

**NOTICE: THE LIABILITY COVERAGE PARTS PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE NEW BUSINESS APPLICATION CAREFULLY BEFORE SIGNING.**

**APPLICATION INSTRUCTIONS**

- Whenever used in this Application, the term "**Applicant**" means the parent organization and all subsidiaries applying for this insurance, unless otherwise stated.
- Include all requested underwriting information and attachments.

**I. GENERAL INFORMATION**

1. Name of **Applicant**: \_\_\_\_\_
2. **Applicant's** Principal Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
3. Year Established: \_\_\_\_\_ Web site address: \_\_\_\_\_
4. Insurance Representative: \_\_\_\_\_ EPL Loss Prevention Contact: \_\_\_\_\_  
 Title: \_\_\_\_\_ Title: \_\_\_\_\_  
 Email: \_\_\_\_\_ Email: \_\_\_\_\_
5. Nature of Operations: \_\_\_\_\_
6. SIC Code: \_\_\_\_\_
7. Is this **Applicant** formed as a partnership or limited partnership or does it or any of its subsidiaries act as a general partner for another organization?  Yes  No
8. Has the **Applicant** in the last 12 months completed (or is the **Applicant** anticipating in the next 12 months) any:
  - a. Merger, acquisition or divestment of more than 25% of the **Applicant's** assets?  Yes  No
  - b. Reorganization or material change in any arrangement with lenders bondholders, financiers or other significant creditors, whether or not under federal or state law?  Yes  No
  - c. Layoffs or reduction in workforce of 5% or more of its workforce?  Yes  No
  - d. Change in outside auditors for reasons other than to obtain lower cost services or as part of a scheduled review of service providers?  Yes  No
 If Yes to any of the above, please attach a detailed explanation to this application

**II. INSURANCE AND CLAIM HISTORY**

1. Please complete the chart below, indicating those coverages currently purchased or if not purchased, the requested limit and retention.

<b>Coverage</b>	<b>Current Insurer</b>	<b>Limit</b>	<b>Retention</b>	<b>Premium</b>
Directors & Officers Liability		\$	\$	
Employment Practices Liability		\$	\$	
Fiduciary Liability		\$	\$	
Crime		\$	\$	

2. During the past five years has the **Applicant** or any person proposed for coverage been the subject of, or been involved in, any claim, written demand, notice, proceeding, litigation, or investigation alleging:

- a. Anti-trust, copyright or patent litigation?  Yes  No
- b. Violation of any federal or state securities laws or regulations?  Yes  No
- c. Deceptive trade practices or consumer fraud?  Yes  No
- d. Administrative, criminal, or regulatory investigation?  Yes  No
- e. Discriminatory practice, unlawful harassment for any other employment or labor related violations?  Yes  No
- f. Violation of the Employee Retirement Income Security Act of 1974, amended, or any similar law?  Yes  No
- g. Cyber breach, privacy injury, identity theft, denial of service attacks, or computer virus infections?  Yes  No

If Yes to any of the above, please attach a detailed explanation to this application

3. WARRANTY: PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES/SITUATIONS

The **Applicant** must complete the warranty statement below:

- For any Liability Coverage Part for which coverage is requested and is not currently purchased, as indicated in the Question 1 of this section; or
- If the **Applicant** is requesting larger limits than are currently purchased, as indicated in the, Question 1 of this section.

The statement applies to those coverage types for which no coverage is currently maintained; and any larger limits of liability requested.

For Alaska, Florida, Georgia, Kansas, Kentucky, Maine, Nebraska, New Hampshire, North Carolina, Oklahoma, Oregon, Virginia, Washington and West Virginia Residents ONLY: the title of this section and any other reference to "Warranty" is deleted and replaced with "**Applicant** Representation".

No person or entity proposed for coverage is aware of any fact, circumstance, or situation which he or she has reason to suppose might give rise to any claim that would fall within the scope of the proposed Liability Coverage Part(s):

NONE  or, except:

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Without prejudice to any other rights and remedies of the Company, the **Applicant** understands and agrees that if any such fact, circumstance, or situation exists, whether or not disclosed in response to Question 3 above, any claim or action arising from such fact, circumstance, or situation is excluded from coverage under the proposed policy, if issued by the Company.

**III. FINANCIAL INFORMATION**

Financial Data	Current Year to Date As of: _____	Most Recent Year End Year: _____
Current Assets		
Total Assets		
Current Liabilities		
Long Term Debt		
Revenue		
Net Income		
Cash Flow from Operations		

1. In the past 12 months, has the **Applicant** been in violation of any debt covenants?  Yes  No
2. In the past 12 months has the Applicant filed for bankruptcy or financial reorganization or restructuring?  Yes  No

If Yes to any of the above, please attach a detailed explanation to this application

**IV. DIRECTORS & OFFICERS AND ENTITY LIABILITY**

1. Stock Ownership:
  - a. Are any of the **Applicant's** securities publicly traded including OTC?  Yes  No
  - b. Number of shares outstanding: \_\_\_\_\_
  - c. Number of shareholders: \_\_\_\_\_
  - d. Percentage of stock owned directly or beneficially by the Directors and Officers: \_\_\_\_\_

Shareholders owning more than 10% (directly or beneficially)	Percentage Ownership (%)	Director/Officer?
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No

2. Has the **Applicant** in the last 24 months had any (or is the **Applicant** anticipating in the next 12 months) any:
  - a. Public or private offering of debt or equity securities?  Yes  No
  - b. Unplanned change in directors or senior executive officers other than due to illness?  Yes  No
  - c. Any changes in the ownership structure?  Yes  No

If Yes to any of the above, please attach a detailed explanation to this application

**V. EMPLOYMENT PRACTICES LIABILITY**

**Employee Count:**

US. Full Time:		US Part Time:	
Foreign Full Time:		Foreign Part Time:	
Independent Contractors:		Temporary/Seasonal	
Leased		Volunteers	

Considering Total Number of Employees above, how many are:

Located in California: \_\_\_\_\_

1. Does the **Applicant** have a Human Resources Department?  Yes  No  
If "No", how are these issues handled and by whom? \_\_\_\_\_
2. Does the **Applicant** have an Employee Handbook?  Yes  No  
When was it last updated? \_\_\_\_\_

3. Does the Employee Handbook or other written policy that addresses the following?
- a. Equal opportunity employment?  Yes  No
  - b. Anti-discrimination?  Yes  No
  - c. Anti-sexual harassment?  Yes  No
  - d. Americans with Disabilities Act  Yes  No
  - e. Family Medical Leave Act  Yes  No
  - f. Progressive discipline  Yes  No
  - g. Performance management  Yes  No
  - h. Employment at Will  Yes  No
4. Does the **Applicant** have established policies and procedures outlining employee conduct when dealing with third parties, including responding to complaints?  Yes  No
5. Is the **Applicant** a Federal Contractor?  Yes  No
- a. If "Yes",
    - i. Does the **Applicant** currently have an affirmative action plan in place?  Yes  No
    - ii. Has the **Applicant** been subject to an OFCCP audit which has resulted in a conciliation, consent agreement and/or settlement agreement with the OFCCP?  Yes  No
6. For each of the most recent years, what has been the **Applicant's** annual turnover rate of employees?

	Current Year _____	Prior Year _____
Voluntary		
Involuntary		

7. Indicate percentage of salaries in each range (should total 100%):

Up to \$50,000	%
\$50,001 to \$125,000	%
Over \$125,000	%

## VI. FIDUCIARY LIABILITY

1. Plan Summary:

Plan Name	Plan Type	Plan Assets (current year)	Plan Participants

Type of Plans: Defined Contribution = DC  
 Defined Benefit Plan = DB

Employee Stock Ownership Plan = ESOP  
 Health & Welfare Plan = HW

2. Does any plan other than an ESOP offer an investment in employer securities?  Yes  No
3. Does the **Applicant** handle any investment decisions in-house?  Yes  No
4. Are plan service providers reviewed at least annually with respect to both fees and performance?  Yes  No
- When was the last Request for Proposal (RFP) for the plan providers? \_\_\_\_\_

5. Do all plans comply with the Employee Retirement Income Security Act of 1974 (ERISA) as amended or similar laws? If No, provide details.  Yes  No
6. In the past 24 months or during the next 12 months, has (will) any plan been (be) merged, terminated, suspended, frozen, or dissolved? If Yes, provide details.  Yes  No
7. In the past 24 months has any plan been amended resulting in a reduction of benefits, or are any reductions currently contemplated? If Yes, provide details.  Yes  No
8. With regard to the **Applicant's** employee benefit plans, has any fiduciary been:
  - a. Accused of, found guilty of, or held liable for a breach of trust?  Yes  No
  - b. Convicted of criminal conduct?  Yes  No
 If Yes to any of the above, provide details.
9. In the past 5 years, has there been any assessment of fees, fines or penalties under any voluntary compliance resolution program or similar voluntary settlement program administered by the IRS, DOL or other government authority against any plan? If Yes, provide details.  Yes  No

<b>VII. CRIME</b>
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1. Number of Locations – U.S.: \_\_\_\_\_
2. Number of Locations – Outside U.S.: \_\_\_\_\_
3. Are bank account statements reconciled at least monthly?  Yes  No
4. Does someone other than the person responsible for reconciling bank accounts:
 

Make Deposits <input type="checkbox"/> Yes <input type="checkbox"/> No?	Make Withdrawals? <input type="checkbox"/> Yes <input type="checkbox"/> No	Sign Checks? <input type="checkbox"/> Yes <input type="checkbox"/> No
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5. Is countersignature required on all checks signed by an employee of the **Applicant**?
 

<input type="checkbox"/> Yes for all checks	<input type="checkbox"/> Yes for checks exceeding \$ _____	<input type="checkbox"/> No
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6. Does the **Applicant** maintain a list of authorized vendors?  Yes  No
7. Does the **Applicant** have a procedure in place to verify the existence and ownership of new vendors prior to adding them to the authorized master vendor list?  Yes  No
8. Does the **Applicant** verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payments?  Yes  No
9. Does the **Applicant** perform pre-employment reference checks for all its potential employees?  Yes  No
10. Do the **Applicant's** external audits include all of its locations, subsidiaries, and joint ventures?  Yes  No
11. Does the **Applicant** have physical inventory?  Yes  No
  - a. If "Yes", do they perform a physical inventory check at a minimum annually?  Yes  No
12. Is dual authorization required for all wire transfers?  N/A  Yes  No
13. What is the average daily dollar volume of electronic funds transfers? \$ \_\_\_\_\_  N/A
14. Does the **Applicant** use independent contractors?  Yes  No
  - a. Are reference checks performed for the independent contractors?  Yes  No
  - b. Do the independent contractors have custody or control over any funds, accounts or property of the **Applicant**?  Yes  No
  - c. Are the independent contractors subject to the same internal control procedures that apply to the **Applicant's** employees?  Yes  No
15. Does the **Applicant** have custody or control over any funds, accounts, or materials of any of its clients?  Yes  No

16. Has the **Applicant** sustained any crime-related losses in the past 3 years?  Yes  No

If Yes, please complete the following table (or attach a separate sheet if necessary)

Date of Loss	Amount of Loss	Description of Loss	Corrective Procedures Implemented
	\$		
	\$		
	\$		

**VIII. MATERIAL CHANGE**

If there is any material change in the answers to the questions in this New Business Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

**IX. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES**

The **Applicant's** submission of this New Business Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Application.

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare that to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Application and in any attachments or other documents submitted with this Application are true and complete. The undersigned agree that this Application and such attachments and other documents shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information requested in this New Business Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

**Alabama**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**Arkansas**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information on an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Colorado**

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.

**Delaware**

Any person who knowingly and with intent to defraud any insurance company or another 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 act, which is a crime and may subject the person to criminal and civil penalties.

District of Columbia

**WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

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.

Kansas

Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

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.

Louisiana

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.

Maine

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.

Maryland

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Hampshire Statement of Residency

To procure automobile insurance, I hereby attest that I am, and each named insured is, a resident of the State of New Hampshire. I understand that if I falsely claim for myself or any named insured to be a resident of the State of New Hampshire, I am subject to prosecution, imprisonment of up to one year, a fine of \$2,000 and the denial of coverage for any loss, not occurring in New Hampshire, under the automobile insurance policy for which I am applying. I also understand that this statement will be relied upon in connection with future renewals of the automobile insurance policy for which I am applying, and that it is my responsibility to inform my insurance company before my next renewal after I or any named insured ceases to be a New Hampshire resident and that I will be subject to the penalties listed above if I fail to do so.

New Jersey

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New Mexico

**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.**

#### New York

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.

#### Ohio

Any person, who with intent to defraud or knowing that he 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.

#### Oklahoma

**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.

#### Oregon

Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

#### Pennsylvania

Any person who knowingly and with intent to defraud any insurance company or other person files an application 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.

#### Rhode Island

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, including failing to disclose whether the applicant or applicants have been convicted of any degree of the crime of arson, is guilty of a crime and may be subject to fines and confinement in prison.

#### Tennessee

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.

#### Vermont

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

#### Virginia

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.

#### Washington

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.

#### West Virginia

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.



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 subjects that person to criminal and civil penalties.

**SIGNATURE OF APPLICANT'S AUTHORIZED REPRESENTATIVE**

**Date**

**Signature\***

**Title**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\*This New Business Application must be signed by the chief executive officer, president, or chief financial officer of the **Applicant's** parent organization acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

\_\_\_\_\_

Signature of Agent/Broker

\_\_\_\_\_

Date