

## APPLICATION FOR MANAGEMENT LIABILITY COVERAGE

**Notice: THIS PROPOSAL FORM IS FOR A CLAIMS MADE POLICY WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS MAY BE REDUCED, AND MAY BE EXHAUSTED BY COSTS OF DEFENSE. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. PLEASE READ THE ENTIRE PROPOSAL FORM CAREFULLY BEFORE SIGNING.**

**PLEASE NOTE PARTICULARLY THAT THE TERM COMPANY INCLUDES ALL SUBSIDIARY COMPANIES. WHERE AN ANSWER REFERS TO A SPECIFIC SUBSIDIARY PLEASE CLEARLY IDENTIFY THIS.**

### A. GENERAL INFORMATION

1. Name of Applicant(s): \_\_\_\_\_  
(Include names of all subsidiaries or affiliated companies to be insured, attach a separate sheet, if necessary)
2. Is the Applicant a subsidiary of another entity, if yes, identify: \_\_\_\_\_
3. Principal Address: \_\_\_\_\_
4. City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
5. Phone: \_\_\_\_\_ Email: \_\_\_\_\_
6. Date of Incorporation: \_\_\_\_\_ FEIN Number: \_\_\_\_\_
7. Business Website Address(es): \_\_\_\_\_
8. Nature of operations: \_\_\_\_\_
9. The Officer designated as agent of the Company and all Insured Persons to receive any and all notices from the Insurer or their authorized representatives concerning this insurance: Title: \_\_\_\_\_  
Name: \_\_\_\_\_ Email: \_\_\_\_\_
10. Type or Organization: ☐ Corporation ☐ Partnership/ Joint Venture ☐ LLC ☐ Sole Proprietorship  
☐ Other: \_\_\_\_\_
11. List all Subsidiary Company(ies) Information, or additional entities requesting coverage, if applicable.  
Attach additional page if needed:

Name	Nature of Business	Date Acquired or Created	Percentage Owned	State/Country of Incorporation	Number of Employees

## B. FINANCIAL INFORMATION

Indicate the following as it relates to the Applicant's fiscal year end (FYE). Indicate any negative figures with "( )"	Most recent FYE (Month/Year) ____/____	Current Interim (Month/Year) ____/____
1. Cash Available	\$	\$
2. Current Assets	\$	\$
3. Total Assets	\$	\$
4. Total Accounts Receivable	\$	\$
5. Shareholder Equity	\$	\$
6. Current Liabilities	\$	\$
7. Long Term Debt	\$	\$
8. Retained Earnings	\$	\$
9. Total Equity	\$	\$
10. Non-Domestic Revenues	\$	\$
11. Net Income (Net Loss)	\$	\$

1. What percentage of the Company does the management team own? \_\_\_\_\_%
2. Does anyone on the executive team have board seats at another company? ☐ Yes ☐ No  
If **yes**, how many of each category?

<b>Not For Profit, Nonprofit, 501 (c)(3)</b>	
<b>For Profit (Private or public)</b>	

**Note:** If the Applicant meets any of the following criteria, submit year-end audited financial statements or if not audited, year-end financial statements and the most recent interim financial statements:

- More than 500 employees
- Less than 2 years of operations
- Operating at a net loss

## C. DIRECTORS AND OFFICERS

Please complete the following information for shareholders/members who directly or beneficially hold 5% or more of any class of the Company's stocks/units. If more than five (5) attach a capitalization schedule.

Director or Officer shareholders/members	% of voting shares owned	Board Representation
		<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
Non-Director or Non-Officer shareholders/members	% of voting shares owned	Board Representation
		<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

Number of shares outstanding: \_\_\_\_\_ Number of shareholders/members: \_\_\_\_\_

#### D. ADDITIONAL INFORMATION

If the answer to any of these questions is **yes**, provide details on an attachment to this Application.

1. Have there been any changes in senior management (Chairman, President, CEO CFO, etc.) or Directors and Officers in the last 36 months for reasons other than death or retirement at the normal retirement age? ☐ Yes ☐ No
2. Are any changes currently anticipated in executive Directors or Officers? ☐ Yes ☐ No
3. Has the **Company** been involved in any merger, consolidation, tender offer, or acquisition of assets or equity securities within the past 12 months? ☐ Yes ☐ No
4. Is the **Company** currently involved in or considering any merger, consolidation, tender offer or acquisition of assets or equity securities within the next 12 months? ☐ Yes ☐ No
5. Is the **Company** currently involved in or considering any restructuring, layoffs, write downs, charges, restatements or sale, distribution, or divestiture of any assets? ☐ Yes ☐ No  
If **yes**, what was or is the contemplated percentage of employees laid off or to be laid off: \_\_\_\_\_.
6. Is the **Company** currently or has it at any time over the last year been in a breach or violation of any debt covenant or loan agreement or any other material contractual obligation? ☐ Yes ☐ No
7. Please indicate whether the **Company** in the past 36 months has completed or agreed to, or contemplates within the next 12 months, any of the following, whether or not such transactions were or will be completed:
  - i) Any registration for a public debt or equity offering or any private placement of debt or equity securities? ☐ Yes ☐ No
  - ii) Any restructuring or legal financial reorganization or filing for bankruptcy? ☐ Yes ☐ No
8. Has the **Company** raised funding? ☐ Yes ☐ No  
If **yes**, what is the total amount of funding raised to date (including debt)?  
\$\_\_\_\_\_. ?
9. Does the **Company** provide any services to any third party for a fee? ☐ Yes ☐ No
10. Does the **Company**, including the Directors and Officers thereof, presently act or plan to act in the capacity of General Partner in any Limited or General Partnership? ☐ Yes ☐ No
11. Do you have any employed lawyers? ☐ Yes ☐ No  
If **yes**, how many? \_\_\_\_\_

Please complete the attached COVID19 questionnaire.

#### E. EMPLOYEE INFORMATION

1. Provide the number of full-time employees, part-time employees, volunteers, and independent contractors:

Year	Current Year	Previous Year

2. How many of the above Employees are located in the following states:

CA or HI: \_\_\_\_\_ GA or NY: \_\_\_\_\_ AK,AL,CO, FL, LA, MA, NJ, OR, TX OR WA: \_\_\_\_\_

3. Number of workers in the following classifications in the previous 12 months:  
(Do **NOT** include in totals above)

Temporary		Seasonal	
Labor Unions		Leased	

a. How many employees have been terminated in the last 12- 24 months? \_\_\_\_\_

4. Total salary expense for the most recent year-end: \$\_\_\_\_\_

Percentage of the Company's employees with salaries (including bonuses):

Employees Salary Ranges	% in Range Current Year	% in Range Previous Year
Up to \$60,000		
\$60,000 to \$120,000		
Over \$120,000		

5. Does the Company utilize a PEO or co-employment agreement? ☐ Yes ☐ No
6. Does the Company have an employment application? ☐ Yes ☐ No
7. Are Background checks performed only after offer of employment? ☐ Yes ☐ No
8. How often does the Company provide employment practices training to employees?
9. Does the Company have a dedicated HR manager or director? ☐ Yes ☐ No
10. Does the Company have a Human Resource manual? ☐ Yes ☐ No
- If **yes**, has it been updated within the past 36 months? ☐ Yes ☐ No
- If **yes**, has the handbook and HR material been reviewed by employment counsel? ☐ Yes ☐ No
- If **yes**, is it published and are HR policies and procedures accessible? ☐ Yes ☐ No
- If **yes**, do employees acknowledge receipt of the employment manual? ☐ Yes ☐ No
- If **yes**, does this manual contain policies and procedures addressing the following areas:
- a) Compliance with the Americans with Disability Act? ☐ Yes ☐ No
  - b) Compliance with the Title VII of the U.S. Civil Rights Act of 1964 and the 1991 Civil Rights Act? ☐ Yes ☐ No
  - c) Equal opportunity employment? ☐ Yes ☐ No
  - d) Anti-discrimination? ☐ Yes ☐ No
  - e) Anti-sexual harassment? ☐ Yes ☐ No
  - f) Prohibited discriminatory practices in hiring, promotion, and compensation? ☐ Yes ☐ No
  - g) Annual Employee performance evaluations? ☐ Yes ☐ No
  - h) Published, objective performance criteria? ☐ Yes ☐ No
  - i) HR or employment counsel review prior to discharge? ☐ Yes ☐ No
  - j) Progressive discipline procedures? ☐ Yes ☐ No
  - k) Employee disciplinary actions and discharge? ☐ Yes ☐ No
  - l) Uniform HR practices and procedures apply to all locations? ☐ Yes ☐ No
  - m) Impact studies done for reductions in force? ☐ Yes ☐ No
  - n) Published complaint procedure? ☐ Yes ☐ No
  - o) No retaliation policy? ☐ Yes ☐ No
  - p) Employee hotline? ☐ Yes ☐ No
  - q) Internal investigations by HR or employment counsel? ☐ Yes ☐ No
  - r) Employee grievance reporting and resolution processes? ☐ Yes ☐ No
  - s) Employment-at-will? ☐ Yes ☐ No
  - t) Social media policy? ☐ Yes ☐ No

11. Do all managerial and supervisory personnel:
- |   |     |    |
|---|-----|----|
| a) Have a copy of the human resources manual?                               | Yes | No |
| b) Receive training in the implementation of these policies and procedures? | Yes | No |
| c) Review all terminations with Human Resources and legal counsel?          | Yes | No |

**F. FIDUCIARY LIABILITY** (complete this section only if requesting this coverage) Provide a copy of the most recent public accountant's audit report or IRS Form 5500 **for each Employee Benefit Plan.**

- |    |   |     |    |
|----|---|-----|----|
| 1. | Does any plan hold employer securities or offer an investment in employer securities?<br>If <b>yes</b> , complete the ESOP/KSOP Questionnaire and submit with the required additional information   | Yes | No |
| 2. | Do all plans for which coverage is requested conform with the standards of eligibility participation, vesting and other provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended or similar laws?<br>If <b>No</b> , please provide details: _____ | Yes | No |
| 3. | During the past 24 months or during the next 12 months has (will) any plan been (be) terminated, suspended, merged, dissolved, or converted to a cash balance?<br>If <b>yes</b> , provide details: _____  | Yes | No |
| 4. | In the past three (3) years has there been any amendments to a plan that has resulted in a reduction of benefits, or are there any reductions currently contemplated?<br>If Yes, provide details: _____   | Yes | No |
| 5. | Has any plan been the subject of an investigation by the Department of Labor (DOL), Internal Revenue Service (IRS) or any other domestic or foreign agency?<br>If <b>yes</b> , provide details: _____   | Yes | No |
| 6. | Are there any outstanding or delinquent plan contributions? Or are any plan loans, leases, or debt obligations considered uncollectible or in default?<br>If <b>yes</b> , provide details: _____  | Yes | No |
| 7. | Are plan service providers reviewed at least annually with respect to both fees and performance?<br>Is the process and are the results documented?<br>If <b>no</b> , provide details: _____   | Yes | No |
| 8. | Has the Applicant provided the required annual statement to plan participants disclosing fees, expenses, and investment performance?<br>If <b>no</b> , provide details: _____   | Yes | No |
| 9. | Has there been any assessment of fees, fines or penalties under a voluntary compliance resolution program or similar voluntary settlement program administered by the IRS, DOL or other government authority against any plan?<br>If <b>yes</b> , provide details: _____      | Yes | No |

Name of Plan	Type of Plan*	Name of Plan Sponsor	Fair Market Value of Plan Assets (000's)

\*Type of Plan: (DB)=Defined Benefit; (DC)=Defined Contribution; (ESOP)=Employee Stock Ownership Plan; (WB)=Health & Welfare Benefit; (MEP)=Multi Employer Plan or Multiple Employer Plan; (O)=Other

**G. CRIME INSURANCE (indicate if coverage is requested, a supplemental will be needed)** ☐ Yes ☐ No

#### **H. CURRENT INSURANCE**

Coverage Type	Insurer	Limit	Retention	Premium	Policy Period
D&O					
Fiduciary Liability					
EPLI					
Fidelity/Crime Insurance					
Cyber/Privacy					
Employed Lawyers					

1. In regards to the current insurance indicated above:

If **yes**, to any of the questions below, provide details as an attachment to this Application

- (a) Within the last five (5) years has any claim been made or has any notice been given to any insurer? Yes No N/A
- (b) Within the last five (5) years has any insurer cancelled or non-renewed any of the above coverages? Yes No N/A

#### **2. CLAIM INFORMATION**

If the answer to any of these questions is **yes**, provide details on an attachment to this Application.

**IT IS AGREED THAT ANY CLAIM ARISING FROM ANY PRIOR OR PENDING PROCEEDING IS EXCLUDED FROM THE PROPOSED COVERAGE.**

3. Have there been during the last five (5) years, or are there now pending, any civil, criminal, administrative, or arbitration proceedings (including any proceeding initiated before the Equal Employment Opportunity Commission) brought against the Company or its Subsidiaries? Yes No
4. Are you or any other person or organization proposed for this insurance have any knowledge of a matter that may give rise to a claim? Yes No

5. To your knowledge, has your Company or any person proposed for coverage been the subject of, or been involved in any of the following during the past five (5) years:
- |   |     |    |
|---|-----|----|
| (a) Anti-trust, copyright, or patent litigation?  | Yes | No |
| (b) Deceptive trade practices or consumer fraud?  | Yes | No |
| (c) Civil, criminal, or administrative proceeding alleging violation of any federal or state securities laws? | Yes | No |
| (d) Any Employment Practices Liability (EPL) claim?   | Yes | No |
| (e) Any other criminal actions?   | Yes | No |
6. If the Company had a claim in the past five (5) years, is the claim still open? Yes No
7. How many claims were opened during the last five (5) years? \_\_\_\_\_
8. What is the total claim amount paid? \$ \_\_\_\_\_

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

The undersigned Officer of the Company declares that to the best of his or her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from each and every Director and Officer proposed for this insurance to facilitate the proper and accurate completion of this Application. The undersigned further agrees that if any significant adverse change in the condition of the Application is discovered between the date of this Proposal Form and the effective date of the Policy, which would render this Application inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately. The signing of this Application does not bind the undersigned to purchase the insurance.

With respect to any Liability Coverage Part, it is agreed by the Company and the Insured Persons that the particulars and statements contained in this Application and any information provided herewith (which shall be on file with the Insurer and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further agreed by the Company and the Insured Persons that the statements in this Application or any information provided herewith are their representations, they are material and this Policy is issued in reliance upon the truth of such representations, provided, however that except for material facts or circumstances known to the person who signed this Application, any misstatement or omission in this Application or information provided herewith in respect of a specific Wrongful Act by a particular Insured Person or their cognizance of any matter which they have reason to suppose might afford grounds for a future Liability Claim against them shall not be imputed to any other Insured Person for purposes of determining the validity of this Policy as to such other Insured Person.

## **J. MATERIAL CHANGE**

If there is any material change in the answers to the questions in this Application prior to the inception date of any policy that may be issued, the Company must notify the Insurer in writing and any outstanding quotation or binder may be modified or withdrawn.

This Applicant must be signed by the Chairman of the Board, President, Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer of the Company.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Broker Name: \_\_\_\_\_

Address: \_\_\_\_\_

Company Name: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_



**ADDITIONAL INFORMATION:**

**CLAIM SUPPLEMENTAL APPLICATION**

**Please read this entire Supplemental Application carefully before signing. Whenever used in this Supplemental Application, the term "Applicant" means the Named Insured(s). Please complete ONE Supplemental Application for EACH claim or incident.**

**Name of Applicant:** \_\_\_\_\_

1. Name(s) of Claimant(s) or potential Claimant(s): \_\_\_\_\_

\_\_\_\_\_

2. Name of Defendant(s) or potential Defendant(s): \_\_\_\_\_

\_\_\_\_\_

3. Indicate: ☐ **Incident (potential claim)** ☐ **Claim** ☐ **Lawsuit**

(a) Date of alleged wrongful act, error or omission: \_\_\_\_\_

(b) Date Applicant became aware of the alleged wrongful act, error or omission: \_\_\_\_\_

(c) How did the Applicant become aware of the alleged wrongful act, error or omission: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. Has the matter been reported to the current carrier: Yes ☐ No ☐

Carrier Name and date reported: \_\_\_\_\_

5. This matter is ☐ Closed ☐ Open

(a) If Closed, indicate the Total:

(1) Expense paid: \$ \_\_\_\_\_

(2) Damages paid: \$ \_\_\_\_\_

(b) If Closed indicate if: ☐ Court Judgment ☐ Out of Court Settlement ☐ Withdrawn

(c) If Open, indicate the Claimant Settlement Demand, if any: \$ \_\_\_\_\_

(d) If Open, indicate the Settlement amount offered by the Applicant: \$ \_\_\_\_\_

(e) If Open, indicate the amount of legal expenses paid to date: \$ \_\_\_\_\_

(f) If Open, indicate the Insurer's reserve for:

(1) Expenses: \$ \_\_\_\_\_

(2) Damages: \$ \_\_\_\_\_

6. Provide a detailed description of the claim or incident, including the allegations against the Applicant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
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7. Please explain the corrective actions taken to prevent a similar claim or incident from reoccurring:

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8. Attach a loss history report covering the last five (5) years if available

By signing this Supplemental Application, the Applicant understands and agrees that the information submitted herein and all attachments becomes a part of, is deemed attached to, and is subject to the same representations and conditions of, its application for professional liability insurance.

This Supplement Application must be signed and dated by a Principal, Partner, Managing Member or Senior Officer of the Applicant. Electronically reproduced signatures will be treated as original.

**Applicant Info**

Applicant Signature: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date (MM/DD/YY): \_\_\_\_\_

**Broker Info**

Broker Name: \_\_\_\_\_

Address: \_\_\_\_\_

Company Name: \_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_