2. LOSS HISTORY

- A. Complete the Claim Supplemental for any claim(s) in which the total defense costs and judgments, settlements, or other costs exceeded, or is expected to exceed \$10,000. If there are no claims, state NONE. _____
- B. Are you aware of any fact(s), incident(s), act(s), event(s), or circumstance(s) that may result in any claim(s) being made against you? Yes No If yes, please provide details on a separate sheet. (Include Open/Closed EEOC charges within last 5 years.)

It is agreed that if such fact, incident, act, event, or circumstance exists, whether or not disclosed, any claim arising therefrom is excluded from this proposed coverage.

3. EMPLOYEES

A. Please provide current number of employees by state/country. For additional states attach a separate sheet.

State/Country Breakdown	# of Full Time Employees	# of Part Time Employees
1.		
2.		
3.		
4.		
5.		
Total		

B. What percentage of your workforce is unionized? _____%

C. For each of the past five years, what has been your annual percentage of turnover rate of employees. (Turnover rate should be calculated as follows: number of separations during the month divided by average number of employees on payroll during the month x 12.)

Year	Annual % Rate of Employee Turnover

D. Percentage of employees with salaries (including bonuses):

Less than \$50,000: _____%

\$50,001 - \$100,000: _____%

\$100,001 - \$250,000: _____%

Greater than \$250,000: _____%

4. EMPLOYMENT PRACTICES PROCEDURES

A. Does the Parent Company have a Human Resources or Personnel Department? Yes No If no, who performs the human resources functions? (Please provide details on what personnel are involved in performing human resources functions.) _____

B. Please describe the reporting relationship of the Human Resources Department, or person(s) performing this function, to Senior Management: _____

C. Does the Parent Company use an employment application for all applicants? Yes No If no, which employees are not required to use one and how is the hiring process conducted? _____

D. Is the application uniform at all company locations and subsidiaries? Yes No

- E. Does the Parent Company have a formal orientation program for all new employees? Yes No If yes, is an orientation checklist maintained for each? Yes No
- F. Does the Parent Company provide regular, written performance evaluations for all employees? Yes No
- G. Does the Parent Company conduct drug/medical testing for all employees? Yes No If yes, please complete the following section. If no, then skip to Question J.

Indicate which types of tests are administered:

Drug/Alcohol screening Physical Exams Psychological Exams Skills (clerical, trade, etc.)

Other (please specify): _____

- H. When are the tests conducted? Pre-job Offer Post-job Offer
- I. Are all employees required to undergo these exams? Yes No If no, please state which employees are not tested: _____
- J. Does the Parent Company publish an employment handbook? Yes No If yes, is it distributed to all employees? Yes No
- K. Is the handbook uniform for all company locations and subsidiaries? Yes No
- L. Please indicate which of the following policies you currently have in place:

		Indicate which are in the Employee Handbook.
1. EEO Policy		
2. At-will statement		
3. Sexual Harassment Policy/Procedure		
4. Progressive Discipline		
5. FMLA Policy		
6. Pregnancy Leave Policy		
7. Grievance Procedures		
8. ADA Policy Requiring Reasonable Accommodation		
9. AIDS/HIV, Life Threatening Illnesses		

- M. Does the Parent Company require terminations to be reviewed by the following:
- (1) Human Resources Department? Yes No
- (2) Legal Department? Yes No
- (3) Outside Counsel? Yes No
- N. Does the Parent Company have a formal out-placement program which assists terminated or laid off employees in finding other jobs? Yes No
- O. Does the Parent Company conduct sensitivity training or other discrimination or sexual harassment prevention education? Yes No If yes, who is required to attend and when was it last held? _____

- P. 1. Do all employees have access to:
- (a) Voice Mail Yes No (b) E-Mail Yes No
2. If the Parent Company does make E-Mail available to employees, does the Parent Company have a policy on its use by employees? Yes No

- 3. If the Parent Company does make Voice Mail available to employees, does the Parent Company have a policy on its use by the employees? Yes No
- 4. Does the Parent Company have a written policy on the retention of the following types of electronic data:
 - (a) Computer data? Yes No
 - (b) E-Mail data? Yes No
 - (c) Voice Mail? Yes No

- Q. Is the Parent Company required to file an Affirmative Action Plan with the OFCCP? Yes No
 - (a) If yes, has the Parent Company ever been, or is there, any investigation or inquiry by the OFCCP that has resulted in a violation? Yes No If yes, attach a copy of the audit and state what action has been taken to remedy the violation.
 - (b) Does the Parent Company (or outside counsel or consultants) monitor the adverse impact on employees of the Parent Company's personnel practices? Yes No

- R. Does the Parent Company require mandatory arbitration of employment and labor related claims? Yes No

5. CORPORATE HISTORY

If you answer Yes to any of the following, please attach details on a separate piece of paper.

- A. Has the Parent Company acquired any companies in the past three years? Yes No
- B. Did the purchase include assumption of employment liabilities? Yes No
- C. With respect to acquired companies, were any employees or officers terminated or does the Parent Company plan in the next 18 months to terminate any employees or officers? Yes No
- D. Has the Parent Company sold any companies in the last three years? Yes No
If yes, did the Parent Company transfer the liabilities? Yes No
- E. Does the Parent Company anticipate any plant, facility, branch or office closings, consolidations or layoffs within the next 12 months? Yes No
Have there been any plant, facility, branch or office closings, consolidations or layoffs within the previous 12 months? Yes No If yes, please complete and attach the Downsizing/Layoff Supplement.
- F. Does the Parent Company anticipate any mergers or acquisitions in the next 18 months? Yes No

6. CLAIMS HANDLING

- 1. Who in the Parent Company organization has been designated to handle employment claims?

Name	Address	Phone
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- 2. With respect to the investigation of claims, complaints, incidents, etc. does the Parent Company have a written procedure for obtaining information? Yes No If yes, please attach a copy.

7. CURRENT NON-EMPLOYMENT PRACTICES INSURANCE

	Directors and Officers Insurance	Commercial General Liability Insurance	Commercial Umbrella Insurance
Insurer			
Limit of Liability			
Premium			
Expiration Date			

8. CONTINUITY WITH PRIOR COVERAGE

If the Parent Company has employment practices liability coverage and is requesting continuity of coverage for an existing layer of coverage, please complete this Section and skip Section 9. If the Parent Company does not currently have liability coverage, or this application is being submitted for a new excess limit of liability or the request for continuity of coverage for an existing layer has been declined, please skip this Section and complete Section 9.

Continuity date requested _____

Attach a copy of the prior application with which continuity of coverage is to be maintained. The Underwriter will be relying upon the declarations and representations contained in such prior application and those declarations and representations shall be considered to be incorporated in and form a part of the proposed policy.

9. PRIOR KNOWLEDGE

Please complete the following paragraph:

No person proposed for coverage is aware of any fact or circumstance or any actual or alleged act, error or omission which he or she has reason to suppose might give rise to a future claim that would fall within the scope of the proposed coverage, except (if no exceptions, please state) _____

It is agreed that if such fact or circumstance or actual or alleged act, error or omission exists, whether or not disclosed, any claim arising therefrom is excluded from this proposed coverage.

10. FALSE INFORMATION

Arkansas: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in any application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado: 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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder 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.

Florida: Any person who knowingly and with intent to injure, defraud, or deceive any insurer submits an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

New Jersey: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York: 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 \$5,000 and the stated value of the claim for each such violation.

Ohio: 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.

Oklahoma: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania: 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 persons to criminal and civil penalties.

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 false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime in certain jurisdictions.

11. DECLARATIONS AND SIGNATURE

The undersigned declares that to the best of his or her knowledge and belief the statements set forth herein are true. The signing of this application does not bind the Underwriter, the Parent Company or its proposed Insured Persons to effect insurance. The undersigned agrees that this application and its attachments shall be the basis of the contract should a policy be issued and shall be deemed attached to and shall form part of the policy. The Underwriter is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

The undersigned, on behalf of all proposed Insured Persons, agrees that if the information in the declarations and representations contained in this application and its attachments materially changes between the date of this application and the inception of the proposed coverage, the undersigned will immediately report in writing to the Underwriter such change, and the Underwriter may withdraw or modify any outstanding quotations or agreements to bind coverage. The undersigned acknowledges and agrees that the Underwriter's receipt of such written report, prior to inception of the proposed coverage, is a condition precedent to coverage.

This application must be signed by the Chairman of the Board or President of the Parent Company.

Signature _____ Title _____ Date _____



APPLICATION SUPPLEMENTAL
Downsizing/Layoff Information Form

1. Date of Downsizing/Layoff: _____

2. Number of employees that have been, or will be, effected: _____

3. How will the Downsizing/Layoff be implemented (e.g. store/plant closing, departmental, seniority, random, etc.):

4. Was, or is, severance available to all employees? Yes No

5. Were, or are, the employees required to sign an release for the severance package? Yes No

6. Are outplacement services provided? Yes No

7. Are exit interviews conducted? Yes No

8. Were any Claims filed, or are any expected to be filed, as a result of this Downsizing/Layoff? Yes No
If Yes, please complete and attach the Claim Supplemental.

**APPLICATION SUPPLEMENTAL
Claim Information Form**

1. Date Claim was made: _____
2. Nature of Claim: _____
3. Type of Claim: EEOC Lawsuit
 Other (Please specify) _____
4. Name of Complainant(s): _____
5. Names of Defendant(s): _____
6. Status of Claim: Pending Closed
 - If Closed: What was the total damages paid? \$ _____
 - What were the total expenses paid: \$ _____
 - What was the date closed: _____
 - If Pending: What are the total costs to date? \$ _____
 - Is there a settlement demand? Yes No
 - If Yes, what is the amount? \$ _____
7. Please give a detailed description of the allegations in the claim(s): _____

8. What steps have been taken to reduce the chances of a similar claim in the future? _____



APPLICATION SUPPLEMENTAL Foreign Operation Information Form

1. GENERAL INFORMATION

- A. Name of Entity: _____
- B. Country of Operation(s): _____
- C. Business Relationship with the Parent Company: _____
- D. Nature of Operation(s): _____

2. EMPLOYEES

Please provide the current number of employees by state/country.

State/Country Breakdown	# of Full Time Employees	# of Part Time Employees	# of Seasonal Employees
1.			
2.			
3.			
4.			
5.			
Total			

3. LOSS HISTORY

- A. Please complete and attach the Claim Supplemental for any claims or circumstances for the past three years.
- B. How will employment claims be investigated and managed in view of local employment laws and who are the parties involved in the claims handling?

4. EMPLOYMENT PRACTICES

Do these foreign operations utilize the same Human Resource Policies and Procedures as the United States operations?

Yes No If No, please attach any policies or procedures that are unique to the foreign operations.