# CORPORATE DIRECTORS & OFFICERS LIABILITY AND EMPLOYMENT PRACTICES LIABILITY APPLICATION

All questions must be answered and application must be signed by the Chairman 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.
**The Limits of Liability under the Directors and Officers Liability Coverage Part shall be reduced by, and may be completely exhausted by, Defense Costs.**

1. Name of Organization _____

   Primary Address _____

   Street City County State Zip

   Web Site Address: _____ E-mail Address: _____

2. Description of operations _____ Date Incorporated _____

3. Are there any subsidiaries? ❑ Yes ❑ No

   Please provide for each: Name, Date Established; Location; Operations; Ownership; Assets; Employees.

4. Name and Title of Officer designated to receive all notices on behalf of all Insureds _____

5. Current and Prior Insurance. Please provide insurer, expiration, premium, limits and retention, if known.

| |
|---|
| D&O: |
| EPL: |
| E&O: |
| Fiduciary: |

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

| | |
|---|---|
| Assets | Annual Revenues |
| Equity (Deficit) | Annual Income (Loss) |
| Debt | Retained Earnings (Loss) |

7. Ownership. If any response is "Yes", please explain fully in an attachment to this application.

   a) Number of shares outstanding. Voting _____ Non Voting _____

   b) Number shareholders or members. Voting _____ Non Voting _____

   c) Number of shares/interests owned by the directors and officers (direct and beneficial). _____

   d) Is the applicant a Subsidiary of another Organization? ❑ Yes ❑ No

      Name of Parent. _____

   e) Does any shareholder own 10% or more of the voting shares directly or beneficially ❑ Yes ❑ No

      Please attach list of names and percentage ownership interest.

   f) Are there any other securities that are convertible to voting stock? ❑ Yes ❑ No

   g) Have any shares of the Organization been publicly traded within the last 3 years? ❑ Yes ❑ No

8. Management. 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 3 years for reasons other than expiration of term, death or retirement? ❑ Yes ❑ No

   b) Has the Organization changed outside auditors in the last 3 years? ❑ Yes ❑ No

   c) Have any auditors found any material weaknesses in Organization's system of internal controls? ❑ Yes ❑ No

   d Has the Organization violated or breached any debt covenant, loan agreement or other material obligation in the past 3 years? ❑ Yes ❑ No

9. Has the Organization 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 transactions are or will be completed?
   If "Yes", please explain fully.
   a) Merger, acquisition or consolidation with another entity? ❑ Yes ❑ No
   b) Sale, distribution or divestiture of more than 25% of assets or 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
10. Total number of employees.

| | Current 12 months | Prior 12 months | Anticipated next 12 months (If operating less than 5 years) |
|---|---|---|---|
| Full Time | | | |
| Part Time | | | |
| Temporary/Seasonal | | | |
| Independent Contractors | | | |
| Leased | | | |

11. Is more than 20% of the Organization's work force located in a state other than that shown in Item 1? ❑ Yes ❑ No
    If yes, please provide the number of workers at each location.
12. Percentage of employees with total compensation including salaries, bonuses and commissions?
    $76,000 to $100,000 _____ Over $100,000 _____
13. Has the Organization closed any facilities, downsized, laid off or reduced staff in the past 12 months? ❑ Yes ❑ No
    Does the Organization anticipate doing so in the next 12 months? ❑ Yes ❑ No
    If yes, please attach details.
14. Number of employees involuntarily terminated or laid off in the past 12 months? _____ past 24 months? _____
15. Within the last 5 years has any employment related, third party harassment or third party discrimination claim, suit, inquiry, complaint or notice of hearing been made against the Organization or any individual proposed for Insurance? ❑ Yes ❑ No
    If "Yes", please complete a United States Liability Insurance Group claim supplement.
16. Within the last 5 years, has any claim, suit inquiry, complaint or notice of hearing been made against the Organization or any person proposed for Insurance in the capacity of Director, Officer, or Employee of the Organization? ❑ Yes ❑ No
    If "Yes", please complete a United States Liability Insurance Group claim supplement.
17. Is any person or entity proposed for this Insurance aware of any fact, circumstance or situation which may result in a claim against the Organization or any of its Directors, Officers, or Employees? ❑ Yes ❑ No
    If "Yes", please complete a United States Liability Insurance Group claim supplement.

**Please complete the following if Employment Practices Liability requested:**

18. Do you have an Email/Internet Policy currently in place? ❑ Yes ❑ No
    If no, are you willing to implement one? (Sample can be provided by the Company) ❑ Yes ❑ No
    **A premium credit will be applied for having, or agreeing to implement, an Email/Internet Policy.**
    Please submit a copy of current or newly implemented policy within 21 days after the inception date of this insurance.

**Mandatory Written Employment Policies.** Please identify policies Applicant has in place:

Anti-Harassment Policy ❑ Yes ❑ No
Anti-Discrimination Policy ❑ Yes ❑ No

**Please forward copies of the policies identified above along with this signed and dated application.** If you do not have these written policies in place, the Company will provide you with sample policies at the time of binding this insurance.

As a condition precedent to issuance of the Policy for Insurance, the Applicant agrees:

1. to implement and distribute to each employee the Mandatory Anti-Harassment and Anti-Discrimination Policies which are currently not in place as soon as possible, but no later than 21 days after the inception date of this insurance. Failure of the Company to receive these policies within 21 days after the inception date of this insurance will result in rescission of the binder for this insurance.
2. to adopt and distribute to each employee all changes required by the Company to the Applicant's Written Policies, as soon as possible, but no later than 21 days after receipt of notice of the changes required by the Company.

**Recommended Written Employment Policies.** Please identify policies Applicant has in place:

Employment Application ❑ Yes ❑ No

If applicant has an Employment Application, a copy must be forwarded for review by the Company as soon as possible, but no later than 21 days after the inception date of this insurance. Failure of the Company to receive this application within 21 days after the inception date of this insurance will result in rescission of the binder for this insurance.

Employee Handbook ❑ Yes ❑ No

Contains Employment-At-Will Statement? ❑ Yes ❑ No

Contains statement that Handbook is not a contract of employment? ❑ Yes ❑ No

**REQUIRED INFORMATION**

A. Completed Application signed and dated by the President or Chairman of the Board

B. Most recent audited financial statement.

C. Any private placement memorandums issued within the past 12 months.

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

**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 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)