



Braishfield
a division of Hull & Company, LLC

Management liability



MANAGEMENT LIABILITY INSURANCE

APPLICATION FORM

INTRODUCTION

The purpose of this application form is for us to find out who you are and to obtain information relevant to the cover provided by the ML policy. Completion of this application form does not oblige either party to enter into a contract of insurance.

Insurance is a contract of utmost good faith. This means that the information you provide in this application form must be complete, accurate and not misleading. It also means that you must tell us about all facts and matters which may be relevant to our consideration of your proposal for insurance. Any failure by you in this regard may entitle us to treat this insurance as if it never existed. If a contract of insurance is agreed between you and us this application form will form the basis of the contract.

Important: Insuring clauses 1, 2, 3 and 4 (SECTIONS A and B only) provide cover on a claims made and reported basis. Under these insuring clauses, a claim must be first made against the Insured and notified to us during the period of the policy and a claim will not be covered if it arises out of any prior or pending litigation before the Prior and Pending Date.

HOW TO COMPLETE THIS FORM

Whoever fills out the form must be a director of the applicant company and should make all the necessary enquiries of their fellow directors, officers and employees to enable all the questions to be answered.

If you require any extra space to complete the answers to questions contained within this application form please continue your response in the Additional Information section at the back of the form. Once you have completed the form please return it directly to your insurance broker.

SECTION 1: COMPANY DETAILS

1.1 Please provide the following details:

Insured company:	
Address:	
City:	State:
ZIP Code:	Primary SIC Code:
*Year of establishment:	Website:

**if less than 12 months old, please supply a copy of your business plan*

1.2 Please state the legal status of the company (tick as appropriate):

Corporation:	<input type="checkbox"/>	Partnership:	<input type="checkbox"/>	Sole Proprietorship:	<input type="checkbox"/>
LLC:	<input type="checkbox"/>	Other:	<input type="checkbox"/>		

If other, please provide details:

1.3 Is the company listed on any stock exchange or other securities market?

Yes No

If yes, does the company file the statutory File 20-f to the Securities and Exchange Commission?

Yes No

If you have ticked the shaded boxes above, please explain in the box below and continue on the ADDITIONAL INFORMATION page if necessary. Please also provide a copy of the completed statutory File20-f if applicable:

1.4 Please describe below the nature of your business activities (including your subsidiaries):

1.5 Please state the number of employees and business locations:

Please continue on the ADDITIONAL INFORMATION page if necessary:

Location:	ZIP Code:	Number of exempt employees	Number of non-exempt employees
Main location:	_____	_____	_____
Location 2:	_____	_____	_____
Location 3:	_____	_____	_____
Location 4:	_____	_____	_____

1.6 Please advise the:

a) Number of shares issued:

b) Number of shareholders:

c) Name and percentage of shares owned by shareholders owning more than 10% of all voting rights (both direct and indirect):

 %

Name:	Percentage ownership:	Represented on the board:
_____	_____ %	<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

1.7 Please confirm:

- a) Your gross revenue for the last completed financial year:
- b) You achieved a profit for the last completed financial year: Yes No
- c) Your total assets for the last completed financial year:
- d) You have a positive net worth for the last completed financial year: Yes No

1.8 Have you in the past 3 years, or do you during the next 12 months, have plans to:

- a) Sell the company? Yes No
- b) Be involved in any mergers, acquisitions or divestments? Yes No
- c) Change your capital structure? Yes No
- d) Raise any new equity capital? Yes No

If you have ticked any of the shaded boxes in questions 1.7 – 1.8, please explain in the box below and continue on the ADDITIONAL INFORMATION page if necessary:

SECTION 2: EMPLOYMENT PRACTICES LIABILITY

Only complete this section if you require employment practices liability cover

- 2.1 Do you have a human resources department: Yes No
- a) If yes, how many employees are in this department?
 - b) If no, how is this function handled?

- 2.2 Are your employees issued with an employee handbook? Yes No
If yes, please provide a copy

- 2.3 Do you have written management guidelines for the following:
- a) Disciplinary procedures? Yes No
 - b) Termination of employment? Yes No
 - c) Preventing discrimination? Yes No
 - d) Preventing harassment? Yes No
 - e) Any complaint of discrimination or harassment? Yes No

f) Grievance procedures?

Yes No

g) Compliance with (i) the Americans with Disabilities Act 1990, as amended, (ii) The Civil Rights Act 1964, as amended and (iii) the Family and Medical and Leave Act, as amended?

Yes No

2.4 Do you provide anti-discrimination and anti-harassment training for all of your employees?

Yes No

If no, please explain why:

Empty text box for explanation of 'no' answer for question 2.4.

2.5 Do you have written procedures for any complaint of discrimination or harassment from any person who is not an employee of the company?

Yes No

If no, please explain why:

Empty text box for explanation of 'no' answer for question 2.5.

2.6 Do the areas of your premises which are accessible to the public comply with the Americans with Disabilities Act 1990, as amended?

Yes No

If no, please explain why:

Empty text box for explanation of 'no' answer for question 2.6.

2.7 Are your wage and hour practises compliant with the Fair Labour Standards Act (FLSA)?

Yes No

If no, please explain why:

Empty text box for explanation of 'no' answer for question 2.7.

2.8 Do you periodically compare an employee's job description against their actual duties?

Yes No

If no, please explain why:

Empty text box for explanation.

2.9 How long do you keep records of all hours worked by non-exempt employees?

Empty text box for duration.

2.10 a) How often do you review your wage and hour practises?

Empty text box for frequency.

b) Do you obtain legal advice when your wage and hour practises are reviewed?

Yes No

If no, please explain why:

Empty text box for explanation.

2.11 In the past 24 months has there been or, in the next 12 months is it anticipated there will be, any reduction in force or systematic lay-off?

Yes No

If yes, please provide full details:

Empty text box for details.

SECTION 3: FIDUCIARY LIABILITY

Only complete this section if you require fiduciary liability cover

3.1 Please state the total asset size of all your benefit plans:

Empty text box for asset size.

3.2 Please complete the following information for your three largest plans to be covered:

Name of Plan:	Plan assets:	Type of Plan (i.e. defined contributions or defined benefits, welfare benefit, profit sharing etc):
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please forward the latest financial statement and a copy of the most recently filed Form 5500 (and attachments) for your largest benefit plan.

- 3.3 Are the benefit plans funded in accordance with the actuary's recommendation? Yes No
- 3.4 Do all of the benefit plans conform to the standard of eligibility, participation, vesting and other provisions of the Employee Retirement Income Security Act of 1974, as amended? Yes No
- 3.5 Are the company and employee contributions fully and promptly paid into the benefit plans? Yes No
- 3.6 Are the benefit plan assets held independently of the company? Yes No
- 3.7 Is there currently, or is it anticipated that there will be, a suspension or reduction in contributions to any benefit plan? Yes No
- 3.8 Is any benefit plan currently, or anticipated to be, terminated, suspended, merged or dissolved? Yes No
- 3.9 Has any plan merged with, or assumed the responsibilities of, another benefit plan in the last 3 years? Yes No

If you have ticked any of the shaded boxes in questions 3.3 – 3.9, please explain in the box below and continue on the ADDITIONAL INFORMATION page if necessary:

SECTION 4: CYBER AND PRIVACY

Only complete this section if you require cyber and privacy cover

- 4.1 Do you have procedures and protocols in place covering compliance with all applicable privacy regulations? Yes No
- 4.2 Do you have IT security procedures and protocols in place that govern the handling and storage of sensitive information? Yes No
- 4.3 Do you ensure that all sensitive personally identifiable data (including credit and debit card details) is encrypted while standing and during transmission? Yes No
- 4.4 Do you have anti-virus software installed and enabled on all desktops, laptops and servers (excluding database servers) and is it updated on a regular basis? Yes No
- 4.5 Do you also have firewalls installed on all external gateways? Yes No
- 4.6 Do you take regular back-ups (at least weekly) of all critical data and store the same offsite or in a fire-proof safe or can you confirm that your outsourced service provider meets this requirement? Yes No
- 4.7 If you accept payment cards (credit or debit) as a form of payment, are you compliant with the Payment Card Industry (PCI) Data Security Standard? Yes No

If you have ticked any of the shaded boxes in questions 4.1 – 4.7, please explain in the box below and continue in the ADDITIONAL INFORMATION if necessary:

SECTION 5: CRIME

Only complete this section if you require crime cover:

5.1 Do you have dual control procedures in place for the transfer of assets, funds, investments, disbursements and for the signing of cheques in excess of \$2,500? Yes No

5.2 Are bank statements independently reconciled at least every 30 days by staff who are not authorized to make payments? Yes No

5.3 Please list all locations containing sums of money in excess of \$10,000 and the security at each location:

Location:	Security:
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

5.4 Does any individual independently control the appointment of suppliers or award contracts? Yes No

5.5 In the event of an acquisition, are the recommendations arising out of the due diligence process adhered to in full? Yes No

5.6 Prior to the appointment of finance, accounts and treasury employees, do you obtain written references covering their most recent 3 year employment history? Yes No

5.7 Are the finance, accounts and treasury department employees required to take two weeks consecutive holiday each year? Yes No

5.8 Do you investigate any variance in the monthly management reports against the budget forecast? Yes No

5.9 Are salaries checked by staff not authorized to administer the payroll against personnel records for unusual or excessive payments? Yes No

5.10 Do you undertake an audit of raw materials, work in progress and stock at least every 6 months? Yes No

5.11 Do you have procedures in place for the use of passwords for your computer systems and is authorisation automatically withdrawn at cessation of employment? Yes No

5.12 Do you have internal audits performed? Yes No

If you have ticked any of the shaded boxes in the above questions, please explain in the box below and continue on the ADDITIONAL INFORMATION page if necessary:

SECTION 6: KIDNAP AND RANSOM

Only complete this section if you require kidnap and ransom cover

6.1 Please provide the following information in respect of each planned foreign trip in the coming 12 months by your employees:

Country of destination:	Number of employees travelling:	Duration of visit:
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

If you have more than 10 trips planned in the coming 12 months, please provide an itinerary

6.2 Please state any special security precautions taken prior to and during foreign travel:

SECTION 7: INSURANCE REQUIREMENTS

7.1 Please provide details of your current Management Liability insurance or the cover you require if this is the first time you are applying for Management Liability insurance:

	Limit:	Prior and Pending Date:
Directors and Officers Liability:	_____	_____
Employment Practices Liability:	_____	_____
Fiduciary Liability:	_____	_____
Cyber and Privacy:	_____	_____
Crime:	_____	_____
Kidnap and Ransom:	_____	_____

7.2 When would you like your insurance to start?

MM / DD / YY

SECTION 8: CLAIMS EXPERIENCE AND INSURANCE HISTORY

Regarding all of the types of insurance to which this application form relates AFTER FULL ENQUIRY:

- a) are you aware of any circumstances which may give rise to a claim against any of the companies to be insured or their directors, officers or employees, or
- b) have any directors or officers of the companies to be insured, or the companies themselves, been found guilty of any criminal, dishonest or fraudulent activity or been investigated by any regulatory body, or
- c) are you aware of any loss or damage, whether insured or not, that has occurred to any of the companies to be insured within the last 5 years, or
- d) have the companies to be insured, or anyone working for the companies to be insured, experienced any kidnap, extortion, hijack, wrongful detention or a political threat, or
- e) have you ever suffered a loss of data that has resulted in a privacy breach?

With reference to questions a, b, c, d and e above:

Yes No

If the answer to the above is 'yes' then please attach full details including an explanation of the background of events, the maximum amount involved or claimed, the status of the claims or circumstances and any reserves or payments made by you or by insurers, and the dates of all developments and payments.

SECTION 9: DECLARATION

- I declare that AFTER FULL ENQUIRY the information provided in this application form is true and complete and that I have not mis-stated or suppressed any material fact.
- I agree that this application form, together with any other material information supplied by me, shall form the basis this contract of insurance.
- I undertake to inform underwriters of any material alteration to these facts occurring before the inception of the Policy.

Signed: _____	Full name: _____
Position held: _____	Date: <u>MM / DD / YY</u>

Please enclose with this application form your most recent annual financial statements

ADDITIONAL INFORMATION: