



## EMPLOYMENT PRACTICES LIABILITY INSURANCE APPLICATION CLAIMS-MADE COVERAGE

Employment Practices Liability is a Claims-Made coverage. Defense costs reduce the Limit of Insurance. Please read the entire policy carefully to determine your rights, duties, coverage and coverage restrictions.

Applicant \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Agent \_\_\_\_\_

Effective Date \_\_\_\_\_ Retroactive Date \_\_\_\_\_

### Business Type

- ☐ Individual ☐ Corporation ☐ Limited Liability Corporation  
☐ Franchised Operation ☐ Non-Franchised Operation ☐ Other

Number of years in business \_\_\_\_\_

Describe the business operation \_\_\_\_\_

### Claims Made Coverage

- Deductible ☐ \$5,000 ☐ \$10,000 ☐ \$25,000  
Limits Requested (Annual Aggregate) ☐ \$100,000 ☐ \$250,000 ☐ \$500,000 ☐ \$1,000,000  
Third Party Coverage Requested ☐ Yes ☐ No If Yes, SIC Code \_\_\_\_\_  
Prior Insurance Coverage? ☐ Yes ☐ No  
If yes, was prior coverage cancelled or non-renewed? ☐ Yes ☐ No

- a. Carrier's Name \_\_\_\_\_  
b. Limit of Insurance \_\_\_\_\_ Deductible \_\_\_\_\_  
c. Effective Date \_\_\_\_\_ Retroactive Date \_\_\_\_\_  
d. Current Premium \_\_\_\_\_

### Employees

Number of Employees (if more than two locations, also provide this information for the additional locations)

	Location 1 (city, state)			Location 2 (city, state)		
	Current Year	Prior Year	2 <sup>nd</sup> Prior	Current Year	Prior Year	2 <sup>nd</sup> Year
Full Time Employees						
Part Time Employees						
Temporary Employees						
Leased Workers						
Independent Contractors						



## EMPLOYMENT PRACTICES LIABILITY INSURANCE APPLICATION CLAIMS-MADE COVERAGE

Percentage of Salaried Employees	_____ %	Non-Salaried Employees	_____ %
Percentage of employees who are union members this year	_____ %		
Percentage of employees by salary range:			
< \$30,000	_____ %		
\$30,000 - \$100,000	_____ %		
>\$100,000	_____ %		

	<i>Current</i>	<i>Prior</i>	<i>2<sup>nd</sup> Prior</i>
Employee turnover rate for the last three years	_____ %	_____ %	_____ %
Percentage of terminations that were employer-initiated	_____ %	_____ %	_____ %

### **Prior Year History**

Have you had any office, branch, facility or plant closings, consolidations, layoffs or staff reductions (greater than 10% of the workforce), mergers or acquisitions within the last 12 months? ☐ Yes ☐ No

If yes, please describe \_\_\_\_\_

Do you anticipate any office, branch, facility or plant closings, consolidations, layoffs or staff reductions (greater than 10% of the workforce), mergers or acquisitions within the last 12 months? ☐ Yes ☐ No

If yes, please describe \_\_\_\_\_

### **Risk Management Practices**

- Do you use an employment application during your hiring process? ..... ☐ Yes ☐ No
- Do you have a written anti-harassment or discrimination policy? ..... ☐ Yes ☐ No
- Do you have a written equal opportunity statement? ..... ☐ Yes ☐ No
- Do you have a written internal complaint and progressive disciplinary procedure for  
discrimination and harassment claims? ..... ☐ Yes ☐ No
- Do you post in places conspicuous to all employees and applicants for employment  
all notices required by law? ..... ☐ Yes ☐ No
- Have your employment policies and procedures been reviewed and approved by outside counsel? ..... ☐ Yes ☐ No
- Do you distribute an Employee Handbook to your employees? ..... ☐ Yes ☐ No



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### ***Loss History***

Has the firm received any employment-related lawsuits, negotiated settlements, grievances, EEOC or other administrative proceedings from any municipal, state or federal regulatory authorities or any other government entities? **If yes, please attach details.**

**If none, write 'none' here.** \_\_\_\_\_

Are you aware of any facts or circumstances, which you reasonably believe, may result in employment-related practices claims being made against the applicant? **If yes, please attach details.**

**If none, write 'none' here.** \_\_\_\_\_

The applicant understands and agrees that this application, original application, and any supplements thereto are part of the policy, and any successive renewals that may be issued, and that Merchants Insurance relies on the truth of the statements set forth herein making a determination to issue any policy.

The applicant represents to the best of his or her knowledge and belief that the statements set forth herein are true and include all material information. The application further represents that if the information supplied on this application changes between the date of the application and the inception date of the policy period, the applicant will notify Merchants Insurance of such change.

The signing of this application does not bind the applicant to accept any insurance offered, nor does the signing of the application bind the insurance company to renew an insurance policy.

### **NEW YORK DISCLOSURE NOTICE:**

**This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged wrongful acts or omissions that took place prior to the retroactive date, if any, stated on the declarations. The policy shall cover only those claims made against an insured while the policy remains in effect for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting coverage unless the insured purchases additional extended reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The insured may purchase for an additional premium an extended reporting period of 12 months following the termination of this policy. Potential coverage gaps may arise upon the expiration of this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases until the claims-made relationship has matured.**



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### IMPORTANT INFORMATION CLAIMS-MADE COVERAGE

Your Employment Practices Liability coverage is written on a 'claims-made' basis.

A 'claims-made' policy covers liability for damages that the insured is legally obligated to pay (including damages occurring prior to the effective date of the policy, but subsequent to the retroactive date, if any), that arises out of incidents, errors or omissions as long as the claim is first made during the policy period or any extended reporting period.

A 'retroactive date' means a date concurrent with the effective date of the policy, or a particular date prior to the effective date of the policy upon which the insurer and the insured agree in the policy that policy coverage will be applicable.

This policy provides no coverage for claims arising out of incidents, occurrences, or alleged wrongful acts which took place prior to the retroactive date stated in the policy.

This policy covers only claims actually made against the insured while the policy remains in effect. All coverage under the policy ceases upon termination of the policy.

However, upon termination of the policy there is an automatic extended reporting period of 60 days, and an option to purchase an extended reporting period. This allows you a one year extension in which to report claims for negligent errors or omissions that were first committed after the retroactive date but before the effective date of the termination of coverage. A coverage gap may arise upon expiration of the extended reporting period unless new coverage is purchased.

#### 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.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE ENQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

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Applicant's Proprietor, Partner, or Officer

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Date

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Applicant's HR Representative

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Date

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Agent

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Date