



## RENEWAL APPLICATION FOR EMPLOYMENT PRACTICES LIABILITY INSURANCE FOR ACCOUNTING FIRMS

**NOTICE: THE POLICY FOR WHICH RENEWAL APPLICATION IS MADE APPLIES, SUBJECT TO ITS TERMS, ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR, IF PURCHASED, ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION. THE UNDERWRITER WILL HAVE NO DUTY TO DEFEND ANY "CLAIM." READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.**

### 1. GENERAL INFORMATION

A. Name of **Applicant**: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

B. Date of organization: \_\_\_\_\_

C. List all locations or branch offices by city and state (include approximate number of employees at each location). Please use a separate addendum if necessary.

| Locations or Branch Offices | Approximate<br>Number of<br>Employees |
|-----------------------------|---------------------------------------|
| _____                       | _____                                 |
| _____                       | _____                                 |
| _____                       | _____                                 |
| _____                       | _____                                 |

D. Current Policy: Limit of liability: \_\_\_\_\_ Retention: \_\_\_\_\_  
Coinsurance: \_\_\_\_\_ Expiration date: \_\_\_\_\_

E. Are coverage limits and retention requested the same as expiring?  Yes  No  
If "No," please provide the coverage limits and retention requested on renewal below.  
\_\_\_\_\_

### 2. EMPLOYEES

A. Current number of Partners: \_\_\_\_\_  
All other full-time employees: \_\_\_\_\_  
Part-time employees (including seasonal and temporary): \_\_\_\_\_

B. What was the annual employee (including all professionals) turnover rate for the last year? \_\_\_\_\_%

C. How many involuntary terminations have occurred in the last year?  
Employees: \_\_\_\_\_ All professionals: \_\_\_\_\_

D. Percentage of employees (including all professionals) with salaries (including bonuses):  
Less than \$50,000: \_\_\_\_\_%  
\$50,000 - \$100,000: \_\_\_\_\_%  
\$100,000 - \$250,000: \_\_\_\_\_%  
Greater than \$250,000: \_\_\_\_\_%

**3. CLAIMS HISTORY**

Since the submission date of the last application submitted to the Underwriter, has there been any change in the status of any claim, suit, circumstance, allegation, or contention previously reported under an employment practices liability insurance application made to the Underwriter or any other employment practices liability insurance carrier?  
If "Yes," please provide full particulars in a separate addendum.

Yes  No

**4. HUMAN RESOURCES**

A. Have there been any changes to the **Applicant's** human resources department?  
If "Yes," please provide details on a separate addendum.

Yes  No

B. Have there been any changes or revisions to the **Applicant's** written policies or procedures in place with regard to the following:

- 1. Termination
- 2. Hiring
- 3. Discipline
- 4. Sexual harassment
- 5. Tests used to screen applicants for hire or promotion
- 6. Employee handbook

Yes  No  
 Yes  No  
 Yes  No  
 Yes  No  
 Yes  No  
 Yes  No

If the **Applicant** answers "Yes" to any of the above questions, please provide details of the change or revision on a separate addendum as well as a copy of the revised document.

C. Has the **Applicant** adopted any new employment-related policies or procedures?  
If "Yes," please provide details on a separate addendum.

Yes  No

**5. FIRM HISTORY**

If the **Applicant** answers "Yes" to any of the following questions, please provide further details on a separate addendum.

A. Has the **Applicant** acquired or merged with any other entity in the last year?

Yes  No

B. If "Yes" to Question (5. A.), did the acquisition include the assumption of liabilities?

Yes  No

C. Does the **Applicant** anticipate any branch/location closings, consolidations, or layoffs?

Yes  No

If "Yes," please provide details including the year, anticipated number of layoffs, and the circumstances surrounding those layoffs. Please use a separate addendum if necessary.

---

---

---

D. With respect to any acquisitions, were any employees, partners, or other professionals terminated, or does the **Applicant** plan in the next eighteen (18) months to terminate any employees, partners or other professionals?

Yes  No

If "Yes," please explain on a separate addendum.

**6. PLEASE PROVIDE COPIES OF THE FOLLOWING:**

- A. Firm Financial Information Supplement (Attachment)
- B. Employee handbook
- C. Procedure for handling employee complaints of discrimination or sexual harassment

**NOTICE TO APPLICANT  $\frac{3}{4}$  PLEASE READ CAREFULLY.**

**FOR THE PURPOSES OF THIS RENEWAL APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE UNDERWRITER IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS RENEWAL APPLICATION. SIGNING THIS RENEWAL APPLICATION DOES NOT BIND THE UNDERWRITER TO COMPLETE, OR THE APPLICANT TO PURCHASE, THE INSURANCE.**

**THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS RENEWAL APPLICATION IS ON FILE WITH THE UNDERWRITER AND ALONG WITH THE APPLICATION IS CONSIDERED PHYSICALLY ATTACHED TO THE POLICY AND WILL BECOME A PART OF IT. THE UNDERWRITER WILL HAVE RELIED UPON THIS RENEWAL APPLICATION AND ATTACHMENTS IN ISSUING ANY POLICY. THE RENEWAL APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED.**

**IF THE INFORMATION IN THIS RENEWAL APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE UNDERWRITER, WHO MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION.**

**THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT**

- (I) THE POLICY SHALL APPLY ONLY TO "CLAIMS" MADE (OR DEEMED MADE) TO THE UNDERWRITER DURING THE "POLICY PERIOD" OR TO "CLAIMS" MADE TO THE UNDERWRITER DURING ANY APPLICABLE "EXTENDED REPORTING PERIOD";**
- (II) THE LIMIT OF LIABILITY CONTAINED IN THE POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY "DEFENSE EXPENSES" AND, IN SUCH EVENT, THE UNDERWRITER SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT SUCH COST OR LIMIT EXCEEDS THE LIMIT OF LIABILITY IN THE POLICY; AND**
- (III) "DEFENSE EXPENSES" THAT ARE INCURRED SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.**

**NOTICE TO ARKANSAS, MINNESOTA, AND OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE 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, WHICH IS A CRIME.**

**NOTICE TO COLORADO APPLICANTS: 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 POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER 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.**

**NOTICE TO DISTRICT OF COLUMBIA, MAINE AND VIRGINIA APPLICANTS: 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.**

**NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY EMPLOYER OR EMPLOYEE, INSURANCE COMPANY, OR SELF-INSURED PROGRAM, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.**

**NOTICE TO KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.**

NOTICE TO LOUISIANA AND NEW MEXICO APPLICANTS: 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 CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE 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.

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: 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.

NOTICE TO OKLAHOMA APPLICANTS: 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.

NOTICE TO OREGON AND TEXAS APPLICANTS: ANY PERSON WHO MAKES AN INTENTIONAL MISSTATEMENT THAT IS MATERIAL TO THE RISK MAY BE FOUND GUILTY OF INSURANCE FRAUD BY A COURT OF LAW.

NOTICE TO PENNSYLVANIA APPLICANTS: 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.

|   |       |      |
|---|-------|------|
| APPLICANT                                     |       |      |
| BY <i>(Principal, Partner or Shareholder)</i> | TITLE | DATE |

NOTE: This Renewal Application is signed by the undersigned authorized agent of the **Applicant** on behalf of the **Applicant** and all of its partners, owners, shareholders, officers, and employees.

|   |                   |
|---|-------------------|
| PRODUCED BY <i>(Insurance Agent)</i>                    | INSURANCE AGENCY  |
| INSURANCE AGENCY TAXPAYER ID OR SOCIAL SECURITY NO.     | AGENT LICENSE NO. |
| ADDRESS <i>(No., Street, City, State, and ZIP Code)</i> |                   |
| EMAIL ADDRESS   |                   |

|   |   |                   |
|---|---|-------------------|
| SUBMITTED BY <i>(Insurance Agency)</i>                  | INSURANCE AGENCY TAXPAYER ID OR SOCIAL SECURITY NO. | AGENT LICENSE NO. |
| ADDRESS <i>(No., Street, City, State, and ZIP Code)</i> |   |                   |

# ExecutivePerils

11845 West Olympic Boulevard • Suite 750 • Los Angeles • CA • 90064  
 T:310-444-9333 • F:310-444-9355 • Web: [www.eperils.com](http://www.eperils.com) • CA Lic. #0E36308  
 dba: Executive Perils Insurance Services

**EXECUTIVE RISK INDEMNITY INC.  
RENEWAL APPLICATION FOR EMPLOYMENT PRACTICES LIABILITY  
INSURANCE FOR ACCOUNTING FIRMS  
FIRM FINANCIAL INFORMATION SUPPLEMENT**

Name of **Applicant**: \_\_\_\_\_

This supplement is part of the Renewal Application for Employment Practices Liability Insurance for Accounting Firms.

Please supply the following information and the source financial documents listed below. For items 1, 2, and 3, supply information for your latest completed fiscal year and the prior two fiscal years. For items 4, 5, and 6, please supply the amount at year end.

- |  | Latest Fiscal Year<br>(ending __/__/__) | 1st Prior Fiscal Year<br>(ending __/__/__) | 2nd Prior Fiscal Year<br>(ending __/__/__) |
|--|---|--|--|
|--|---|--|--|
- 1. Gross Revenues:**  
Cash receipts from professional services, excluding expense reimbursements.
  - 2. Net Income:**  
Total net income for distribution to active equity partners or shareholders.
  - 3. Total Debt (Net present value):**  
The sum of long- and short-term debt to all creditors. Please indicate the discount rate used to compute net present value. (If net present value estimate is not available, list each obligation and its maturity date.)
  - 4. Lease Obligations (Net present value):**  
Please include all leases — e.g., for real estate, furnishings, office equipment, etc. Please indicate the discount rate used to compute net present value. (If net present value estimate is not available, list all leases and show payment due by year for each.)
  - 5. Obligations to Former Partners/Shareholders (Net present value):**  
Total of all payments due to retired partners/shareholders or former partners/shareholders, for whatever reasons. Please indicate the discount rate used to compute net present value. (If net present value estimate is not available, please list obligations per year for each individual.)
  - 6. Partner or Shareholder Equity:**  
Total partner or shareholder equity.

Please provide latest fiscal year financial statements (income statement and balance sheet), audited if available, with this supplement.

**I understand that information submitted herein becomes part of the Applicant's Renewal Application for Employment Practices Liability Insurance for Accounting Firms and is subject to all of the representations and conditions set forth therein.**

\_\_\_\_\_  
Authorized Signature of **Applicant** (Principal, Partner, or Shareholder)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name