

Houston Casualty Company

Employment-Related Practices Liability Insurance Program Renewal Application Claims-Made Coverage

NOTICE: THIS INSURANCE PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY DEFENSE COSTS, CHARGES AND EXPENSES. FURTHER NOTE THAT SUCH DEFENSE COSTS, CHARGES AND EXPENSES SHALL BE APPLIED AGAINST THE APPLICABLE DEDUCTIBLE(S)/RETENTION(S).

INSTRUCTIONS:

1. Answer all questions and attach all additional information as required.
2. If a question is not applicable, indicate N/A.
3. If a question requires a comment or explanation, indicate it on the application in the space provided or in Section VIII, REMARKS of this Application.
4. This application must be dated and signed by one of the organization's principals, partners or officers. IT IS IMPORTANT THAT THIS INDIVIDUAL READ SECTION VI. IMPORTANT NOTICES AND SECTION VII. APPLICANT'S REPRESENTATIONS AND SIGNATURE OF THIS APPLICATION CAREFULLY.

NOTE: The special meaning of words and phrases that appear in quotation marks ("") are defined in Section IX. DEFINITIONS of this Application.

Section I. GENERAL INFORMATION

1. Name of Applicant: _____

2. Address: _____

3. Contact Person: (Name) _____ (Title) _____
(Telephone) _____ (Fax) _____

4. Form of organization: ___ Corporation ___ Partnership
 ___ Individual Proprietor ___ Joint Venture ___ Public Entity
 ___ Non-Profit Organization ___ Other (specify) _____

5. Indicate SIC Code: _____

6. Indicate your organization's annual receipts and payroll for the following financial years:

	Receipts	Payroll
(1) Last Financial Year-	\$ _____	\$ _____
(2) Current Financial Year-	\$ _____	\$ _____
(3) Next Financial Year-	\$ _____	\$ _____

Section II. COVERAGE REQUESTED

1. Indicate the lowest and highest limits of liability you would like quoted.
 \$250,000 \$500,000 \$1,000,000 \$2,000,000 \$3,000,000 \$4,000,000 \$5,000,000
2. Indicate the lowest and highest deductibles you would consider.
 \$5,000 \$7,500 \$10,000 \$15,000 \$20,000 \$25,000 \$50,000 \$100,000

Section III. CORPORATE HISTORY/PLANS

1. Has the nature of your business materially changed in the past year? Yes No
 If Yes, explain in the Remarks Section.
2. A. Have you acquired any entities in the past year? Yes No
 If Yes, explain in the Remarks Section.

 B. With respect to acquired entities, do you plan to terminate any employees or partners in the next eighteen (18) months? Yes No
3. Do you anticipate any office closings, consolidation, or layoffs affecting 20% or more of your "employees" in any 60 day period within the next 24 months? Yes No
 If Yes, explain in the Remarks Section.
4. Has your Human Resources Department or Corporate Policy toward "employees" materially changed in the past year? Yes No

 If Yes, complete a SUPPLEMENTAL HUMAN RESOURCES AND CORPORATE POLICY CHANGE NOTIFICATION FORM. **Note: If material improvements have been made they could reduce your renewal premium.**
5. When was your Employee Handbook last updated? _____

Section IV. EMPLOYEES

1. Indicate the total number of "employees" currently on your payroll below (all "employees" who will receive a W-2 form should be included). **Do not include "leased workers".**

Type of Individual	No.
Full-time, regular and temporary workers working a standard workweek	
Part-time, regular and temporary workers working a standard workweek	
"Interns"	
"Seasonal Employees"	
"Volunteers"	
Total	

Of the total number of employees, indicate the number who are union members

2. Please provide a breakdown by state or foreign country of the number of "employees" for each category.

State/Foreign Country	Full-time	Part-time	Interns	Seasonal	Volunteers

3. Does your organization use "leased workers"? ___Yes ___No
 If yes, would you like to cover them under this policy? ___Yes ___No
 If yes, indicate the total number of "leased workers" to be covered and
 attach a copy of your employee leasing agreement. _____
 (Do not include "leased workers" in any categories listed above)

4. How many "employees" left your organization last year?

	No.
*Number of Employees	
Involuntary Termination	
Voluntary Termination (non-retirement)	
Retired	

*Highest Number of Employees employed at any one time during the year.

Section V. APPROVED TRAINING PROGRAMS

Has the individual responsible for your organizations human resources program and or managers/supervisors/employees attended a minimum or ten (10) hours of HR training? ___Yes ___No
 during the policy period that is approved by the Underwriters?

Section VI. IMPORTANT NOTICES

1. If the inception date of the policy period is more than thirty (30) days after the date of this application, a signed declaration that statements and information provided in this application have not changed or a new signed and dated application will be required.
2. If you are signing this application in one of the states indicated below note the following.

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 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."

NOTICE TO KENTUCKY APPLICANTS: "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."

NOTICE TO NEW JERSEY APPLICANTS: "Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."

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 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 violations."

NOTICE TO OHIO APPLICANTS: "Any person who, with intent to defraud or knowing that he is facilitating fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud."

NOTICE TO OKLAHOMA APPLICANTS: "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."

NOTICE TO PENNSYLVANIA APPLICANTS: "Any person 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 VIRGINIA APPLICANTS: "It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the insurer. Penalties include imprisonment, fines and denial of insurance benefits."

Section VII. APPLICANT'S REPRESENTATIONS AND SIGNATURE

- A. It is agreed that this application is a supplement to all other applications previously submitted to the Insurer in conjunction with the underwriting and issuance of insurance coverage for which this policy is a renewal or replacement or otherwise succeeds in time, and those applications together with this application shall constitute the complete application which shall be the basis of any quotation which may be made.**
- B. The undersigned authorized representative of the Applicant represents, after inquiry, that the statements and representations set forth herein are true and complete and the policy is issued in reliance upon the information herein. The undersigned authorized representative agrees that if the information supplied in this application changes between the date of this application and the effective date of the insurance, the undersigned will immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance.**

Signing of this application does not bind the Applicant nor the Insurer to complete the insurance, but it is agreed that all written statements and attachments furnished to the Insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof. It is agreed that the Insurer has relied upon this application and attachments, and application and attachments shall be the basis of and shall be deemed attached to and incorporated into this policy should a policy be issued. The Insurer is hereby authorized to make any investigation and inquire in connection with this application.

5. "Leased Workers" are defined as individuals leased to you by a labor-leasing firm under an agreement between you and the labor-leasing firm, to perform duties related to the conduct of your business. Leased worker does not include a temporary employee.
6. "Part Time Employees" are defined as "employees" who work less than 20 hours per week.
7. "Salary and bonus" is defined as including all remuneration to an "employee" including:
 - a. Wages or salaries;
 - b. Commissions and draws against commissions;
 - c. Bonuses including stock bonus plans;
 - d. Extra pay for overtime work;
 - e. Pay for holidays, vacations, or periods of sickness.
8. "Seasonal Employees" are defined as "employees" who work less than 1,000 hours per year.
9. "Volunteer" is defined as a person who provides services to you without any express or implied promise of remuneration.