

# Carolina Casualty Insurance Company

4600 Touchton Road East, Building 100, Suite 400, Jacksonville, FL 32246

## Proposal Form

### Employment Practices Liability Insurance

#### CLAIMS MADE WARNING FOR APPLICATION

**THIS PROPOSAL FORM IS FOR A CLAIMS MADE POLICY, RELATING TO CLAIMS MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.**

Whenever printed in this Proposal Form, the terms in boldface type shall have the same meanings as indicated in the **Policy**. This Proposal Form is to be completed with respect to the entire Insured Entity. **Insured Entity** as used herein is defined to include the **Named Insured** and any **Subsidiaries**.

Name of **Named Insured**

Street Address

Suite

City

County

State

Zip Code

Website Address (if applicable)

Federal Employer Identification Number (FEIN)

The Officer designated as agent of the **Insured Entity** and of all **Insureds** to receive any and all notices from the **Insurer** or their authorized representatives concerning this insurance:

Contact Name

Title

E-mail Address

Telephone Number

Fax Number

#### Producer Information

Submitted by (Agency Name)

Dated

Agent's Name (Individual's Name)

Agent's License Number

#### Current Insurance Information (Provide details to all "Yes" answers by attachment)

1. Provide the following information regarding the **Insured Entity's** most recent insurance policies. If "None", so state.

Type of Policy	Insurance Carrier	Expiration Date	Limit of Liability	Deductible	Premium
Directors and Officers Liability: <input type="checkbox"/> None	_____	_____	\$ _____	\$ _____	\$ _____
Employment Practices Liability: <input type="checkbox"/> None	_____	_____	\$ _____	\$ _____	\$ _____
General Liability: <input type="checkbox"/> None	_____	_____	\$ _____	\$ _____	\$ _____

2. Has the Extended Reporting Period (or Discovery Period) been exercised for the **Insured Entity's** most recent Employment Practices Liability insurance policy?  Yes  No

3. Within the last 3 years, has any Directors and Officers Liability, Employment Practices Liability, or similar insurance for the **Insured Entity** ever been cancelled or non-renewed?  Yes  No

NOT APPLICABLE  
IN MISSOURI  
 Yes  No

#### General Information (Provide details to all "Yes" answers by attachment)

4. The **Named Insured** has been in continuous operation since: \_\_\_\_\_

5. (a) What is the **Insured Entity's** Primary Standard Industrial Classification ("SIC") Code: \_\_\_\_\_

(b) Describe the **Insured Entity's** nature of operations: \_\_\_\_\_

6. (a) Form of organization:  Cooperative  Corporation  Joint Venture  
 Limited Liability Corporation  Nonprofit  Partnership

Sole Proprietorship  Other: \_\_\_\_\_

(b) Type of organization:  Manufacturing / Production  Public Administration  Retail Trade

Service Industry  Web Based  Wholesale Distributing

7. Is the **Named Insured** or any **Subsidiary** publicly held or a public reporting company under the Securities Exchange Act of 1934?  Yes  No

8. Provide the following financial information with respect to the **Insured Entity**:

Period Ending: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Assets (000): \$ \_\_\_\_\_ Annual Revenues (000): \$ \_\_\_\_\_

Equity (000): \$ \_\_\_\_\_ Operating Income / Loss (000): \$ \_\_\_\_\_

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9. (a) Is the **Insured Entity** currently in bankruptcy?  Yes  No  
 (b) Within the next 12 months, is the **Insured Entity** contemplating filing a petition for protection under the bankruptcy code?  Yes  No
10. (a) Within the last 12 months, has the **Insured Entity** had any **Subsidiary**, plant, facility, branch or office closings, consolidations or layoffs?  Yes  No  
 (b) Within the next 24 months, does the **Insured Entity** anticipate any **Subsidiary**, plant, facility, branch or office closings, consolidations or layoffs?  Yes  No
- If "Yes", provide the following details by attachment: Date of event; number of **Employees** affected; whether outside employment counsel was consulted; and, whether severance packages were offered to all **Employees** affected.
11. Within the last 3 years, has there been any change (resignations, departures, retirements, etc.) in the position of the Chairman of the Board, President, Chief Executive Officer or Chief Financial Officer?  Yes  No
- If "Yes", provide the following details by attachment: Name of individual; date of change; and reason for change.
12. Provide the following information on all **Subsidiaries** of the **Insured Entity**. If "None", so state.  None

<u>Subsidiary Name</u>	<u>Nature of Business</u>	<u>Percent Owned by the Insured Entity</u>	<u>Date Created or Acquired</u>	<u>Domestic / Foreign</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**IT IS UNDERSTOOD AND AGREED THAT COVERAGE IS NOT PROVIDED FOR SUBSIDIARIES IN QUESTION 12. UNLESS THE INFORMATION REQUESTED ABOVE IS PROVIDED BY ATTACHMENT.**

**Current Employee Information**

13. (a) Number of **Employees**: Do not include Leased **Employees** or Independent Contractors in numbers below.
- |               | <u>Full Time</u> | <u>Part Time</u> | <u>Seasonal</u> | <u>Temporary</u> | <u>Volunteers</u> |
|---------------|------------------|------------------|-----------------|------------------|-------------------|
| Current Year: | _____            | _____            | _____           | _____            | _____             |
| Last Year:    | _____            | _____            | _____           | _____            | _____             |
- (b) How many Leased **Employees** does the **Insured Entity** employ annually? \_\_\_\_\_  
 (c) How many Independent Contractors does the **Insured Entity** employ annually? \_\_\_\_\_  
 (d) What is the **Insured Entity's** annual **Employee** turnover rate for the last 12 months? \_\_\_\_\_ %
14. What percentage of the **Insured Entity's Employees** work with the general public, work at customer locations or perform a majority of their functions off-site? \_\_\_\_\_ %
15. What percentage of the **Insured Entity's Employees** currently earns more than \$100,000? \_\_\_\_\_ %
16. Provide the following information on all plants, facilities, branches or offices of the **Insured Entity**. If "None", so state.  None

<u>Location</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>	<u>Domestic / Foreign</u>
_____	_____	_____	_____
_____	_____	_____	_____

17. (a) Does the **Insured Entity** currently employ a full time Human Resources professional?  Yes  No  
 If "Yes", what is the name and title of the senior Human Resources professional?  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 If "No", what is the name and title of the person who performs the Human Resource function?  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_
- (b) Does the **Insured Entity** currently utilize employment counsel?  Yes  No  
 If "Yes", what is the name of the firm utilized? Firm: \_\_\_\_\_
18. Does the **Insured Entity** (details to "Yes" or "No" answers are not required by attachment):
- (a) Utilize employment applications for all prospective **Employees**?  Yes  No  
 (b) Conduct reference checks on all prospective **Employees**?  Yes  No  
 (c) Use any tests, including drug or skill tests to screen applicants, or to promote or monitor **Employees**?  Yes  No  
 (d) Maintain a personnel file on each **Employee**?  Yes  No  
 (e) Maintain confidential and segregated **Employee** medical records?  Yes  No  
 (f) Have a document retention policy for all **Employee/employment** related documents?  Yes  No  
 (g) Inform all **Employees** in writing that their employment relationship is "at-will"?  Yes  No  
 (h) Require the Human Resource Department to review and approve each proposed **Employee** termination?  Yes  No  
 (i) Have outside employment counsel review each proposed **Employee** termination?  Yes  No  
 (j) Document each **Employee's** personnel file with all reasons for termination?  Yes  No  
 (k) Require any **Employee(s)** to retire upon attaining a certain age?  Yes  No

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- (l) Have written employment agreements with any **Employees**?  Yes  No
- (m) Have collective bargaining agreements with any group of **Employees**?  Yes  No
- (n) Maintain a written arbitration policy/procedure for employment related disputes?  Yes  No
- (o) Maintain a written policy prohibiting Sexual Harassment and distribute that policy to all **Employees**?  Yes  No
- (p) Have a policy prohibiting the display or distribution of material, whether printed or electronic, which may be deemed offensive to others, and distribute that policy to all **Employees**?  Yes  No
- (q) Conduct mandatory periodic **Employee** education regarding prohibited forms of harassment?  Yes  No
- (r) Periodically have its employment policies and procedures reviewed by outside employment counsel?  Yes  No
- (s) Periodically have its employment policies and procedures distributed to all **Employees**?  Yes  No
- (t) Have a written procedure for notification and handling of employment related grievances, disputes, notifications, or claims?  Yes  No
19. Indicate which formal written policies and procedures have been implemented and attach a copy of each. If "None", so state.  None
- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Employee Handbook / Manual   | <input type="checkbox"/> Anti-Harassment Policy, including Sexual Harassment                      | <u>Employers with more than 50 Employees</u>   |
| <input type="checkbox"/> Anti-Discrimination Policy – Equal Employment Opportunity (EEO) Policy | <input type="checkbox"/> Adherence to Employment "at-will" relationship with all <b>Employees</b> | <input type="checkbox"/> Family Medical Leave Act<br><u>California Employers Only</u><br><input type="checkbox"/> California Family Rights Act |

## Litigation and Claim Information (Provide details to all "Yes" answers by attachment)

20. During the last 5 years, has any **Insured** known of, or been involved in any lawsuit, charges, inquiries, investigations, grievances or other administrative hearings or proceedings before any of the following agencies and/or in any of the following forums, including both domestic or foreign equivalents?
- (a) National Labor Relations Board?  Yes  No
- (b) Equal Employment Opportunity Commission?  Yes  No
- (c) Office of Federal Contract Compliance Programs?  Yes  No
- (d) U.S. Department of Labor?  Yes  No
- (e) Any state or local government agency such as the Labor Department or fair employment agency?  Yes  No
- (f) U.S. District or state court?  Yes  No
21. During the last 5 years, has any current or former **Employee** or third party made any **Claim**, or otherwise alleged discrimination, harassment, wrongful discharge and/or **Wrongful Acts** against any **Insured**?  Yes  No  
**A Claim** is not limited to the filing of a lawsuit or complaint with the Equal Employment Opportunity Commission or similar state or local agency. **A Claim** may also include a written demand by any current or former **Employee** seeking relief in connection with an employment-related dispute or grievance.
22. Is any **Insured** aware of any fact, circumstance or situation involving any **Insureds** that might reasonably be expected to result in a **Claim**, including, but not limited to, situations involving:
- (a) Threats by any current or former **Employee** or third party to take legal or other action against any **Insured**, or a demand or request by any current or former **Employee** for monetary or non-monetary relief, arising out of any alleged discrimination, harassment, wrongful termination, constructive discharge, or other **Wrongful Acts**?  Yes  No
- (b) Knowledge that any current or former **Employee** is engaging in, or has engaged in, acts of discrimination, harassment, or other **Wrongful Acts**?  Yes  No
- (c) Complaints or accusations by other **Employees** or third parties that a current or former **Employee** is engaging in, or has engaged in, acts of discrimination, harassment, or other **Wrongful Acts**?  Yes  No
- (d) Warnings, reprimands, or other disciplinary measures taken against any current or former **Employee** for acts of discrimination, harassment, or other **Wrongful Acts**?  Yes  No

**IF "YES" TO ANY PART OF QUESTIONS 20., 21., OR 22., PROVIDE FULL DETAILS FOR EACH ALLEGATION, EVEN IF THE MATTER HAS SINCE BEEN SETTLED OR OTHERWISE RESOLVED BY PROVIDING THE FOLLOWING INFORMATION FOR EACH ALLEGATION BY ATTACHMENT:**

- |                                  |  |                     |                    |
|----------------------------------|--|---------------------|--------------------|
| (a) Date <b>Claim</b> first made | (b) Claimant's Name                          | (c) Allegation      | (d) Current Status |
| (e) Demand Amount                | (f) Settlement (Indemnity) or Reserve Amount | (g) Attorney's fees |                    |

**IT IS UNDERSTOOD AND AGREED THAT THE INSURER SHALL NOT BE LIABLE TO MAKE ANY PAYMENT FOR LOSS IN CONNECTION WITH ANY CLAIM MADE AGAINST ANY INSURED BASED UPON, ARISING OUT OF, DIRECTLY OR INDIRECTLY RESULTING FROM OR IN CONSEQUENCE OF, OR IN ANY WAY INVOLVING ANY LAWSUIT, ADMINISTRATIVE PROCEEDING, WRITTEN DEMAND, FACT, CIRCUMSTANCE, OR SITUATION SET FORTH OR THAT SHOULD HAVE BEEN SET FORTH IN THE INSURED'S RESPONSE TO QUESTIONS 20., 21., OR 22.**

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**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 NEW MEXICO, 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.

**NOTICE TO APPLICANTS OF KENTUCKY:** 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.

**NOTICE TO APPLICANTS OF MINNESOTA, NEW JERSEY, OHIO, AND OKLAHOMA:** ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO MAINE, MASSACHUSETTS, 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 APPLICANTS OF FLORIDA:** 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 ARKANSAS, DISTRICT OF COLUMBIA, LOUISIANA, MARYLAND, AND RHODE ISLAND 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 FINES AND CONFINEMENT IN PRISON.

**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.

## Please Read Carefully

The undersigned, acting on behalf of all **Insureds**, declare that the statements set forth herein are true and correct and that thorough efforts have been made to obtain sufficient information from each and every **Insured** proposed for this insurance to facilitate the proper and accurate completion of this Proposal Form.

The undersigned agree that the particulars and statements contained in the Proposal Form and any material submitted herewith are their representations and that they are material and are the basis of the insurance contract. The undersigned further agree that the Proposal Form and any material submitted herewith shall be considered attached to and a part of the **Policy**. Any material submitted with the Proposal Form shall be maintained on file (either electronically or paper) with the **Insurer** and shall be deemed to be attached hereto as if physically attached.

It is further agreed that:

- if any significant change in the condition of the applicant is discovered between the date of this Proposal Form and the **Policy** inception date, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the **Insurer** immediately;
- any **Policy**, if issued, will be in reliance upon the truth of such representations; provided, however, with respect to such statements and representations, no knowledge or information possessed by any **Insureds** shall be imputed to any other **Insureds**. If any person or persons knew as of the **Policy** inception date that such declarations and statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then this **Policy** will be void as to that person or persons. However, if the Chairperson of the Board of Directors, President, Chief Executive Officer, or Chief Financial Officer of the **Insured Entity** knew as of the **Policy** inception date that such declarations and statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then this **Policy** will be void as to that person or persons and the **Insured Entity**;
- this Proposal Form has been completed as respects the entire **Insured Entity**;
- the signing of this Proposal Form does not bind the undersigned to purchase the insurance.

\_\_\_\_\_

Dated

\_\_\_\_\_

President, Chief Executive Officer, or equivalent position (Signature)

\_\_\_\_\_

Title

\_\_\_\_\_

President, Chief Executive Officer, or equivalent position (Print Name)

\_\_\_\_\_

Dated

\_\_\_\_\_

Human Resources Manager, or equivalent position (Signature)

This Carolina Casualty Insurance Company Proposal Form, including any material submitted herewith, shall be held in strictest confidence.

**A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL FORM IS PROPERLY SIGNED AND DATED.**

Please submit this Proposal Form including appropriate documentation to:

Monitor Liability Managers, LLC, 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039