



NIC INSURANCE COMPANY

Name of Insurance Company to which application is made

APPLICATION FOR EMPLOYMENT PRACTICES LIABILITY INSURANCE

NOTICE: THE POLICY FOR WHICH 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 SHALL BE REDUCED BY CLAIMS EXPENSES. DAMAGES AND CLAIMS EXPENSES SHALL BE APPLIED AGAINST THE RETENTION.

READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

1. GENERAL INFORMATION

A. Applicant's name (Parent Company): _____

Address: _____

City: _____ State: _____ ZIP: _____

B. State of organization: _____ Date of organization: _____

C. Type of organization (public corporation, private corporation, partnership, joint venture, sole proprietorship, etc.):

D. Please describe nature of business including principle products/services (please include subsidiaries):

E. Applicant's web site address (if applicable): _____

F. Please list all subsidiaries by city and state.
Please use a separate addendum if necessary.

| Subsidiaries | Number of Employees |
|--------------|---------------------|
| | |
| | |
| | |
| | |

G. Please list prior employment practices liability insurance for the past three (3) years (either stand-alone policies or supplemental coverage provided under some other type of insurance). Please use a separate addendum if necessary.

| Period | Insurer | Limit | Retention | Coinsurance | Premium |
|--------|---------|-------|-----------|-------------|---------|
| | | | | | |
| | | | | | |
| | | | | | |

H. **MISSOURI APPLICANTS/AGENTS – DO NOT ANSWER THIS QUESTION.**

Has a previous insurer ever canceled or non-renewed the **Applicant** for employment practices liability insurance (either on a stand-alone basis or as supplemental coverage provided under some other type of insurance)? Yes No

If "Yes," please provide details of the circumstances of cancellation or non-renewal: _____

I. Desired coverage: Limit of Liability: _____ Retention: _____

2. **EMPLOYEES ~ including Parent Company and subsidiaries for which coverage is being requested:**

A. Current number of:

| | United States | Foreign |
|--|---------------|---------|
| Full-time employees: | _____ | _____ |
| Part-time employees (including temporary, seasonal, leased, and volunteers): | _____ | _____ |
| Independent contractors: | _____ | _____ |

B. Percentage of employees employed in the states of CA, TX, FL, MI? _____

C. Percentage of employees that are:

Union _____ %
Non-union _____ %

D. What was the annual employee turnover rate for the last four (4) years:

_____ : _____ % _____ : _____ % _____ : _____ % _____ : _____ %

E. How many involuntary terminations occurred in the past 12 months?

Executive Officers _____ All other employees _____

F. How many officers and other employees have resigned or retired in the past 12 months?

Executive Officers _____ All other employees _____

G. Percentage (%) of employees with salaries (including bonuses):

Less than \$50,000: _____ %
\$50,000 - \$100,000: _____ %
\$100,000 - \$250,000: _____ %
Greater than \$250,000: _____ %

H. Is the Applicant or any of its Subsidiary employees (including directors, officers and general partners) employed under a written employment contract? _____ If so, how many? _____

3. LOSS HISTORY

A. Provide a list of all employment-related litigation and administrative proceedings (including both EEOC, state and local agency proceedings) involving employees, independent contractors, customers/clients, or other third parties. If none, so state. Please use a separate addendum if necessary.

| Date | Claimant Name | Allegations | Status | Loss/Settlement/Demand | Defense |
|------|---------------|-------------|--------|------------------------|---------|
| | | | | | |
| | | | | | |
| | | | | | |

B. Provide a listing of any facts or circumstances which may result in any employment practices claims being made against the Applicant including those involving employees, independent contractors, customers/clients, or other third parties. If none, so state. Please use a separate addendum if necessary.

C. Has the Applicant ever been involved in any grievance or administrative hearing before the following agencies or under any of the following Acts:

- i. National Labor Relations Board Yes No
- ii. Equal Employment Opportunity Commission Yes No
- iii. Civil Rights Act of 1991 Yes No
- iv. Age Discrimination in Employment Act Yes No
- v. Americans With Disabilities Act Yes No
- vi. Any other Governmental Agency or Act Yes No

If "Yes," please provide details. Please use a separate addendum if necessary.

IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST, OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE.

D. PRIOR KNOWLEDGE: **(RENEWAL APPLICANTS: Need not be answered)**

Does anyone for whom insurance is intended have any knowledge or information of any act, error, omission, fact or circumstance which may give rise to a claim which may fall within the scope of the proposed insurance? Yes No

No
If Yes, provide complete details.

IT IS UNDERSTOOD AND AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.

E. Does the Applicant utilize any form of alternative dispute resolution? Yes No
If "Yes," please describe on a separate addendum.

4. HUMAN RESOURCES

A. Does the Applicant have a human resources department? Yes No
If "Yes," please provide the total number of employees in this department: _____
If "No," who is responsible for this function? _____

B. How are the human resources matters handled in branch offices? Please use a separate addendum if necessary

C. Does an outside employment counsel periodically review all employment practices guidelines, policies and procedures?

If yes, by whom and when was the most recent review? _____

If no, who is responsible for legal advice with respect to employment practices guidelines, policies and procedures? _____

D. Does the Applicant have written procedures in place with regard to the following:

- | | | |
|--|------------------------------|-----------------------------|
| i. Hiring/Interviewing | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| ii. Employment at will | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| iii. Performance Appraisal/Review | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| iv. Grievance | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| v. Discipline | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| vi. Discharge/Termination | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| vii. Accommodating the disabled in accordance with ADA | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| viii. FMLA of 1993 and subsequent amendments | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| ix. Reporting, investigating and resolving employee complaints | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

E. Does the Applicant utilize an employee handbook? Yes No
If "Yes," Is it distributed to all employees? Yes No
Are all employees required to indicate, by signature and date, they have received such employee handbook? Yes No

F. Does the Applicant have a written policy prohibiting discrimination in the workplace? Yes No
If "Yes," please provide a copy.

G. Does the Applicant have a written policy prohibiting sexual and other workplace harassment in the workplace? Yes No
If "Yes," please provide a copy.

H. Does the Applicant conduct written performance evaluations for all employees on an annual basis? Yes No

I. Are prospective employees required to complete a uniform employment application prior to hire? Yes No

J. Does the Applicant use any tests to screen Applicants either for hire or promotion? Yes No
If "Yes," please provide details. Please use a separate addendum if necessary.

K. Is there a formal orientation program for new employees? Yes No

L. Does the Applicant anticipate any branch, location, facility, office, or subsidiary closings, consolidations, or layoffs within the next twenty-four (24) months? 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.

M. Does the Applicant have a formal out-placement program that assists former employees in obtaining alternative employment? Yes No

- N. Does the Applicant require terminations to be reviewed by outside counsel in addition to its human resources department? Yes No
- O. Does the Applicant have policies or procedures outlining employee conduct when dealing with the general public or persons outside of the Applicant's direction or control? Yes No
If "Yes," please provide a copy.
- P. Does the Applicant have policies or procedures for dealing with complaints from third parties for issues involving harassment or discrimination? Yes No
If "Yes," please provide a copy.

5. CORPORATE 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 any companies or partnerships in the last three (3) years? Yes No
- B. Has the Applicant sold any subsidiaries in the last three (3) years? Yes No
- C. With respect to any acquisitions or sales, did Applicant experience any employee layoffs, terminations, workforce reductions or retirements, including those resulting from any type of company restructuring or office, branch or facility closing? Yes No
If "Yes," please provide details.
- D. Has Applicants business name changed? Yes No
If "Yes," list former name(s): _____

6. PLEASE PROVIDE COPIES OF THE FOLLOWING:

- A. Latest annual report (if none, most recent audited financials)
- B. Employee handbook
- C. Employment application
- D. Most recent EEO-1 Statements

NOTICE TO APPLICANT – PLEASE READ CAREFULLY.

FOR THE PURPOSES OF THIS 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 ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE UNDERWRITER TO COMPLETE, OR THE APPLICANT TO PURCHASE, THE INSURANCE.

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

IF THE INFORMATION IN THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE POLICY EFFECTIVE DATE, 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 THE CLAIMS EXPENSES AND, IN SUCH EVENT, THE UNDERWRITER SHALL NOT BE LIABLE FOR CLAIMS 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) CLAIMS EXPENSES THAT ARE INCURRED SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

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 of the third degree.

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 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 (\$5,000) and the stated value of the claim for each such violation.

NOTICE TO IDAHO APPLICANTS: Any person who, knowingly and with intent to injure, defraud or deceive any insurance company files a statement of claim containing any false or misleading information is guilty of a felony.

NOTICE TO ARKANSAS, KENTUCKY, MICHIGAN AND PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or another person, files a 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, subject to criminal prosecution and civil penalties.

NOTICE TO MAINE AND NEW MEXICO 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 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.

NOTICE TO NEW JERSEY APPLICANTS: Any person who knowingly makes an application for motor vehicle insurance coverage containing any statement that the applicant resides or is domiciled in this state when, in fact that applicant resides or is domiciled in a state other than this state, is subject to criminal and civil penalties. (Applies to Auto coverage only.)

NOTICE TO 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 include imprisonment, fines and denial of insurance benefits.

NOTICE TO ARIZONA APPLICANTS: For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

NOTICE TO CALIFORNIA APPLICANTS: Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder 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 INDIANA APPLICANTS: A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete or misleading information commits a felony.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEVADA APPLICANTS: Pursuant to NRS686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

NOTICE TO OKLAHOMA APPLICANTS - WARNING: 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 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.

| | | |
|--|-------|------|
| APPLICANT | | |
| BY (<i>President and/or Executive Officer</i>) | TITLE | DATE |

NOTE: This 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.

REQUIRED INFORMATION

| |
|--|
| PRODUCED BY (<i>Insurance Agent</i>) Please print and sign name _____ _____ |
|--|

| | |
|--|-------------------|
| INSURANCE AGENCY | |
| INSURANCE AGENCY TAXPAYER ID OR SOCIAL SECURITY NO. | AGENT LICENSE NO. |
| ADDRESS (<i>No., Street, City, State, and Zip</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</i>) | | |

Name of Insurance Company to which application is made

Employment Practices Liability Supplement

1. a. Please provide the number of full-time and part-time employees in the following geographical locations:

| | full-time | part-time |
|-------------------------|-----------|-----------|
| California and/or Texas | _____ | _____ |
| Michigan | _____ | _____ |
| All other states | _____ | _____ |
| Total | _____ | _____ |

Total number of employees one year ago: _____

- b. Do you have a Human Resources or Personnel Department? Yes No
 How many employees are in this department? _____
 If no, please provide details on the handling of this function on a separate page.

- c. Do you have a formal out-placement program which assists terminated or laid off employees in finding other jobs? Yes No
 If yes, please describe the program. _____

- d. Provide the name and address of any firm performing employee review, disciplinary or employee hiring services, and furnish a description of the services provided.

- e. Do you use a written employment application form for your employment applicants? Yes No

- f. Do you make use of tests to screen employment applicants? Yes No
 If yes, please provide details.

- g. Do you have any employment handbook? Yes No

If yes, is the handbook distributed to all of your employees? Yes No

- h. Do you have a formal orientation program for all new employees? Yes No
 If yes, please provide details.

- i. Do you conduct regular written performance evaluations of all your employees? Yes No

- j. Do you have an affirmative action plan? Yes No

- k. Do you have a new employee checklist? Yes No
 If yes, please provide a copy.

- l. Do you have formal policies or procedures regarding:
 1) Sexual Harassment? Yes No
 2) the handling of employee complaints of discrimination or sexual harassment? Yes No

- 3) AIDS or assisting employees with life threatening or communicable diseases? Yes No
- 4) accommodating the disabled in accordance with the Americans with Disabilities Act? Yes No
- 5) the Family and Medical Leave Act of 1983 Yes No

If you answered yes to any of the items in this question 1., please provide copies of all such policies, forms and handbooks together with information regarding the distribution of such policies, forms and handbooks to your employees, e.g., notices on bulletin boards, annual distribution to all employees, etc.

- 2. Do you require all employment terminations be reviewed prior to discharge by:
 - 1) the Human Resources Department? Yes No
 - 2) the Legal Department? Yes No
 - 3) outside counsel? Yes No
- 3. Do you anticipate any full or partial plant, facility, branch, or office closing within the next twenty-four (24) months? Yes No
If yes, please provide details on a separate page(s).
- 4. Do you anticipate any lay-offs or reductions in force (RIF) within the next twenty-four (24) months? Yes No
If yes, please provide details on a separate page(s).
- 5. Do you have written procedures for disciplining employees? Yes No
- 6. Do you have written procedures for terminating employees? Yes No
- 7. a. Regardless of whether or not such may have been covered by any insurance policy, have you had or do you presently have any employment related claims including but not limited to complaints, charges, grievances, arbitrations, litigation, or administrative agency proceedings (federal, state, or local) concerning employment termination, discrimination, sexual harassment, wage and hour violations, and unfair labor practices? Yes No

If yes, for each of the past five (5) years please provide the following information.

| Year | Number of Claims | Damage/Settlement Amount | Legal Expense Amount |
|-------|------------------|--------------------------|----------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

- b. Have you ever been involved in any claim or proceeding of the type described in a. above, for which you or your Insurer has paid or reserved in excess of \$10,000 (including amounts paid or reserved for the defense of the claim or proceeding)? Yes No

If yes, for each such claim or proceeding, please indicate the year the claim or proceeding was commenced, and describe the nature and status of such claim, the relief sought, the amount of any judgment or settlement, and the amount of legal expenses incurred.

Date President, Chairman, CFO or Individual in charge of the Human Resources Department Title