

WAGE AND HOUR COVERAGE ENHANCEMENT SUPPLEMENTAL APPLICATION

NOTICE TO NEW YORK APPLICANTS: The Policy for which this Application is made is a claims made Policy. Upon termination of coverage for any reason, a 60-day automatic extension period will apply. For an additional premium, an extended reporting period can be purchased as indicated in the Policy. Except as otherwise provided herein, the Policy only applies to Claims first made during the Policy Period, the automatic extension period or, if applicable, the extended reporting period. No coverage exists for Claims made after the end of the Policy Period and the automatic extension period except to the extent the extended reporting period applies. No coverage will exist after the expiration of the automatic extension period or, if purchased, the extended reporting period, which may result in a potential coverage gap if prior acts coverage is not subsequently provided by the other insurer. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and the Insured can expect substantial annual premium increases, independent of overall rate increases, until the claims-made relationship reaches maturity. The Limit of Liability available to pay damages or settlements shall be reduced and may be exhausted by Defense Costs and Defense Costs shall be applied to the Retention. The Insurer is not obligated to pay any loss, including Defense Costs, after the Limit of Liability has been exhausted by payment of Loss.

NOTICE TO MINNESOTA APPLICANTS: The Policy for which this Application is made is a claims made and reported Policy subject to its terms. This Policy applies only to any Claim first made against the Insureds during the Policy Period or the extended reporting period, if purchased, provided such Claim is reported to the Insurer or the Insurer's agent or broker as provided in the Policy. Only Claims actually made during the Policy Period are covered unless coverage for an extended reporting period is purchased. If an extended reporting period is not made available the Insured risk's having gaps in coverage when switching from one company to another. Moreover, even if such a reporting period is made available the Insured may be personally liable for claims reported after the period expires. Claims made policies may not provide coverage for Wrongful Acts committed before a fixed retroactive date. Rates for claims made policies are discounted in the early years of a policy, but increase steadily over time. Amounts incurred as Defense Costs shall reduce and may exhaust the applicable Limits of Liability and are subject to the Retentions.

NOTICE TO ALL OTHER APPLICANTS: THE POLICY FOR WHICH THIS SUPPLEMENTAL APPLICATION IS MADE IS A CLAIMS MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, SUCH POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR AN APPLICABLE EXTENDED REPORTING PERIOD AND REPORTED TO THE INSURER IN ACCORDANCE WITH THE POLICY TERMS. DEFENSE COSTS SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE INSURER IS NOT LIABLE FOR DEFENSE COSTS OR ANY JUDGMENT OR SETTLEMENT ONCE THE LIMIT OF LIABILITY IS EXHAUSTED BY DEFENSE COSTS OR OTHER LOSS. THE APPLICATION, ITS ATTACHMENTS AND THIS SUPPLEMENTAL APPLICATION ARE HEREBY ATTACHED AND MADE A PART OF THIS POLICY.

INSTRUCTIONS:

- 1) Answer all questions (if not applicable, show N/A) and attach all additional information/explanations as required.
- 2) Application must be dated and have an authorized signature.
- 3) PLEASE READ STATEMENTS AT END OF APPLICATION CAREFULLY.

ORGANIZATIONAL INFORMATION:

Applicant Name _____

Principal Address _____

City, State, Zip _____ Web Address _____

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Do any exempt employees receive a salary of less than \$455 per week? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do all exempt management personnel, as part of their primary duties: | | |
| a) have direct management control over at least 2 employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| b) have authority to hire and fire or to make recommendations on hiring and firing? | <input type="checkbox"/> | <input type="checkbox"/> |
| c) spend less than 50% of their time supervising employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do all exempt administrative personnel, as part of their primary duties, have authority to make some independent decisions (e.g. sign contracts, bind the Applicant, hire/fire)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Do all exempt outside sales personnel get paid on a commission or partial commission basis? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do any non-exempt employees get paid less than minimum wage, including but not limited to, those with the expectation that the difference will be made up by gratuities, commissions or piece rate? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are any non-exempt personnel not paid for any time that they are required to be on Applicant's premises (i.e., putting on or removing uniforms or equipment) or traveling at Applicant's direction? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Do any non-exempt employees receive reduced hours in exchange for working more than 40 hours in one week in lieu of overtime pay? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. If Applicant has independent contractors, do they: | | |
| a) work under the direct supervision and control of Applicant employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| b) use equipment or tools supplied by Applicant? | <input type="checkbox"/> | <input type="checkbox"/> |
| c) receive company benefits? | <input type="checkbox"/> | <input type="checkbox"/> |
| d) wear company uniform? | <input type="checkbox"/> | <input type="checkbox"/> |
| e) have a mandate to attend company meetings? | <input type="checkbox"/> | <input type="checkbox"/> |

- | | Yes | No |
|--|--------------------------|--------------------------|
| 9. Does Applicant contract with an outside company for services to be performed on Applicant's premises by that company's employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, is there a written indemnity agreement holding Applicant harmless for any wage and hour violations? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Does Applicant audit or review its wage and hour practices to ensure compliance with state and federal laws; including classification of exempt / non-exempt Employees, how overtime is calculated, and meal and rest break periods? | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, is an attorney involved and how frequent are the audits? | | |
| 11. Does Applicant retain payroll records for the last three years? | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Does Applicant track the number of hours of salaried employees for payroll purposes? | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Has Applicant changed the status of any non-exempt job category to exempt in the last 4 years? If yes, please provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Does Applicant maintain job descriptions for each employee at each location and periodically review them against the employee's actual job duties? | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Does Applicant regularly review job descriptions and update them with the assistance of an attorney? | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. For any non-exempt employees that are required to be on-call or stand-by to the extent that they are restricted from doing their normal activities (ie, must stay within a 3 mile radius from work), are they compensated for this time? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Have any losses, lawsuits, administrative proceedings, including audits, investigations, or reviews by the Department of Labor or similar state agencies, including but not limited to the California Department of Industrial Relations, hearings or demands been made against the Applicant or any entity or person proposed for this insurance during the last five (5) years alleging violation of or investigating compliance with any wage and hour law, including but not limited to the California Labor Code? If yes, please provide details. | <input type="checkbox"/> | <input type="checkbox"/> |

The undersigned declares that the statements set forth herein are true and include all material information. The undersigned agrees that if the information supplied in this Application changes between the date of this Application and the effective date of the insurance, he/she will, in order for the information to be accurate on the effective date of the insurance, immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding quotations or authorizations or agreements to bind the insurance.

Signing of this Application does not bind the Applicant or the Insurer to complete the insurance, but it is represented that the statements contained in this Application and the materials submitted herewith are the basis of the contract should a Policy be issued and have been relied upon by the Insurer in issuing any Policy. The Insurer is authorized to make any investigation and inquiry in connection with this Application as it deems necessary.

All written statements and materials furnished to the Insurer in conjunction with this Application are hereby incorporated by reference into this Application and made a part hereof. This Application and materials submitted with it shall be retained on file with the Insurer and shall be deemed attached to and become part of the Policy if issued. This paragraph does not apply in the states of Utah and Wisconsin.

NOTE TO UTAH AND WISCONSIN RESIDENTS: All written statements and materials furnished to the Insurer in conjunction with this Application are made a part hereof provided this Application and such materials are attached to the Policy at the time of its delivery.

WARNING TO ALL APPLICANTS

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)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.

NOTICE TO FLORIDA APPLICANTS: 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 IN THE THIRD DEGREE.

NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON 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 INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

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 CLAIMS 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.

The individual signing below is signing on behalf of the Applicant for this insurance and is authorized to do so.

_____ Date

_____ Signature of a Principal, Partner or Executive Officer

_____ Printed Name and Title

If this Supplemental Application is completed in Florida, please provide the insurance agent’s name and Florida license number. If this Supplemental Application is completed in Iowa, please provide the insurance agent’s name only.

_____ Name of Insurance Agent

_____ License Identification No.

_____ Authorized Representative

If this Supplemental Application is completed in Wisconsin, please note the following:

- If the Insured cancels the Policy, earned Premium shall be computed on a short rate basis. The Premium shall be deemed fully earned if any Claim under the Policy is reported to the Insurer on or before the date of cancellation.
- An extended reporting period endorsement will not be issued unless the Insurer receives a written request for it within thirty (30) days after the Policy is cancelled or non-renewed, nor will it take effect unless the additional Premium is paid within thirty (30) days after the Policy is cancelled or non-renewed. Once that Premium is paid the endorsement may not be cancelled and the additional Premium will be fully earned.