



# Corporate Directors and Officers Liability, Employment Practices Liability and Fiduciary 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

| 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. 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

A. Has the applicant changed outside auditors in the last three years?  Yes  No

B. Have the auditors found any material weaknesses in applicants system of internal controls?  Yes  No

C. 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

6. Has the applicant or any person proposed for coverage (whether or not in the service of applicant) been the subject of or been involved directly or indirectly in any civil, criminal, regulatory, legislative or administrative proceeding(s)?  Yes  No

Employment Practices Liability

7. Do more than 50% of all employees currently earn more than \$100,000?  Yes  No

8. 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?  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: \_\_\_\_\_

9. 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

10. 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

11. Are 401k participants advised of the performance of their investment options and given the opportunity to adjust their selections at least annually?  Yes  No

12. 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

13. 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.

14. 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

15. 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

16. 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

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 applicant or any of its directors, officers or employees?  Yes  No  
If "Yes," to question 15, 16 or 17, please complete a United States Liability Insurance Group claim supplement.

18. 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 \_\_\_\_\_

19. 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 \_\_\_\_\_

**Arizona Notice:** Misrepresentations, omissions, concealment of facts and incorrect statements shall prevent recovery under the policy only if the misrepresentations, omissions, concealment of facts or incorrect statements are; fraudulent or material either to the acceptance of the risk, or to the hazard assumed by the insurer or the insurer in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or otherwise.

**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.

**Florida Notice: (Applies only if policy is non-admitted)** 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.

**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.

**Florida and Illinois Notice:** I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

**Kansas Fraud Statement:** Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of a crime and may be subject to fines and confinement in prison.

**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.

**Minnesota Notice:** Authorization or agreement to bind the insurance may be withdrawn or modified only 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.

**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 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 or Wrongful Employment Acts that took place prior to 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 for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period 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.

**North Dakota Fraud Statement:** Notice to North Dakota applicants – Any person who knowingly and with the intent to defraud and 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.

**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.

**Ohio Notice:** By acceptance of this policy, the Insured agrees the statements in the application (new or renewal) submitted to the company are true and correct. It is understood and agreed that, to the extent permitted by law, the Company reserves the right to rescind this policy, or any coverage provided herein, for material misrepresentations made by the Insured. It is understood and agreed that the statements made in the insurance applications are incorporated into, and shall form part of, this policy. I understand that any material misrepresentation or omission made by me on this application may act to render any contract of insurance null and without effect or provide the company the right to rescind it.

**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.

**Oregon Fraud Statement:** Notice to Oregon applicants: 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 may be guilty of insurance fraud.

**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.

**Utah Notice:** I understand that Punitive Damages are not insurable in the state of Utah. There will be no coverage afforded for Punitive Damages for any Claim brought in the State of Utah. Any coverage for Punitive Damages will only apply if a Claim is filed in a state which allows punitive or exemplary damages to be insurable. This may apply if a Claim is brought in another state by a subsidiary or additional location(s) of the Named Insured, outside the state of Utah, for which coverage is sought under the same policy.

**Vermont Fraud Statement:** 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 may be subject to fines and confinement in prison.

**Virginia Notice:** This Policy is written on a claims-made basis. Please read the policy carefully to understand your coverage. You have an option to purchase a separate limit of liability for the extended reporting period. If you do not elect this option, the limit of liability for the extended reporting period shall be part of the and not in addition to limit specified in the declarations. If you have any questions regarding the cost of an extended reporting period, please contact your insurance company or your insurance agent. 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.

**Virginia Fraud Statement:** Any person who knowingly and with intent to defraud an insurer, submits an Application for insurance or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**Utah 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.

**Washington Fraud Statement:** Any person, who, knowing it to be such:

(1) Presents, or causes to be presented, a false or fraudulent claim or any proof in support of such a claim, for the payment of a Loss under a contract of insurance; or

(2) Prepares, makes, or subscribes any false or fraudulent account, certificate, affidavit, or proof of Loss, or other document or writing, with intent that it be presented or used in support of such a claim, is guilty of a gross misdemeanor, or if such claim is in excess of one thousand five hundred dollars, of a class C felony.

**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.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail agency name: \_\_\_\_\_ License#: \_\_\_\_\_

Agent's signature: \_\_\_\_\_ Main agency phone number: \_\_\_\_\_  
(Required in New Hampshire)

Agency mailing address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

The undersigned represents that to the best of his/her knowledge and belief the particulars and statements set forth herein are true and agrees that those particulars and statements are material to acceptance of the risk assumed by the Company. The undersigned further declares that any changes to the information contained in this application 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 Company is hereby authorized, but not required to make any investigation and inquiry in connection with the information, statements and disclosures provided in this application. The decision of the Company not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Company and shall not stop the Company from relying on any statement in this application. 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 there with, shall be the basis of the contract should a policy be issued and it will be attached and become a part of the policy.

**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.

Signature: \_\_\_\_\_  
(Chairperson of the Board, Managing Member, President or Executive Director)

Title: \_\_\_\_\_ Date: \_\_\_\_\_