

Employment Practices Liability Solution

Employment Practices Liability Solution Proposal Form

NOTICE TO MONTANA APPLICANTS: DEFENSE WITHIN LIMITS unless *(by endorsement to this Policy)* such amounts are in addition to the applicable limit of liability. The limit of liability available to pay settlements or judgments will be reduced, and may be exhausted, by defense expenses.

Proposal Form Instructions – Please Read

Whenever used within this Proposal Form, the following terms shall mean:

- **“Named Entity”** – the entity to be named in Item 1. of the Declarations.
- **“Company”** – the “Named Entity” and all “Subsidiaries”.
- **“Subsidiaries”** – entities whose voting stock is owned more than 50% by the “Named Entity”. Coverage is provided on a blanket basis for entities that meet the definition of “Subsidiary”.

NOTE: If coverage is being requested for entities that are owned 50% or less by the “Named Entity”, or entities that share common ownership (*sister/affiliated entities*) with the “Named Entity”, please see Section C. below.

Please make note of how the above terms are used within the Proposal Form questions below. Please provide answers on a consolidated basis when the term “Company” is referenced within a question.

A. Company Information

1a. **Legal Name of the Named Entity** to be named in Item 1. of the Declarations:

_____ dba _____
Physical street address _____
City _____ State _____ Zip code _____

Yes **No**
☐ ☐

b. Is the physical address above the same as the mailing address?

If no, please provide:

Mailing address _____
City _____ State _____ Zip code _____

2. Website _____

3. Ownership structure

☐ Privately held ☐ Publicly traded ☐ Not-for-Profit ☐ Governmental

4. Business type

☐ Corporation ☐ LLC ☐ Sole Proprietorship (*Individual*) ☐ Partnership
☐ Other _____

5. Owned by foreign parent?

Yes **No**
☐ ☐

If yes, parent's name _____

6. Nature of business _____

7. Is the Company a franchisee or franchisor?

Yes **No**
☐ ☐

If yes, name of franchise chain _____

8. Years in operation _____

B. Current Insurance Information

1. Does the Named Entity currently purchase Employment Practices Liability Insurance, either on a stand-alone basis or incorporated into some other policy? Yes ☐ No ☐

If yes, please provide details:

Insurer	Expiration date	Limit	Retention	Premium	Prior & pending date
		\$ _____	\$ _____	\$ _____	

2. In regards to the policy listed above, or any prior Employment Practices Liability Insurance, has any insurer notified the Company that it is cancelling or non-renewing coverage? ☐ ☐

(This question is not applicable in Missouri)

If yes, please provide details:

- 3a. Is the Named Entity seeking to purchase limits for Employment Practices Liability Insurance higher than currently purchased? N/A ☐ Yes ☐ No ☐

If yes, please answer the following:

- b. Is the undersigned or any Director, Officer or member of the Board of Managers proposed for this insurance aware of any fact, circumstance or situation involving the Company *(and any Additional Entities)*, Director, Officer or member of the Board of Managers which he or she has reason to believe might result in any future Employment Practices Claim which would fall within the scope of the Increased Limit of Liability? ☐ ☐

If yes, please provide details _____

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

C. Commonly-Owned (Sister/Affiliated) Entities

If coverage is being requested for any Additional Entities in which the Company owns 50% or less or is related to the Company through common majority ownership *(sister/affiliated entities)*, please provide the following information for each entity and provide the Named Entity's ownership. Consideration will be given to providing coverage for these entities on an individual basis.

(Check here if none ☐) If more than one Additional Entity, please provide a separate sheet as an attachment.

1. Please provide the ownership of Named Entity referenced in Section A.1 above:

Name(s) of the Entity's Owner(s)	% of Ownership

C. Commonly-Owned (Sister/Affiliated) Entities Continued

2. Additional Entity information (please attach a separate sheet if more than one entity):

a. Additional Entity's legal name _____

dba _____ Zip Code _____

b. Additional Entity's nature of business _____

c. Additional Entity's employee count breakdown (including temporary, seasonal and leased):

Full Time _____ Part Time _____ Independent Contractors _____

d. Do the answers provided in the remainder of this Proposal Form (including questions in Section E) accurately reflect this Additional Entity?

Yes

☐

No

☐

e. Please provide the ownership of the Additional Entity:

Name(s) of the Additional Entity's Owner(s)

% of Ownership

Any reference to "Subsidiaries" in this Proposal Form shall also include any Additional Entity identified above, or by attachment to this Proposal Form, which the Insurer deems to have common-majority ownership and/or common management. **It is understood and agreed that the proposed coverage shall not apply to any Additional Entity not listed above or not included by attachment to this Proposal Form.**

D. HR Contact Information

To receive complimentary loss control services that come with this policy, please provide contact information for the Company's HR representative:

Name _____

Phone _____

Title _____

Email _____

E. Employee Profile

1. Company's (and any Additional Entities') total number of employees (including temporary, seasonal and leased):

Current _____ 1 year ago _____

a. Please provide a breakdown of the Company's (and any Additional Entities') total number of employees (including owners/officers) in each of the following categories: (total of all categories should equal the corresponding total employee counts above)

	Full Time	Part Time	Independent Contractors	Totals
Current				
1 Year Ago				

b. List the three states with the largest number of employees:

State _____ # of total employees _____

State _____ # of total employees _____

State _____ # of total employees _____

c. # of total employees in California _____

d. # of employees that are employed outside the U.S. _____

Yes

No

2. Does the Company (and any Additional Entities) have union employees?

☐☐

E. Employee Profile Continued

3. Does the Company (*and any Additional Entities*) have any planned transactions or events, within the next 12 months, that would increase the number of current total employees stated in question E.1. above by more than 25%? **Yes**
☐ **No**
☐

If yes, provide estimated number of additional employees _____

4. Company's (*and any Additional Entities*) total annual salary/payroll expense for the most recent year-end (*including bonuses, commissions and owners'/officers' compensation*): \$ _____

5. Company's (*and any Additional Entities*) number of employees (*including owners/officers*) whose annual compensation (*including bonuses and commissions*) falls within each of the following ranges of **\$50,000 and above**:

\$50,000-\$99,999 _____ \$100,000-\$249,999 _____ \$250,000 & over _____

6. Company's (*and any Additional Entities*) historical average annual turnover rate:

☐ 20% or less ☐ 21% - 35% ☐ greater than 35%

7. Has the Company (*and any Additional Entities*) initiated the termination of any officers within the past 6 months, or anticipate doing so within the next 12 months? **Yes**
☐ **No**
☐

If yes, please provide:

a. Name(s) of officer(s) _____

Date(s) of termination _____

b. Was severance provided, or will it be provided, to each officer? ☐ ☐

c. Release(s) from liability obtained, or will be obtained, from each officer? ☐ ☐

8. Has the Company (*and any Additional Entities*) had any layoffs or early retirement programs (*including those resulting from reorganizations or facility closings*) within the past 6 months, or anticipate doing so within the next 12 months? **Yes**
☐ **No**
☐

If yes, please provide the following (*or provide as an attachment*):

a. Number of employees that were, or will be, laid off _____

Date(s) of separation _____

b. Was severance provided, or will it be provided, to all employees affected? ☐ ☐

c. Release(s) from liability obtained, or will be obtained, from all employees affected? ☐ ☐

d. Did, or will, the Company (*and any Additional Entities*) consult with labor counsel prior to the downsizing? ☐ ☐

9. Has the Company (*and any Additional Entities*) been involved in any of the following within the past 12 months, or considering being involved in any within the next 12 months: **Yes**
☐ **No**
☐

a. Merger, acquisition or divestment activity? ☐ ☐

b. Bankruptcy proceeding or financial restructuring? ☐ ☐

c. Change in ownership structure? ☐ ☐

If yes, to any question, please provide details:

F. Litigation Information

During the past five years, has the Company (*and any Additional Entities*) or any person proposed for this insurance, in their capacity as either Director, Officer, member of the Board of Managers, or employee of the Company (*and any Additional Entities*):

• **Received any written demands for monetary or non-monetary relief, or**

• **Been involved in any civil, criminal, administrative or arbitration proceeding involving:**

	Yes	No
1. any current or former employee alleging discrimination, harassment, wrongful discharge and/or any wrongful employment act?	<input type="checkbox"/>	<input type="checkbox"/>
2. the Equal Employment Opportunity Commission (EEOC) or other similar state or local agency?	<input type="checkbox"/>	<input type="checkbox"/>
3. any actual or alleged violations of any "wage and hour" labor laws, including the Fair Labor Standards Act (FLSA) or any similar state or local law?	<input type="checkbox"/>	<input type="checkbox"/>
4. the National Labor Relations Board (NLRB)?	<input type="checkbox"/>	<input type="checkbox"/>
5. the U.S. Immigration and Customs Enforcement Agency (ICE)?	<input type="checkbox"/>	<input type="checkbox"/>
6. any customer, client or other third party alleging harassment, discrimination, or civil rights violations?	<input type="checkbox"/>	<input type="checkbox"/>

If yes, to any question above, complete a **Claim Supplemental Form** for each proceeding.

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

G. Knowledge Information**Examples**

With respect to Employment Practices Liability Coverage, it would be reasonable to foresee that an Employment Practices Claim may be brought if a current or former employee (*including officers*), or an applicant for employment, is:

- Complaining of discrimination, harassment, or unfair treatment and threatening to pursue further;
- Asking for a severance package in excess of what was offered;
- Threatening to hire an attorney;
- Making a formal complaint of unfair employment practices to an owner, officer or supervisory employee; or
- Making a written request for the employment file, time records, pay stubs, or, if an applicant, additional information regarding the position.

With respect to Third Party Liability Coverage, it would be reasonable to foresee that a Third Party Claim may be brought if a customer, client, supplier, distributor, independent contractor or other individual or group of individuals (*who are not employees*) is/are directly:

- Complaining of sexual harassment and threatening to pursue further;
- Making a formal complaint of discrimination to an owner, officer or supervisory employee; or
- Making a written request for the employment file, time records, pay stubs, or, if an applicant, additional information regarding the position.

Knowledge Question

N/A	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Is the undersigned or any Director, Officer or member of the Board of Managers proposed for this insurance aware of any fact, circumstance or situation involving the Company (*and any Additional Entities*), Director, Officer or member of the Board of Managers which he or she has reason to believe might result in any future Employment Practices Claim under the policy to which this Proposal Form will be attached?

If yes, please provide details:

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

Fraud Warnings

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in a Proposal Form for insurance is guilty of a crime and may be subject to fines and confinement in prison.

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 DISTRICT OF COLUMBIA APPLICANTS: 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 reported by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or a Proposal Form containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Also provide: Agent name _____ License number _____

IOWA APPLICANTS:

Submitted by (*PRODUCER*) _____ Date _____

NOTICE TO KANSAS APPLICANTS: 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, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files a Proposal Form 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 LOUISIANA 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 MAINE 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 MARYLAND APPLICANTS: 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.

NOTICE TO NEW MEXICO APPLICANTS: Any person who includes any false or misleading information on a Proposal Form for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on a Proposal Form for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who, knowingly and with intent to defraud any insurance company or other person, files a Proposal Form for insurance containing any materially false information, or conceals for the purpose of misleading and 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 (\$5,000.00) and the stated value for each such violation.

Fraud Warnings Continued

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits a Proposal Form or files a claim containing a false or deceptive statement is guilty of insurance fraud.

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 knowingly and with intent to defraud any company or other person files an application containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of a fraudulent act, which may subject such person to prosecution for fraud.

NOTICE TO 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 TENNESSEE 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 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 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.

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 Proposal Form. The undersigned further agrees that if any significant adverse change in the condition of the applicant is discovered between the date of this Proposal Form and the effective date of the Policy, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately. The signing of this Proposal Form does not bind the undersigned to purchase the insurance.

It is further agreed by the Company and the Insured Persons that the statements in this Proposal Form or any information provided herewith are their representations, 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 Proposal Form, any misstatement or omission in this Proposal Form 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 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.

Signature* of Chairman, President, CEO, COO, or CFO of the Company _____

Print Name _____ **Date** _____

The President/CEO is designated as agent of the Company and all of the Insureds to receive any and all notices from the Insurer.

** If you are the authorized representative of the Company and are electronically submitting this Proposal Form to Great American Insurance Company, type your name in the "Print Name" box, enter the date, and apply your electronic signature to this form by checking the Electronic Signature box below. By doing so, you hereby consent and agree that your use of a key pad, mouse or other device to check the Electronic Signature box constitutes your signature, acceptance and agreement as if physically signed by you and has the same force and effect as a signature affixed by hand. Only the Chairman, President, CEO, COO, CFO or functional equivalent of the Company are considered authorized representative for the purposes of signing this Form.*

☐ Authorized Representative's Electronic Signature and Acceptance



Employment Practices Liability Solution

Litigation Supplemental Form

Supplemental Form Instructions

This Supplemental Form is to be completed if any of the litigation questions within the Employment Practices Liability Proposal Form were answered "Yes". One Litigation Supplement Form should be provided for each proceeding.

Litigation Information

1. Full name of claimant/plaintiff _____	Title/position _____
2. Full name of defendant _____	Title/position _____
3. Date allegations occurred _____	Date proceeding brought _____
4. Is the claimant/plaintiff still employed with the Company or Additional Entities?	<div>Yes <input type="checkbox"/></div> <div>No <input type="checkbox"/></div>
5. Current status of the proceeding? <input type="checkbox"/> Open <input type="checkbox"/> Closed	
a. If closed , please provide:	
Settlement amount \$ _____	Defense costs \$ _____ Date closed _____
b. If open , please provide:	
Demand amount \$ _____	Defense costs to date \$ _____
6. If this is an Equal Employment Opportunity Commission (EEOC) or other similar state or local proceeding, has the agency ruled on this case yet?	<div>Yes <input type="checkbox"/></div> <div>No <input type="checkbox"/></div>
If yes , was the ruling: <input type="checkbox"/> Probable cause <input type="checkbox"/> No probable cause	
7. What specific causes of action (<i>sexual harassment, discrimination, wrongful termination, etc.</i>) are alleged in the proceeding?	
8. Describe the series of events that gave rise to the proceeding occurring (<i>Attach a copy of the formal complaint, charges, etc. and the Company's formal legal response</i>):	
9. Describe how the Company investigated the allegations:	
10. What policies and/or procedures have since been implemented to prevent a reoccurrence of similar allegations/proceedings?	

IT IS UNDERSTOOD AND AGREED THAT THIS SUPPLEMENTAL FORM IS ATTACHED TO AND FORMS A PART OF THE EMPLOYMENT PRACTICES LIABILITY PROPOSAL FORM OR RENEWAL PROPOSAL FORM. IT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS AS MADE IN THE PROPOSAL FORM OR RENEWAL PROPOSAL FORM.

Signature* of Chairman, President, CEO, COO, or CFO of the Company _____

Print Name _____ Date _____

The President/CEO is designated as agent of the Company and all of the Insureds to receive any and all notices from the Insurer.

**If you are the authorized representative of the Company and are electronically submitting this Proposal Form to Great American Insurance Company, type your name in the "Print Name" box, enter the date, and apply your electronic signature to this form by checking the Electronic Signature box below. By doing so, you hereby consent and agree that your use of a key pad, mouse or other device to check the Electronic Signature box constitutes your signature, acceptance and agreement as if physically signed by you and has the same force and effect as a signature affixed by hand. Only the Chairman, President, CEO, COO, CFO or functional equivalent of the Company are considered authorized representative for the purposes of signing this Form.*

☐ Authorized Representative's Electronic Signature And Acceptance