



# Corporate Directors and Officers Liability and Employment Practices Liability

## “THE ANSWER”

All questions must be answered and application must be signed by the chairperson of the board or president of the applicant.  
THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY. PLEASE READ YOUR POLICY CAREFULLY.  
Defense costs shall be applied against the retention.

### General Information

Applicant's name: \_\_\_\_\_

Location address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Web address: \_\_\_\_\_

E-mail address of primary contact: \_\_\_\_\_

Description of operations: \_\_\_\_\_

Year established: \_\_\_\_\_

Form of organization:       LLC               Corporation       Partnership       Cooperative  
    Sole proprietorship               Other: \_\_\_\_\_

1. Does the applicant want any subsidiaries covered?  Yes  No

If "Yes," please list:

Name	% Owned	State	Description of operations

2. Is the applicant a subsidiary of another organization?  Yes  No

Name of parent: \_\_\_\_\_ State: \_\_\_\_\_

### Financial Information (A premium indication may be provided with this information)

Assets:	Annual revenues:
Equity (deficit):	Annual income (loss):
Debt:	Retained earnings (loss):

### Employee Count

Full-time employees \_\_\_\_\_ Part-time \_\_\_\_\_ Temporary/Seasonal \_\_\_\_\_ Independent contractors \_\_\_\_\_ Leased \_\_\_\_\_

How many of the above are located in: California \_\_\_\_\_ Florida \_\_\_\_\_ Louisiana \_\_\_\_\_ Outside the U.S. \_\_\_\_\_

### Directors and Officers

3. Please list all shareholders that own greater than 10%

Shareholder	% Owned	Director or officer
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No

4. Is any shareholder a trust that qualifies as an Employee Stock Ownership Plan under ERISA or holds securities for the benefit of employees? If "Yes," please attach most recent stock valuation report  Yes  No

If "Yes," please explain fully in an attachment to this application.

- A. Have there been any changes in the board of directors or senior management in the past three years for reason other than expiration of term, death or retirement?  Yes  No
  - B. Has the applicant changed outside auditors in the last three years?  Yes  No
  - C. Have the auditors found any material weaknesses in applicants system of internal controls  Yes  No
  - D. Has the applicant violated or breached any debt covenant, loan agreement or other material obligation in the past three years?  Yes  No
5. Has the applicant, in the past 36 months, completed or agreed to, or does it contemplate within the next 12 months, any of the following, whether or not such transaction are or will be completed?  Yes  No
- If "Yes," please explain fully.
- A. Merger, acquisition or consolidation with another entity?  Yes  No
  - B. Sales, distribution or divestiture of more than 25% of assets of stock of the organization?  Yes  No
  - C. Any registration for a public offering?  Yes  No
  - D. Any private placement?  Yes  No
  - E. Reorganization or formal arrangement with creditors?  Yes  No

Employment Practices Liability

- 6. Do more than 50% of all employees currently earn more than \$100,000?  Yes  No
  - 7. Has any entity proposed for insurance downsized, laid off, or reduced staff in the past 12 months or anticipate doing so in the next 12 months?  Yes  No
- If "Yes," what percentage of the workforce was/will be affected? \_\_\_\_\_

Written Guideline Requirements:

- A. Does each entity proposed for insurance have a written email/internet policy currently in place or is willing to implement one within 21 days of binding?  Yes  No
- B. Does each entity proposed for insurance have a written anti-discrimination and anti-harassment policy currently in place or is willing to implement one within 21 days of binding??  Yes  No

Fiduciary

Plan name	Type of plan	Plan assets	# of plan participants

Types of plans: Health & welfare plan= HWP                      Employee stock ownership plan= ESOP  
 Defined contribution plan= DCP                                  Excess benefit plan= EBP  
 Defined Benefit Plan= DBP    Other: \_\_\_\_\_

- 8. Have any of the following taken place or been agreed to in the past three years or are any anticipated in the next 12 months? If "Yes," please explain fully in an attachment.
    - A. Merger, transfer of assets or termination of a plan(s)?  Yes  No
    - B. Funding deficiency or delinquent contributions?  Yes  No
    - C. Formation or acquisition of a plan?  Yes  No
  - 9. Does each 401K plan allow the participants to select from at least three investment options and to monitor the performance of each selection?  Yes  No
  - 10. Are 401k participants advised of the performance of their investment options and given the opportunity to adjust their selections at least annually?  Yes  No
  - 11. Does each plan subject to ERISA (Employee Retirement Income Security Act) comply with all applicable requirements of ERISA and the Internal Revenue Code of 1986, as amended (the "Code") including eligibility, participation, vesting, fiduciary responsibility and funding standards?  Yes  No
  - 12. Has each plan been reviewed to ensure that there are no violations of any plan document or of the ERISA and "Code" prohibited transactions?  Yes  No
- If "No," or if any violations were found, please explain in an attachment.

13. Within the past 18 months, has an actuary found that any plan was or is currently under-funded by more than 10%?  Yes  No

Loss Information

14. Within the last five years has any employment related, third party harassment or third party discrimination claim, suit, inquiry, complaint or notice of hearing been made against the applicant or any individual proposed for insurance?  Yes  No

15. Within the last five years, has any claim, suit inquiry, complaint or notice of hearing been made against the applicant or any person proposed for Insurance in the capacity of director, officer, or employee of the applicant?  Yes  No

16. Is any person or entity proposed for this Insurance aware of any fact, circumstance or situation which may result in a claim against the applicant or any of its directors, officers or employees?  Yes  No  
If "Yes," to question 9, 10 or 11, please complete a United States Liability Insurance Group claim supplement.

17. Within the past five years, has any claim been made or is any claim now pending against any plan, organization or individual proposed for this insurance in the capacity as a fiduciary, trustee or administrator?  Yes  No  
If "Yes," please explain \_\_\_\_\_

18. Is any person or entity proposed for this insurance aware of any fact, circumstance, situation or ERISA violation which may result in a claim that may fall within the scope of the proposed Insurance?  Yes  No  
If "Yes," please explain \_\_\_\_\_

**New York Disclosure Notice:** This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged wrongful acts that took place prior to the retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting period coverage unless the insured purchases additional extend reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The Insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration for this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

**Missouri and Arkansas Disclosure Notices:** I understand and acknowledge that this policy contains a defense within the limits provision which means that "defense costs" will reduce my limits of insurance and exhaust them completely. Should that occur, I shall be liable for any further legal "defense costs" and damages. This provision applies to the directors and officers liability coverage part and also applies to the employment practices liability coverage part if I have more than 200 employees or if my limits of liability are less than \$500,000.

Signed and accepted by the insured: \_\_\_\_\_  
Signature of President or Chairperson

**Virginia Notice:** You have an option to purchase a separate limit of liability for the extension period, Policy common conditions I. If you do not elect this option, the limit of liability for the extension period shall be part of the and not in addition to limit specified in the declarations. Statements in the application shall be deemed the insured's representations. A statement made in the application or in any affidavit made before or after a loss under the policy will not be deemed material or invalidate coverage unless it is clearly proven that such statement was material to the risk when assumed and was untrue.

**Minnesota Notice:** The clause "and/or authorization or agreement to bind the insurance" is replaced with "Authorization or agreement to bind the insurance may be withdrawn or modified based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

**Colorado Fraud Statement:** 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.

**District of Columbia Fraud Statement: WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**Florida Fraud Statement:** You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

**Kentucky Fraud Statement:** 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.

**Maine and Washington Fraud Statement:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**New Jersey Fraud Statement:** 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 Fraud Statement:** 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.

**Ohio Fraud Statement:** Any person who, with intent to defraud or knowing that he 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 Fraud Statement: 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 Fraud Statement:** 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.

**Tennessee and Virginia Fraud Statement:** 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.

**Fraud Statement (All Other States):** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Broker's signature: \_\_\_\_\_

Some states require that we have the name and address of your (insured's) authorized agent or broker.

If the primary address of the location listed in item #1 is in the state of New York, Iowa or Florida, the states of New York, Iowa and Florida require that we have the names and address of your (insured's) authorized agent or broker.

Name of authorized agent or broker: \_\_\_\_\_

Address: \_\_\_\_\_

Mail complete application through local agent or broker to: \_\_\_\_\_

The undersigned represents that to the best of his/her knowledge and belief the particulars and statements set forth herein are true and agree that those particulars and statements are material to the acceptance of the risk assumed by the Company. 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 Company and the Company may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The signing of this Application does not bind the undersigned to purchase the insurance, nor does the review of this Application bind the Company to issue a policy. It is understood the Company is relying on this Application in the event the Policy is issued. It is agreed that this Application, including any material submitted therewith, shall be the basis of the contract should a policy be issued and it will be attached and become a part of the policy.

Applicant's signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
(Chairperson of the board or President)