

ALLEGIANCE UNDERWRITING GROUP

**RENEWAL APPLICATION FOR
EMPLOYMENT PRACTICES LIABILITY INSURANCE**

INSTRUCTIONS:

1. Answer all questions (if not applicable, show N/A) and attach all additional information/explanations as required.
2. Application must be signed and dated.
3. "Applicant" refers to the company, its predecessors, and all proposed Insureds, including Subsidiaries.

I. General Information

- A. Name of Applicant: _____
- B. Address (if different from last year): _____

- C. Any change in the nature or locations of business operations over the last year? *(If Yes, please explain)* Yes No
- D. Any change in management during the last year? *(If Yes, please explain)* Yes No
- E. In the past twelve (12) months, has your total number of employees decreased by more than ten percent (10%) or five (5) employees, whichever is **greater**, through any reduction in force, systematic lay-off or by closure of any division, office or facility that you own or operate? Yes No
(If Yes, please complete the Reduction In Force supplement (E))
- F. In the next twelve (12) months, do you anticipate the total number of your employees to decrease by more than ten percent (10%) or five (5) employees, whichever is **greater**, through any reduction in force, systematic lay-off or by closure of any division, office or facility that you own or operate? Yes No
(If Yes, please complete the Reduction In Force supplement (F))
- G. If, during the next 12 months, circumstances of which you are currently unaware, make it necessary for you to implement a Reduction in Force, that affects ten percent (10%) of your workforce or five (5) Employees, whichever is greater. Do you agree that you will consult with, and adopt the advice of the HR Experts at EPLI PRO (TEL: 800-387-4468 or EMAIL: HRdirectors@ePlaceInc.com)? This is part of the free loss control services included with the purchase of this insurance policy. You may also utilize in-house counsel for this Reduction in Force procedure, but only if that counsel is qualified and experienced in the practice of labor and employment. Yes No
- H. Does the Applicant anticipate any merger, acquisition, or addition of any operations that would comprise a twenty five percent (25%) or ten (10) employees, whichever is **greater**, increase over the current number of employees? Yes No
(If Yes, please provide full details on a separate sheet)

II. Financial Information

- A. Please answer the following nine (9) questions for the Insured Company, including its subsidiaries, for the most recent fiscal year end:
- i) What are the Applicant's total assets? \$ _____
 - ii) What are the Applicant's current assets? \$ _____
 - iii) What are the Applicant's total liabilities? \$ _____
 - iv) What are the Applicant's current liabilities? \$ _____
 - v) What are the Applicant's total gross revenues? \$ _____
 - vi) Does the Applicant currently have:
 - Any credit facility/long term financing/overdraft Yes No
 - If yes, what amount is exercised/borrowed? \$ _____
 - If yes, what amount is repayable over the next 12 months? \$ _____
 - If yes, on what date does the credit facility/long term financing/overdraft renew/expire? _____
 - vii) Within the last three years has the Applicant ever been in breach of any debt covenants or loan agreements? Yes No

If yes, please provide details _____

 - viii) Does the Applicant currently have:
 - Net Income or
 - Net Loss
 - Amount \$ _____
 - ix) Does the Applicant currently have:
 - Positive Cashflow or
 - Negative Cashflow
 - Amount \$ _____
- B. 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)

III. Employees

- A. Number of employees: Full Time: _____ Part Time: _____
- B. Salary ranges (*including bonuses, dividends and commissions*) Number of full time employees Number of part time employees
- | | | |
|--------------------------|-------|-------|
| Less than \$25,000 | _____ | _____ |
| \$ 25,001 to \$75,000 : | _____ | _____ |
| \$ 75,001 to \$150,000 : | _____ | _____ |
| \$150,001 and over : | _____ | _____ |
- C. Does the Applicant use seasonal or temporary employees? Yes No
If so, when and how many? _____
Are these employees included in A and B above? Yes No
- D. Does the Applicant use leased workers? Yes No
If yes, how many have been retained by the Applicant in the past 12 months? _____
Are these employees included in A and B above? Yes No
- E. Does the Applicant use independent contractors? Yes No
If Yes, how many? _____
Do you want coverage for these Independent Contractors? Yes No
- F. In the past 12 months, how many officers have left your employ? _____
Of the above, how many were terminated? _____
- G. In the past 12 months, how many other employees have left your employ? _____
Of the above, how many were terminated? _____

Reduction In Force Supplement (E)

A. How many employees were laid off? _____

B. What date(s) did the lay-off's take place? _____

C. Did you consult with and follow the recommendations of a lawyer who specializes in labor and employment law as respects the implementation of such reduction, lay-off or closure? Yes No

D. Were severance packages offered to all laid-off employees? Yes No

E. Were signed releases gained from all laid-off employees? Yes No

F. Were exit interviews completed with all laid-off employees? Yes No

G. Did any of the laid off employees express that they were considering bringing any sort of complaint or claim? Yes No

H. Please provide available details on the above.

Reduction In Force Supplement (F)

A. How many employees will be laid off? _____

B. What date(s) will the lay-off be effective? _____

C. Do you agree to consult with and follow the recommendations of a lawyer who specializes in labor and employment law as respects the implementation of such reduction, lay-off or closure? Yes No

D. Will severance packages be offered to all laid-off employees? Yes No

E. Will signed releases be gained from all laid-off employees? Yes No

F. Will exit interviews be completed with all laid-off employees? Yes No

G. Please provide available details on the above.