

# Quaker Special Risk

a division of the Quaker Agency Inc.

## APPLICATION FOR DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY INCLUDING EMPLOYMENT PRACTICES LIABILITY COVERAGE

**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 DISCOVERY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED BY "DEFENSE EXPENSES", AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.**

1. a) Name of **Applicant**: \_\_\_\_\_  
(Whenever used in this Application, the term "**Applicant**" shall mean the **Parent Corporation** and all **Subsidiaries**.)
- b) Principal address: \_\_\_\_\_
- c) Date of incorporation: \_\_\_\_\_
- d) Name and title of the officer of the **Applicant** designated as the representative to receive all notices from the Underwriter on behalf of all person(s) and entity(ies) proposed for this insurance: \_\_\_\_\_

2. Current Insurance:

**A. D&O (Directors & Officers Liability)**

1. Carrier(s) \_\_\_\_\_
2. Limit \_\_\_\_\_
3. Premium \_\_\_\_\_
4. Expiration \_\_\_\_\_

**B. Commercial General Liability**

1. Carrier(s) \_\_\_\_\_
2. Limit \_\_\_\_\_
3. Premium \_\_\_\_\_
4. Expiration \_\_\_\_\_

**C. Umbrella**

1. Carrier(s) \_\_\_\_\_
2. Limit \_\_\_\_\_
3. Premium \_\_\_\_\_
4. Expiration \_\_\_\_\_

**D. EPL (Employment Practices Liability)**

1. Carrier(s) \_\_\_\_\_
2. Limit \_\_\_\_\_
3. Premium \_\_\_\_\_
4. Expiration \_\_\_\_\_

**MISSOURI APPLICANTS/AGENTS: DO NOT ANSWER THIS QUESTION.**

Have any of the **Applicant's** D&O or EPL carriers indicated an intent not to offer renewal terms?  Yes  No  
If "Yes", please provide details as an attachment.

3. Stock Ownership:

- a) Total number of voting shares outstanding: \_\_\_\_\_
- b) Total number of voting shareholders: \_\_\_\_\_
- c) Total number of voting shares owned by the **Applicant's** directors and officers (direct and beneficial): \_\_\_\_\_
- d) Does any shareholder own five percent (5%) or more of the voting shares directly or beneficially? If so, designate names and percentages of holdings. (If no such shareholders, check here  "None.") \_\_\_\_\_
- e) Are there any other securities convertible to voting stock? If so, describe fully. (If none, check here  "None.") \_\_\_\_\_

4. a) Have there been any changes in the Board of Directors or Senior Management of the **Applicant** within the past three (3) years for reasons other than death or retirement?  Yes  No  
If "Yes", please explain. \_\_\_\_\_  
\_\_\_\_\_
- b) Has the **Applicant** changed outside auditors in the last three (3) years?  Yes  No  
If "Yes", please explain. \_\_\_\_\_  
\_\_\_\_\_
- c) Have the outside auditors stated there are no material weaknesses in the **Applicant's** system of internal controls?  Yes  No  
If "No", please provide the latest CPA letter to management and management's response.
5. Has the **Applicant** in the past thirty-six (36) months completed or agreed to, or does it contemplate within the next twelve (12) months, any of the following, whether or not such transactions were or will be completed? If "Yes", please describe the essential terms of each such transaction as an attachment to this **Application**.
- a) Merger, acquisition or consolidation with another entity whose consolidated assets exceed twenty-five percent (25%) of the **Applicant's** consolidated assets?  Yes  No
- b) Sale, distribution or divestiture of any assets or stock other than in the ordinary course of business in an amount exceeding twenty-five percent (25%) of the **Applicant's** consolidated assets?  Yes  No
- c) Any registration for a public offering or any private placement of securities?  Yes  No
- d) Reorganization or arrangement with creditors under federal or state law?  Yes  No
6. Does the **Applicant** anticipate any plant, facility, branch or office closing, consolidations or layoffs within the next twenty-four (24) months?  Yes  No  
If "Yes", please provide details by attachment to this **Application**.
7. Total number of employees:  
Currently: \_\_\_\_\_  
1 year ago: \_\_\_\_\_  
2 years ago: \_\_\_\_\_
- How many employees or officers have been terminated in the past two (2) years? \_\_\_\_\_
- What percentage of your employees has turned over in the past two (2) years? \_\_\_\_\_
8. Does the **Applicant**:
- Have a full-time human resources coordinator?  Yes  No
- Have a written policy with respect to sexual harassment?  Yes  No
- Have written annual evaluations for employees?  Yes  No
- Have a written policy with respect to progressive discipline for employees?  Yes  No
- Have a written policy for Family Medical Leave?  Yes  No
- Have a written human resources manual or equivalent written guidelines?  Yes  No
- Use outside counsel for employment advice?  Yes  No
- Have any collective bargaining agreements?  Yes  No
- (If "Yes", please describe and provide the total number of employees subject to such agreements.)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Past Activities:

- a) No claim such as would fall within the scope of the proposed insurance has been made against any person(s) or entity(ies) proposed for this insurance (including without limitation any claim against any such person(s) or entity(ies) for any employment practice, as described in the proposed insurance, or any complaint against any such person(s) or entity(ies) before the Equal Employment Opportunity Commission or any similar state or local authority), except as follows (include loss payment and defense costs):
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(If none, check here  "None.")

- b) No person(s) or entity(ies) proposed for this insurance is cognizant of any fact, circumstance or situation (including without limitation any suspected or threatened claim against any such person(s) or entity(ies) for any employment practice, as described in the proposed insurance, or any suspected or threatened complaint against any such person(s) or entity(ies) before the Equal Employment Opportunity Commission or any similar state or local authority) which might afford valid grounds for any claim such as would fall within the scope of the proposed insurance, except as follows:
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(If none, check here  "None.")

**Without prejudice to any other rights and remedies of the Underwriter, any claim arising from any claims, facts, circumstances or situations required to be disclosed in response to 9.a) or 9.b) above is excluded from the proposed insurance.**

10. As part of this Application, submit the following documents with respect to the **Applicant**:

- a) Audited financial statements with any notes and schedules.  
b) Any registration statements filed with the SEC or any private placement memorandums within the last twelve (12) months.  
c) Copies of all provisions of the **Applicant's** charter and bylaws relating to the indemnification of its directors and officers.  
d) Copy of the **Applicant's** current primary D&O policy.  
e) Summary and status of any litigation filed within the last twenty-four (24) months by or against any person(s) or entity(ies) proposed for this insurance (including any litigation that has been resolved).

**FOR THE PURPOSE 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. ACCEPTING THIS APPLICATION DOES NOT BIND THE UNDERWRITER TO COMPLETE 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. THIS APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED.**

**IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE UNDERWRITER, WHO MAY MODIFY OR WITHDRAW ANY QUOTATION.**

**THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND:**

**(A) THIS POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR, IF PURCHASED, ANY DISCOVERY PERIOD; AND**

**(B) THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED BY "DEFENSE EXPENSES", AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION.**

**NOTICE TO ARKANSAS, MINNESOTA, AND 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, WHICH IS A CRIME.**

**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 FLORIDA APPLICANTS: ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY EMPLOYER OR EMPLOYEE, INSURANCE COMPANY, OR SELF-INSURED PROGRAM, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.**

**NOTICE TO KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY 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 MAINE AND 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 MAY INCLUDE IMPRISONMENT, FINES, OR A DENIAL OF INSURANCE BENEFITS.**

**NOTICE TO MARYLAND 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 MAY BE GUILTY OF INSURANCE FRAUD.**

**NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.**

**NOTICE TO NEW MEXICO 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 CIVIL FINES AND CRIMINAL PENALTIES.**

**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.**

**NOTICE TO OKLAHOMA APPLICANTS: 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 AND TEXAS 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.**

**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.**

APPLICANT		
BY <i>(President and/or CEO Signature)</i>	TITLE	DATE

NOTE: This **Application** must be signed by the President and/or CEO of the **Applicant** acting as the authorized agent of the person(s) and entity(ies) proposed for this insurance.

PRODUCED BY <i>(Insurance Agent)</i>	INSURANCE AGENCY
INSURANCE AGENCY TAXPAYER I.D. OR SOCIAL SECURITY NO.	AGENT LICENSE NO.
ADDRESS <i>(No., Street, City, State, and ZIP Code)</i>	

SUBMITTED BY <i>(Insurance Agency)</i>	INSURANCE AGENCY TAXPAYER I.D. OR SOCIAL SECURITY NO.	AGENT LICENSE NO.
ADDRESS <i>(No., Street, City, State, and ZIP Code)</i>		

