



ii) Does the applicant currently have: **Net Income** **Or**  
**Net Loss**  
**Amount \$** \_\_\_\_\_

iii) Does the applicant currently have: **Positive Cashflow** **Or**  
**Negative Cashflow**  
**Amount \$** \_\_\_\_\_

I. **Has an auditor in the previous two (2) fiscal years recommended a "going concern" opinion of the financial information for the Applicant?**  
 **Yes**  **No**  
 (If Yes, please provide details on a separate sheet)

J. **How long has the company been in business?** \_\_\_\_\_ **Years**

K. **How long has the company been under the current management?** \_\_\_\_\_ **Years**

L. **Limits requested: From \$500,000/\$500,000 aggregate to \$5,000,000/\$5,000,000 aggregate**

M. **Retention requested: \$ \_\_\_\_\_ (Minimum US5,000)**

N. **Effective date requested: \_\_\_\_\_**

O. **Have you acquired any companies in the past two (2) years?**  **Yes**  **No**

P. **With respect to acquired companies, were any employees or officers terminated or do you plan in the next eighteen (18) months to terminate any employees or officers?**  
 **Yes**  **No**

**If so, how many ?**

Q. **Does the applicant anticipate any plant, facility, branch or office closing, consolidations, or layoffs affecting 20% or more of the employees in any 60 day period within the next eighteen (18) months?**  
 **Yes**  **No**

**If so, how many ?**

(If have answered Yes to either P or Q, please provide details on a separate sheet)

R. **If during the next 18 months, circumstances of which you are currently unaware make it necessary for you to decrease the number of your Employees by ten percent (10%) or five (5) employees, whichever is greater, through the reorganization, restructuring, reduction in force, downsizing of operations or closure of one of more plants or places of business, do you agree that you will consult with and follow the recommendation of legal counsel experienced in employment law prior to any such, reorganization, restructuring, reduction in force, change in number of Employees, or closure of one or more plants or places of business operations?**

Yes  No

**S. Has the proposed coverage ever been purchased before, whether specifically or as a subsection or addition to another coverage?**

| Year | Renewal Date | Carrier | Limit | Retention | Premium |
|------|--------------|---------|-------|-----------|---------|
|      |              |         |       |           |         |
|      |              |         |       |           |         |

Yes  No

**T. Has any insurer ever canceled or non-renewed this type of coverage?  
(If Yes, please provide details on a separate sheet)**

Yes  No

**II. Loss History**

**1. Furnish loss history (5 years) for all discrimination, harassment claims and any claims involving the applicants employment decision to hire, fire, promote or demote, a current, former or prospective employee.**

None  See attached

**Total number of claims in the last 5 years**

**PLEASE PROVIDE A FULL DESCRIPTION OF EACH CLAIM ON A SEPARATE SHEET**

**2. Has any Director, Officer, Manager, Supervisory Employee or Partner knowledge of any circumstances, at the date of this Application is signed, which could reasonably give rise to a claim or any reasonable way to foresee that a claim may be brought?**

Yes  No

**PLEASE PROVIDE A FULL DESCRIPTION OF ANY CIRCUMSTANCE ON A SEPARATE SHEET**

*For example, but not by way of limitation, we consider it reasonable for you to foresee that a claim may be brought against you if a current or former employee or an applicant for employment has expressed a dissatisfaction with the employment relationship or the employment application process by:*

- i) Making a formal complaint to a supervisory employee of discrimination, harassment or unfair employment practices;*
- ii) Threatening to hire an attorney;*
- iii) Asking for a severance packages in excess of what is being offered;*
- iv) Complaining of discrimination, harassment or unfair treatment and threatening to do something about it; or*
- v) Frequent complaining of discrimination, harassment or unfair treatment.*

3. Has the applicant been involved in any charges, inquiries, investigations, grievance or other hearings before the Equal Employment Opportunity Commission or any other governmental agency?

Yes

No

(If you answer Yes, please provide details on a separate sheet)

The Applicant acknowledges that any claims or incidents reported in, or that should have been reported in, this Section II will be excluded from coverage

**III. Employees**

a. Locations by State or Country and current number of employees for each (attach schedule if necessary):

| State/Country | No. of Locations | Full Time Employees | Part Time Employees | Seasonal / Temporary | Other (independent contractors, leased workers and volunteers) |
|---------------|------------------|---------------------|---------------------|----------------------|----------------------------------------------------------------|
|               |                  |                     |                     |                      |                                                                |
|               |                  |                     |                     |                      |                                                                |
|               |                  |                     |                     |                      |                                                                |
|               |                  |                     |                     |                      |                                                                |

• If Temps are used please provide annual billable hours: \_\_\_\_\_

• If seasonal employees are used, please advise average number of months: \_\_\_\_\_

• Does the applicant use unionized employees?

If yes, number of employees \_\_\_\_\_

b. Salary Ranges (including bonuses and commissions)

|                        | Number of Full Time Employees | Number of Part Time Employees | Seasonal / Temporary | Other |
|------------------------|-------------------------------|-------------------------------|----------------------|-------|
| \$20,000 or less:      |                               |                               |                      |       |
| \$20,001 to \$50,000   |                               |                               |                      |       |
| \$50,001 to \$100,000  |                               |                               |                      |       |
| \$100,001 to \$200,000 |                               |                               |                      |       |
| \$200,001 and over     |                               |                               |                      |       |

c. In the last 12 months how many officers have left your employ? \_\_\_\_\_

Of the above: How many left voluntarily? \_\_\_\_\_

How many left involuntarily? \_\_\_\_\_

d. In the last 12 months how many other employees have left your \_\_\_\_\_

employ? \_\_\_\_\_

Of the above: How many left voluntarily? \_\_\_\_\_

How many left involuntarily? \_\_\_\_\_

**IV. Third Party Section: Please complete the following section if this coverage is required**

**A. Estimated number of Employees with customer/client contact \_\_\_\_\_**

**B. Does the applicant have written procedures for handling complaints of discrimination and/or harassment from a person who is a Non Employee?**  
 Yes  No

**C. If Yes, are all complaints recorded ?**  Yes  No

**D. Has the applicant received any complaints alleging discrimination and/or harassment from a Person who is a non-employee?**  
 Yes  No

If Yes, please provide the total number of complaints received \_\_\_\_\_ and provide details on a separate sheet

**E. Does the applicants public facilities have access for the disabled in compliance with A.D.A. Law?**  
 Yes  No

**F. Does the applicant provide training to their Employee regarding discrimination and harassment of a Person who is a Non-Employee (including the disabled)?**  
 Yes  No

If Yes, is the training part of a formalized course?  Yes  No

Is the training compulsory?  Yes  No

**V. Human Resources**

**A. Does the applicant have a Human Resources Department?**  Yes  No

If the Answer to (A) is Yes, how many employees are in the Human Resources Department? \_\_\_\_\_

If the Answer to (A) is No, who handles this function and what is their title? \_\_\_\_\_

**B. Does the applicant establish at-will employment relationships with all employees without a written employment agreement?**  
 Yes  No

**C. Have the applicant's managers and/or supervisors attended training and education programs/seminars on sexual harassment within the last 12 months?**  
 Yes  No

If Yes, who has attended? \_\_\_\_\_

If Yes, who conducts? \_\_\_\_\_

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|                                                                                                                                         |                                     |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|
| <b>If No, is applicant willing to implement such training ?</b>                                                                         | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>D. Does the applicant have its employment policies/procedures reviewed by labor relations counsel annually/bi-annually?</b>          | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>If No, is the applicant willing to do so?</b>                                                                                        | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>E. Does the applicant publish an employment handbook?</b>                                                                            | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>If No, is applicant willing to do so?</b>                                                                                            | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>If Yes, does the applicant distribute it to all employees?</b>                                                                       | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>If Yes, do employees sign for receipt/acceptance?</b>                                                                                | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>F. Has the applicant implemented anti-sexual harassment policies/procedures?</b>                                                     | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>G. Does the applicant require all terminations to be reviewed by: Its Human Resources Departments?</b>                               | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>Or its Legal Department?</b>                                                                                                         | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>Or outside Counsel?</b>                                                                                                              | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>If No, is applicant willing to do so?</b>                                                                                            | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>H. Does the applicant maintain a personnel file for each employee?</b>                                                               | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>I. Does the applicant have any written grievance or complaint procedures (including complaints of discrimination or harassment)?</b> | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>If No, is applicant willing to implement such procedures?</b>                                                                        | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>J. Does the applicant regularly consult with a labor relations counsel?</b>                                                          | <input type="checkbox"/> <b>Yes</b> | <input type="checkbox"/> <b>No</b> |
| <b>If Yes, who is your labor relations counsel?</b>                                                                                     |                                     |                                    |

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How is this person/firm utilized? \_\_\_\_\_

**K. Does the applicant have a formal employment contract with an Employee?**  Yes  No

**If yes, are the employment contract(s) created and reviewed by outside counsel?**  Yes  No

**Total number of Employees with formal employment contracts:** \_\_\_\_\_

**Total value of all contracts \$** \_\_\_\_\_ **Total value of the largest contract \$** \_\_\_\_\_

**L. Does the applicant utilize arbitration for employment related claims?**  Yes  No

**M. Is it mandatory?**  Yes  No

**VI. Wage and Hour**

**A. Do any exempt employees receive a salary of less than \$455 per week?**  Yes  No

**B. Do all exempt management personnel, as part of their primary duties:**

**1) have direct management control over at least 2 employees?**  Yes  No

**2) have authority to hire and fire or to make recommendations on hiring and firing?**  Yes  No

**3) spend less than 50% of their time supervising employees?**  Yes  No

**C. Do all exempt administrative personnel, as part of their primary duties, have authority to make independent decisions (e.g. sign contracts, bind the applicant, hire/fire)?**  Yes  No

**D. Do all exempt outside sales personnel get paid on a commission or partial commission basis?**  Yes  No

**E. Do any non-exempt employees get paid less than minimum wage, including but not limited to, those with the expectation that the difference will be made up by gratuities, commissions, or piece rate?**  Yes  No

**F. Are any non-exempt personnel not paid for any time that they are required to be on**

- applicant's premises (i.e. putting on or removing uniforms or equipment) or travelling at applicant's direction?  
 Yes  No
- G. Do any non-exempt employees receive reduced hours in exchange for working more than 40 hours in one week in lieu of overtime pay?**  
 Yes  No
- H. If applicant has independent contractors, do they:**
- 1) work under the direct supervision and control of applicants' employees?  Yes  No
  - 2) use equipment or tools supplied by applicant?  Yes  No
  - 3) receive company benefits?  Yes  No
  - 4) wear company uniform?  Yes  No
  - 5) have a mandate to attend company meetings?  Yes  No
- I. Does applicant contract with an outside company for services to be performed on applicant's premises by that company's employees?**  
 Yes  No
- If Yes, is there a written indemnity agreement holding applicant harmless for any wage and hour violations?**  
 Yes  No
- J. Does applicant audit or review its wage and hour practices to ensure compliance with state and federal laws, including classification of exempt/non-exempt Employee's; how overtime is calculated, and meal and rest break periods?**  
 Yes  No
- If Yes, is an attorney involved and how frequent are the audits?** \_\_\_\_\_
- K. Does applicant retain payroll records for the last three years?**  Yes  No
- L. Does applicant track the number of hours of salaried employees for payroll purposes?**  Yes  No
- M. Has the applicant changed the status of any non-exempt job category in the last 4 years? If Yes, please provide details**  
 Yes  No
- N. Does applicant maintain job descriptions for each employee at each location and periodically review them again the employee's actual job duties?**  
 Yes  No
- O. Does applicant regularly review job descriptions and update them with the assistance of an attorney?**  Yes  No

- P. For any non-exempt employees that are required to be on-call or stand-by to the extent that they are restricted from doing their normal activities (ie, must stay with in a 3 mile radius from work) are they compensated for this time?**  
 Yes  No
- Q. Have any losses, lawsuits, administrative proceedings, including audits or reviews by the Department of Labor or similar state agencies, hearings or demands been made against the applicant or any entity or person proposed for this insurance during the last five (5) years alleging violation of any Wage and Hour Law?**  
 Yes  No

**VII. Immigration**

- A. Does the applicant require all new employees to complete an I-9 (Employment Eligibility Verification) form on their first day of employment?**  
 Yes  No
- B. Does the applicant require than an employer representative complete section 2 of the I-9 form within three business days of the commencement of employment?**  
 Yes  No
- C. Does the applicant require and inspect the employee's original documents provided for the purposes of establishing the employee's eligibility to be employed?**  
 Yes  No
- D. Does the applicant keep copies of the documents provided to establish employment eligibility along with the completed I-9 form?**  
 Yes  No

**How long does the applicant keep the completed I-9 form for its:**

**Existing Employees:** \_\_\_\_\_

**Terminated Employees:** \_\_\_\_\_

**Does the applicant have a procedure in place for handling "no match" correspondence?**  
 Yes  No

**If so, please describe** \_\_\_\_\_

**VIII. Other Material Facts**

- A. Please declare any Material Facts on a separate sheet;  None  See attached

*A Material Fact is one likely to influence assessment of this risk, the premium charged and the terms and conditions imposed by Underwriters. If you are in any doubt as to whether a fact would be considered material you should declare it. All the information requested in this proposal is material.*

The Applicant warrants after full investigation and inquiry that the statements set forth herein are true and include all material information.

**The Applicant on behalf of the Proposed Insureds further warrants that if the information supplied on this application changes between the date of this application and the inception date of the Policy, it will immediately notify us of such change.** Signing of this application does not bind Underwriters to offer nor the applicant to accept insurance, but it is agree that this application shall be the basis of the insurance and will be attached and made a part of the Policy should a policy be issued.

| Date | Applicants Authorized Signature of a Principal or Shareholder | Title |
|------|---------------------------------------------------------------|-------|
|------|---------------------------------------------------------------|-------|

| Date | Applicants Authorized Signature of Individual In Charge of Human Resources or Personnel Department or Signature of 2 <sup>nd</sup> Authorized Person | Title |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------|