

# 5Star Specialty Programs

A division of Crump Insurance Services, Inc.



## PRIVATE COMPANY LIABILITY INSURANCE

**NOTICE: THIS IS AN APPLICATION FORM FOR A CLAIMS FIRST MADE POLICY AND COVERS ONLY THOSE CLAIMS FIRST MADE DURING THE POLICY PERIOD OR APPLICABLE REPORTING PERIOD. LOSS, INCLUDING DEFENSE COSTS, AS DEFINED IN EACH APPLICABLE COVERAGE SECTION AND IN EXCESS OF APPLICABLE RETENTIONS, SHALL SERVE TO REDUCE THE AVAILABLE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY.**

### INSTRUCTIONS:

1. Please indicate which coverage parts you are requesting below and answer all questions and attach all additional information / explanations as required for only those coverage sections requested. If not applicable, show 'N/A'.
2. Application must be signed and dated by an authorized representative within 30 days of the proposed effective date to be valid.
3. PLEASE READ STATEMENT AT END OF APPLICATION CAREFULLY.

### COVERAGE REQUESTED:

Part II  Directors & Officers      Part III  Employment Practices Liability      Part IV  Fiduciary Liability

(Part I - General Information and Part V - General Summary must be completed regardless of coverage requested)

## PART I – GENERAL INFORMATION

### I. APPLICANT INFORMATION:

1. Named Insured (Attach a list of all subsidiaries to be covered under this proposal)

Street Address \_\_\_\_\_

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

Website Address \_\_\_\_\_

Nature of Business / Operations for the Insured and all Subsidiaries (if applicable): \_\_\_\_\_

Type of Business:

Corporation       Partnership       Sole Proprietor       Other (Please Specify) \_\_\_\_\_  
 Franchise       Joint Venture       LLC

Years in Business: \_\_\_\_\_

SIC Code: \_\_\_\_\_

### II. INSURED CONTACT INFORMATION:

1. Officer designated to receive correspondence and notices from the Insurer:

Name \_\_\_\_\_ Title \_\_\_\_\_

Email \_\_\_\_\_ Phone \_\_\_\_\_ Fax \_\_\_\_\_

2. Helpline / Loss Control Contact (IF EPL is purchased):

Name \_\_\_\_\_ Title \_\_\_\_\_

Email \_\_\_\_\_ Phone \_\_\_\_\_ Fax \_\_\_\_\_

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## III. PRIOR COVERAGE:

1. Has the proposed coverage ever been purchased before, whether specifically or as a subsection or addition to another coverage? Yes  No   
 If YES, please provide details below:

Coverage	Year	Renewal Date	Carrier	Limit	Retention	Premium
Directors & Officers				\$	\$	\$
EPL				\$	\$	\$
Fiduciary Liability				\$	\$	\$

2. Has any Insurer ever cancelled or non-renewed this type of coverage? Yes  No   
 If YES, please provide details in attachment to the application.

## IV. BACKGROUND INFORMATION:

1. During the last 24 months, has the Company or any Subsidiaries been involved, or is the Company or any Subsidiaries presently involved or contemplating being involved during the next 12 months, in any of the following:
- a. any actual or proposed merger, acquisition, consolidation, dissolution, or divestiture affecting 20% of the company's gross revenues or 25% of the company's assets? Yes  No
  - b. any registration for a private or public debt or equity offering of securities? Yes  No
  - c. any plant, facility, branch or office closings, downsizing or layoffs affecting 10% or more of the employees? Yes  No
  - d. any material changes in the company's operations or nature of business? Yes  No
  - e. any changes in majority ownership or senior management other than due to death or retirement? Yes  No

If YES to any of the above, please provide complete details in attachment to the Application

## V. LOSS HISTORY

1. Within the last 5 years, has the Applicant, any Subsidiary or any person associated with such entities for whom this insurance is being sought, been the subject of or involved in any claim, written demand, notice, proceeding or litigation alleging:
- a. Anti-Trust, Copyright, Trademark or Patent violation? Yes  No
  - b. Violations of any State or Federal securities laws or regulations? Yes  No
  - c. Discriminatory practice violation or litigation? Yes  No
  - d. Violation of the Employee Retirement Income Security Act of 1974, as amended, or any similar law? Yes  No

If YES, furnish loss & claim history (5 years) for all Claims/Incidents/Lawsuits, including any legal expenses and damages/settlement amounts:  None  See Attached Loss Run or Supplemental Claim/Incident Form

Total Number of Claims in the past 5 years: \_\_\_\_\_

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

2. Has any **Management Personnel** knowledge of any circumstances which could reasonably give rise to a claim or any reasonable way to foresee that a claim may be brought? Yes  No   
**Management Personnel** means owner, director, officer, partner, president, chief executive officer, chief financial officer, chief operating officer, executive director, general or office manager, in-house attorney, head of risk management, head of human resources, or any person performing the human resources function.

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

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3. Has the Applicant been involved in any charges, inquiries, investigations, grievances or other hearings before the Equal Opportunity Commission or any other governmental agency? Yes  No

**The Applicant acknowledges (by signing this application) that any claims or incidents reported in Section V, or that should have been reported in Section V will be excluded from coverage.**

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## **PART II – DIRECTORS & OFFICERS LIABILITY** (Complete only if coverage is being requested)

### **I. OWNERSHIP INFORMATION**

1. a. Total number of common shares outstanding: \_\_\_\_\_
- b. Total number of common shareholders: \_\_\_\_\_
- c. Total number of common shares owned by Directors & Officers of the Applicant: \_\_\_\_\_

2. Please complete the following chart for any shareholders owning ten (10%) or more of the common stock outstanding:

Shareholder Name	% of Ownership	% of Ownership
1.	%	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	%	Yes <input type="checkbox"/> No <input type="checkbox"/>
3.	%	Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	%	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.	%	Yes <input type="checkbox"/> No <input type="checkbox"/>

### **II. FINANCIAL INFORMATION**

1. As of the most recent fiscal year-end, please provide the following consolidated financial information for Applicant and Subsidiaries:

	Current Year	Previous Year
Total Assets:	\$ _____	\$ _____
Current Assets:	\$ _____	\$ _____
Current Portion of LTD:	\$ _____	\$ _____
Long Term Debt:	\$ _____	\$ _____
Total Equity:	\$ _____	\$ _____
Gross Revenues:	\$ _____	\$ _____
Net Income:	\$ _____	\$ _____

2. Within the last 24 months, has the Applicant's or any Subsidiaries' outside auditors:
  - a. stated that there are any weaknesses in the Applicant's or any Subsidiaries' system of internal controls? Yes  No
  - b. rendered a "going concern" opinion? Yes  No

If yes to any of the above, please provide details: \_\_\_\_\_

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## PART III – EMPLOYMENT PRACTICES LIABILITY (Complete only if coverage is being requested)

### I. EMPLOYEE INFORMATION

1. What is the total number of:
 

	Current Yr	Previous Yr
a. full time employees?	_____	_____
b. part-time and seasonal employees?	_____	_____
c. independent contractors?	_____	_____
d. volunteers?	_____	_____
e. locations?	_____	_____
  
2. List the three states with the largest number of employees:
 

(1) State: _____	Number of Employees: _____
(2) State: _____	Number of Employees: _____
(3) State: _____	Number of Employees: _____
  
3. Salary Ranges (including bonuses & commission):
 

a. \$50,000 or less	_____
b. \$50,001 - \$100,000	_____
c. \$100,001 or more	_____
  
4. In the last 12 months, how many officers have left your employ? \_\_\_\_\_
 

Of the above:	How many left voluntarily?	_____
	How many were terminated?	_____
  
5. In the last 12 months, how many other employees have left your employ? \_\_\_\_\_
 

Of the above:	How many left voluntarily?	_____
	How many were terminated?	_____

### II. HUMAN RESOURCES

1. Does the Applicant have written employment agreements with **all** officers?..... Yes  No
2. Does the Applicant establish at-will employment relationships with all employees?..... Yes  No
3. Have the Applicant's managers and/or supervisors attended training and education programs/seminars on sexual harassment in the last 12 months?..... Yes  No   
 If YES, who has attended? \_\_\_\_\_  
 If YES, who conducts? \_\_\_\_\_  
 If NO, is Applicant willing to implement such training?..... Yes  No
4. Does the Applicant have its employment policies/procedures reviewed by labor relations counsel annually/bi-annually?..... Yes  No   
 If NO, is Applicant willing to do so?..... Yes  No
5. Does the Applicant have a Human Resources or Personnel Department?..... Yes  No   
 If NO, who handles this function? \_\_\_\_\_
6. Does the Applicant publish an employment handbook?..... Yes  No   
 If NO, is Applicant willing to do so?..... Yes  No   
 If YES, does Applicant distribute it to all employees?..... Yes  No   
 If YES, do employees sign for receipt/acceptance?..... Yes  No
7. Does the Applicant have written procedures for handling employee complaints of discrimination and / or sexual harassment? ..... Yes  No
8. Has the Applicant implemented anti-sexual harassment policies/procedures?..... Yes  No
9. Does the Applicant use any tests, including drug tests, to screen applicants for employment or to promote or monitor employees?..... Yes  No

If so, what kind and are they performed in-house or by a third party? \_\_\_\_\_

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10. Does the Applicant require all terminations to be reviewed by:  
its Human Resources Department?..... Yes  No   
or its Legal Department?..... Yes  No   
or outside counsel?..... Yes  No   
If NO, is Applicant willing to do so?..... Yes  No
11. Does the Applicant maintain a personnel file for each employee?..... Yes  No
12. Does the Applicant have any written grievance or complaint procedures?..... Yes  No   
If NO, is Applicant willing to implement such procedures?..... Yes  No
13. Does the Applicant regularly consult with a labor relation's counsel?..... Yes  No   
If YES, who is your labor relation's counsel? \_\_\_\_\_  
How is this person / firm utilized? \_\_\_\_\_

### III. COVERAGE FOR THIRD PARTY EVENTS (OPTIONAL)

For the purpose of this optional coverage, person means someone who is not an Employee (for example, but not by limitation, an individual who is a customer, vendor, or client) of the Named Insured or an Insured Entity

1. Does the Applicant have written procedures for handling complaints of discrimination and/or harassment from a person who is a non-Employee? Yes  No   
If YES, are all complaints recorded? Yes  No
2. 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 complete details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Does the Applicant's public facilities have access for the disabled in compliance with A.D.A. Law? Yes  No   
If NO, please provide complete details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Does the Applicant take steps to ensure that their business operations comply with A.D.A. Requirements? Yes  No   
If NO, is the Applicant willing to do so? Yes  No   
If YES, please provide details of the controls that the Applicant has implemented clearly stating whether or not they will continue to use those controls in the future: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Does the Applicant provide training to their Employees 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

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## PART IV – FIDUCIARY LIABILITY (Complete only if coverage is being requested)

### I. FIDUCIARY PLAN INFO

1. Please complete the following table as it respects any of the Company's employee benefit plans for which coverage is desired:

* Plan Name	Plan Type*	Plan Assets (Current Yr)	Plan Assets (Prev Yr)	# of Participants
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	

\* Plan Types: **B** = Defined Benefit /Pension **C** = Defined Contribution **O** = Other  
**E** = ESOP (Employee Stock Ownership Plan) **W** = Welfare Benefit

2. Does any plan hold any 'employer securities' as defined by ERISA? Yes  No   
 If YES, please indicate:  
 a. Each plan and the % of the company's securities held: \_\_\_\_\_  
 b. Who controls the voting rights for the shares of stock: \_\_\_\_\_  
 c. Is the trustee of such plan independent of the company? Yes  No   
 3. Are there any transactions involving plan assets involving anyone known to be party-in-interest? Yes  No   
 If YES, please provide complete details: \_\_\_\_\_

### II. OTHER MATERIAL FACTS

1. Do all plans conform to the standards of eligibility, participation, vesting, funding and all other provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended or similar laws? Yes  No   
 If NO, please provide details: \_\_\_\_\_
2. In the last three (3) years:  
 a. has any plan been consolidated, terminated, suspended, merged, or dissolved? Yes  No   
 b. has there been an amendment to any plan resulting in a change or reduction in benefits to participants, including a conversion to a cash balance plan? Yes  No   
 c. has there been any funding deficiencies or delinquent contributions with respect to any plan? Yes  No   
 d. has there been a 'reportable event' as defined by ERISA with respect to any plan? Yes  No   
 If YES, please provide complete details in attachment to the application.  
 If NO, are any of the above events anticipated in the next 12 months? Yes  No
3. Please indicate whether the plans:  
 a. are reviewed annually and whether plan participants receive annual education regarding investment alternatives? Yes  No   
 b. employ the services of an investment manager or consulting firm Yes  No   
 c. employ the services of a certified public accounting firm Yes  No   
 d. employ the services of an outside law firm Yes  No   
 e. employ the services of an actuarial firm Yes  No

If NO, please provide complete details: \_\_\_\_\_

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## PART V – GENERAL SUMMARY

### **I. OTHER MATERIAL FACTS**

1. 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.*

**It is warranted that the answers and statements contained in the Application for the proposed Policy, and any attachments made hereto, are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.**

**It is agreed that in the event material information has been omitted, suppressed, or misstated, the Insurer shall have the right to exclude from coverage any claim based upon, arising out of, or in any way involving such omission, suppression, or misstatement.**

**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 agreed 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	Applicant's Authorized Signature of a Principal, Partner or Officer	Title
_____	_____	_____
Date	Applicant's Authorized Signature of Individual in Charge of Human Resources or Personnel Department or Signature of 2 <sup>nd</sup> Authorized Person	Title

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