



U.S. SPECIALTY INSURANCE COMPANY
HOUSTON CASUALTY COMPANY

EMPLOYMENT PRACTICES LIABILITY ADDENDUM TO
DIVERSIFIED BUSINESS PROFESSIONAL INSURANCE PROPOSAL
(THIS IS A PROPOSAL FOR CLAIMS MADE INSURANCE)

NOTICE: THIS INSURANCE PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY DEFENSE COSTS, CHARGES, AND EXPENSES. FURTHER NOTE THAT SUCH DEFENSE COSTS, CHARGES AND EXPENSES SHALL BE APPLIED AGAINST THE APPLICABLE DEDUCTIBLE(S)/RETENTION(S).

1. Insured Organization _____
2. Total number of Full-Time Employees: _____ Part-Time Employees: _____
Non U.S. Employees: _____ Union Employees: _____

How many of these employees are located in the following states:
CA _____ NY _____ TX _____ FL _____
3. Total number of employees with annual salaries in excess of \$50,000: _____

How many of these employees have annual salaries in excess of \$100,000? _____
4. Does the Insured Organization have a formal human resources/personnel department? YES _____ NO _____

Do you use an employment application for all job applicants? YES _____ NO _____

Have you established an at-will employment agreement? YES _____ NO _____

Are employment policies and procedures periodically reviewed by labor relations or outside legal counsel?
YES _____ NO _____

Do you have a labor relations counsel? YES _____ NO _____
5. Is the Insured Organization involved in any labor/union negotiations or collective bargaining activities?
YES _____ NO _____ If YES, please explain _____
6. Does the Insured Organization have a written procedure for hiring and firing employees?
YES _____ NO _____ If YES, please attach a copy.
7. Does the Insured Organization have a written procedure for reviewing the performance of employees?
YES _____ NO _____ If YES, please attach a copy and all pertinent forms.
8. Does the Insured Organization have a clear procedure for employees to report sexual harassment and other employee-related complaints? YES _____ NO _____ If YES, please attach a copy.
9. Does a lawyer or human resource person review involuntary employment terminations prior to termination of an employee? YES _____ NO _____
10. Has there been a reduction of employees in the past twelve (12) months? YES _____ NO _____
If YES, what percentage? _____%
11. Is a reduction of employees anticipated in the next twelve (12) months? YES _____ NO _____
If YES, what percentage? _____%

12. How many employees left employment in each of the past three (3) years?

If there were no terminations in a particular year, please write the word "none."

Year	Voluntary (Quit/Retired)	Involuntary (terminated by Insured Organization)
_____	_____	_____
_____	_____	_____
_____	_____	_____

13. Does the Insured Organization have any formal written compliance program as to the Americans with Disabilities Act?
YES _____ NO _____

14. Has any claim been made (including EEOC), or is any claim now pending against the Insured Organization, or any person proposed for insurance in the capacity of either Director, Manager, Officer, General Partner or employee of the Insured Organization, based upon or attributable to discrimination, wrongful termination or sexual harassment?
_____ NONE _____ NONE EXCEPT FOR _____

15. After inquiry, is any person proposed for this insurance aware of any fact, circumstance or situation which may result in a claim against the Insured Organization or any of its Directors, Managers, Officers, General Partners or employees based upon or attributable to discrimination, wrongful termination or sexual harassment?
_____ NONE _____ NONE EXCEPT FOR _____

IT IS AGREED THAT IF KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION EXISTS, ANY CLAIM SUBSEQUENTLY ARISING THEREFROM SHALL BE EXCLUDED FROM COVERAGE UNDER THE PROPOSED INSURANCE.

ALL REPRESENTATIONS SET FORTH IN THE MAIN PROPOSAL SHALL APPLY EQUALLY TO THIS ADDENDUM AND ANY COVERAGE ISSUED PURSUANT TO THIS ADDENDUM SHALL HAVE BEEN ISSUED ON THE BASIS OF EACH OF SUCH REPRESENTATIONS.

Signed _____
(Must be Signed by Chairman of the Board or President or highest ranking executive officer)

PLEASE ENCLOSE THE FOLLOWING:

A copy of the Insured Organization's Personnel Manual

Title _____

Date _____

THIS ADDENDUM MUST BE SUBMITTED TO:

ExecutivePerils

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