/ SUPPLEMENTAL APPLICATION

# Management Liability (D&O / EPL) Supplemental

Private and not-for-profit D&O, EPL, fiduciary, and crime.

> Please complete this supplement in full and return it with a signed ACORD application. Submit to submissions@hedgespecialty.com or through the Hedge broker portal. Answer every question — incomplete applications delay quoting.

## GENERAL INFORMATION

NAMED INSURED / APPLICANT

DBA / TRADE NAME

BROKERAGE / BROKER

AGENCY / AGENT

PROPOSED EFFECTIVE DATE

NEW OR RENEWAL?

POLICY / QUOTE NUMBER

FEIN

ENTITY TYPE (LLC, CORP, ETC.)

YEARS IN BUSINESS

YEARS UNDER CURRENT MGMT

# EMPLOYEES (FT / PT)

NATURE OF BUSINESS / ORGANIZATION TYPE

WEBSITE

## MAILING & RISK ADDRESS

MAILING ADDRESS

CITY

STATE

ZIP

COUNTY

# OF LOCATIONS

PRIMARY RISK / PREMISE ADDRESS (IF DIFFERENT)

CITY

STATE

ZIP

COUNTY

## CONTACTS

PRIMARY CONTACT NAME

TITLE

EMAIL

PHONE

AUDIT / INSPECTION CONTACT

INSPECTION PHONE

INSPECTION EMAIL

## CURRENT / EXPIRING CARRIER INFORMATION

CURRENT / EXPIRING CARRIER

POLICY NUMBER

ANNUAL PREMIUM $

LIMIT(S) OF INSURANCE

DEDUCTIBLE / SIR

RETROACTIVE DATE (IF ANY)

Is the current carrier offering renewal? ☐ YES ☐ NO

Is the expiring / current coverage written on a claims-made basis? ☐ YES ☐ NO

## COVERAGES REQUESTED

Check each management-liability part being applied for. Limits and retentions for each checked part are collected in the Coverage Request section below.

**Coverage parts (check all that apply)**

☐ Directors & Officers (D&O) ☐ Employment Practices (EPL) ☐ Fiduciary Liability

☐ Crime / Fidelity ☐ Not-for-Profit Management Liability ☐ Employed Lawyers

☐ Kidnap & Ransom / Extortion ☐ Workplace Violence ☐ Third-Party EPL

☐ Outside Directorship Liability ☐ Combined / Package ML

IS THIS A COMBINED / SHARED-LIMIT ML PROGRAM, OR SEPARATE TOWERS PER PART?

CLAIMS-MADE OR OCCURRENCE?

## ORGANIZATION PROFILE

ORGANIZATION TYPE | YEAR ESTABLISHED | STOCK SYMBOL / TICKER (IF PUBLIC) | TAX ID / FEIN

**Public / private / nonprofit status**

☐ Privately held ☐ Publicly held ☐ Non-profit / 501(c)

☐ Government / municipal ☐ Joint venture ☐ Other

1. Are all entities requesting coverage organized as non-profit / tax-exempt? ☐ YES ☐ NO
2. Is the applicant tax-exempt, and is that status currently in dispute? ☐ YES ☐ NO
   IF DISPUTED, EXPLAIN
3. Does any other entity own or control the applicant (or vice versa)? ☐ YES ☐ NO
4. Does the applicant own, control, or manage any other entity? ☐ YES ☐ NO
5. Is the applicant managed by a third party (or does it manage another entity for a fee)? ☐ YES ☐ NO
6. Does the applicant participate in any franchising or joint ventures? ☐ YES ☐ NO
7. Does the applicant engage in any professional-services activities for a fee? ☐ YES ☐ NO
8. Does the charter / bylaws contain indemnification provisions for directors and officers? ☐ YES ☐ NO

## COMPANY FINANCIALS

MOST-RECENT ANNUAL REVENUE $ | TOTAL ASSETS $ | TOTAL LIABILITIES $ | NET INCOME / (LOSS) $

NET EQUITY / NET ASSETS $ | LONG-TERM DEBT $ | CASH FLOW FROM OPERATIONS $ | FISCAL YEAR-END (MM/DD)

# FULL-TIME EMPLOYEES | # PART-TIME EMPLOYEES | # VOLUNTEERS (IF NONPROFIT) | # MEMBERS / CHAPTERS (IF ASSOC.)

| # DIRECTORS / OFFICERS | # VOTING SHAREHOLDERS | % SHARES OWNED BY DIRECTORS & OFFICERS | # BOARD MEETINGS / YEAR |
|---|---|---|---|
| | | | |

**9.** Are the applicant's financial statements independently audited? ☐ YES ☐ NO

AUDITOR & BASIS (GAAP / CASH)

**10.** Has any auditor issued a going-concern qualification in the past 2 years? ☐ YES ☐ NO

**11.** Has there been any debt-covenant violation, default, or restructuring of debt? ☐ YES ☐ NO

**12.** Are there any shareholders / members owning more than 5% of voting shares? ☐ YES ☐ NO

LIST EACH >5% HOLDER AND OWNERSHIP %

**13.** Are there any plans to raise capital, issue stock, or pursue an IPO? ☐ YES ☐ NO

**Financials — Five-Year History**

| FINANCIAL METRIC | UPCOMING YR (EST.) $ | LAST 12 MONTHS $ | 1 YEAR PRIOR $ | 2 YEARS PRIOR $ | 3 YEARS PRIOR $ |
|---|---|---|---|---|---|
| Total Revenue | | | | | |
| Total Assets | | | | | |
| Net Income / (Loss) | | | | | |
| Net Equity | | | | | |

## OWNERSHIP, SUBSIDIARIES & FOREIGN OPERATIONS

List all subsidiaries and controlled / managed entities for which coverage is requested. Attach a schedule if more than four.

**Subsidiaries & Controlled Entities**

| SUBSIDIARY / CONTROLLED ENTITY | BUSINESS TYPE | % OWNED | DATE ACQUIRED / CREATED | PRIVATE / NFP |
|---|---|---|---|---|
| Subsidiary 1 | | | | |
| Subsidiary 2 | | | | |
| Subsidiary 3 | | | | |
| Subsidiary 4 | | | | |
| | | | | |
| | | | | |

OTHER ENTITIES OWNED, CONTROLLED, OR MANAGED (NOT REQUESTING COVERAGE)

**14.** Does the applicant have any foreign operations, subsidiaries, or employees? ☐ YES ☐ NO

COUNTRIES AND NATURE OF FOREIGN OPERATIONS

**15.** Does the applicant have any operations, employees, or claims in New York or California? ☐ YES ☐ NO

DESCRIBE

**16.** Are there branches or additional locations beyond the primary address? ☐ YES ☐ NO

| TOTAL # BRANCHES / LOCATIONS | ADDITIONAL BRANCH ADDRESSES |
|---|---|
| | |

## CORPORATE TRANSACTIONS & RESTRUCTURING

**17.** Has the name or ownership changed, or has a business been purchased / merged, in the past 5 years? ☐ YES ☐ NO

**18.** Any merger, acquisition, divestiture, or sale of a division (last 24 months or planned)? ☐ YES ☐ NO

DESCRIBE

**19.** Creation of any new organization, subsidiary, or division? ☐ YES ☐ NO

**20.** Any reorganization, arrangement with creditors, receivership, or bankruptcy filing? ☐ YES ☐ NO

**21.** Any branch / facility closings, consolidations, or layoffs (last 12 months or planned)? ☐ YES ☐ NO

APPROX. % WORKFORCE REDUCTION

**22.** Any anticipated public offering, going-private transaction, or change of control? ☐ YES ☐ NO

**23.** Has the applicant been a party to any anti-trust, copyright, or unfair-trade litigation? ☐ YES ☐ NO

DESCRIBE

IF "YES" TO ANY OF THE ABOVE, EXPLAIN (REFERENCE QUESTION NUMBER)

## DIRECTORS & OFFICERS DETAIL

BOARD COMPOSITION — # INSIDE DIRECTORS

# OUTSIDE / INDEPENDENT DIRECTORS

# ADVISORY-BOARD MEMBERS

**24.** Are any directors or officers also directors / officers of another organization (outside directorships)? ☐ YES ☐ NO

**25.** Has any director or officer been the subject of an SEC, regulatory, or criminal investigation? ☐ YES ☐ NO

**26.** Does the applicant provide professional services that could give rise to a professional-liability claim? ☐ YES ☐ NO

**27.** In the past 5 years, has the applicant or any D&O been a defendant in any shareholder, derivative, antitrust, or regulatory action? ☐ YES ☐ NO

DESCRIBE

**28.** Are board / executive changes anticipated in the next 12 months? ☐ YES ☐ NO

**29.** Has there been any board or executive change in the past 12 months? ☐ YES ☐ NO

IF "YES" TO ANY OF THE ABOVE, EXPLAIN (REFERENCE QUESTION NUMBER)

## EMPLOYMENT PRACTICES — WORKFORCE

Provide employee counts by salary band. Counts should reconcile to the financials above.

**Employees by Salary Band**

| SALARY BAND | FULL-TIME # | PART-TIME # |
|---|---|---|
| $50,000 or less | | |
| $50,001 to $100,000 | | |
| $100,001 and over | | |
| TOTAL | | |

**Employee Count by State**

| STATE | FULL-TIME # | PART-TIME # | VOLUNTEERS # |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

# INDEPENDENT CONTRACTORS

# LEASED / TEMP / SEASONAL

# EMPLOYEES IN COLLECTIVE BARGAINING / UNION

# OFFICERS WHO LEFT (LAST 12 MO)

# OFFICERS TERMINATED (LAST 12 MO)

# OTHER EMPLOYEES LEFT (LAST 12 MO)

# OTHER TERMINATED (LAST 12 MO)

## EMPLOYMENT PRACTICES — HR CONTROLS

**30.** Has the total employee count decreased by more than 10% (or 5 employees) in the past 12 months? ☐ YES ☐ NO

**31.** Is any employee decrease, merger, or acquisition adding/cutting >25% of staff anticipated in the next 12 months? ☐ YES ☐ NO

**32.** Are there written employment agreements with all officers? ☐ YES ☐ NO

**33.** Is there a dedicated HR / personnel department (if not, who handles HR)? ☐ YES ☐ NO

**34.** Is there an employee handbook distributed to all employees, signed for, stating at-will / not-a-contract? ☐ YES ☐ NO

**35.** Are there written procedures for discrimination / harassment complaints? ☐ YES ☐ NO

**36.** Have managers / supervisors attended harassment / discrimination training in the past 12 months? ☐ YES ☐ NO

**37.** Are employment policies reviewed by labor / employment counsel? ☐ YES ☐ NO

**38.** Are all terminations reviewed by HR and/or outside counsel before they take effect? ☐ YES ☐ NO

**39.** Is a personnel file maintained for each employee? ☐ YES ☐ NO

**40.** Does the applicant agree to consult a labor / employment lawyer before contested terminations? ☐ YES ☐ NO

WHO CONDUCTS HARASSMENT TRAINING

LAST POLICY REVIEW — FIRM & DATE

## THIRD-PARTY & ADA EXPOSURE

EST. # EMPLOYEES WITH CUSTOMER / CLIENT CONTACT

FREQUENCY & NATURE OF CLIENT INTERACTIONS

**41.** Has the applicant received a discrimination / harassment complaint from a non-employee (customer / vendor)? ☐ YES ☐ NO

**42.** Is staff trained on customer relations and avoiding discrimination toward third parties? ☐ YES ☐ NO

**43.** Are there written procedures for handling customer / client complaints? ☐ YES ☐ NO

**44.** Are the buildings and premises ADA Title III compliant? ☐ YES ☐ NO

## EEOC / STATE-AGENCY CHARGES — LAST 5 YEARS

Enter the number of primary allegations of each type, by location.

**EEOC / Agency Charges**

| LOCATION | RACIAL | AGE | RELIGIOUS | OTHER ETHNIC | EQUAL PAY | OTHER GENDER | ADA |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

**45.** Any wrongful-termination, discrimination, harassment, or similar employment claims in the past 5 years? ☐ YES ☐ NO

**46.** Any unemployment-related claims or potential claims? ☐ YES ☐ NO

**47.** Any wage-and-hour (FLSA) claims, audits, or class actions? ☐ YES ☐ NO

IF "YES" TO ANY OF THE ABOVE, EXPLAIN (REFERENCE QUESTION NUMBER)

## FIDUCIARY / BENEFIT-PLAN DETAIL

List every employee-benefit plan sponsored or administered by the applicant. Attach a schedule if more than four plans.

**Benefit Plans**

| PLAN NAME | TYPE (401K / PENSION / HEALTH / ETC.) | TOTAL PARTICIPANTS | ACTIVE PARTICIPANTS | TOTAL PLAN ASSETS $ |
|---|---|---|---|---|
| Plan 1 | | | | |
| Plan 2 | | | | |
| Plan 3 | | | | |
| Plan 4 | | | | |
| | | | | |

TOTAL PLAN ASSETS — ALL PLANS $

% PLAN ASSETS IN EMPLOYER STOCK

% ASSETS MANAGED BY INVESTMENT MANAGER

**48.** Is there any multiemployer or multiple-employer (union) plan? ☐ YES ☐ NO

**49.** Does any plan utilize an independent investment manager / trustee? ☐ YES ☐ NO

**50.** Are plan guidelines and investment policy reviewed / amended at least annually? ☐ YES ☐ NO

**51.** Have any plans been spun off, merged, or terminated? ☐ YES ☐ NO

DESCRIBE

**52.** Is there any expected reduction in benefits, or amendment adopted in the last 2 years? ☐ YES ☐ NO

DESCRIBE

**53.** Does the fiduciary policy or CGL currently include EBL (employee-benefits-liability) coverage? ☐ YES ☐ NO

**54.** Is the applicant aware of any fiduciary claim, breach-of-duty allegation, or DOL/IRS inquiry? ☐ YES ☐ NO

DESCRIBE

## CRIME / FIDELITY DETAIL

# EMPLOYEES HANDLING CASH / CHECKS / SECURITIES

ANNUAL $ VOLUME HANDLED / DISBURSED

**55.** Are bank reconciliations performed monthly by someone not authorized to sign checks or make deposits? ☐ YES ☐ NO

**56.** Is there segregation of duties between persons who authorize, record, and reconcile transactions? ☐ YES ☐ NO

**57.** Are countersignatures required on checks above a set dollar threshold? ☐ YES ☐ NO

**58.** Are all employees handling money subject to pre-employment background and credit checks? ☐ YES ☐ NO

**59.** Are wire-transfer / ACH requests verified by callback to a known number before release? ☐ YES ☐ NO

**60.** Is there an annual independent audit, and are internal-control recommendations implemented? ☐ YES ☐ NO

**61.** Are physical controls (safes, dual custody, vaults) used for cash, valuables, and securities? ☐ YES ☐ NO

**62.** Are vendor master-file changes verified independently before payment? ☐ YES ☐ NO

**63.** In the past 5 years, has the applicant sustained any fidelity, employee-dishonesty, forgery, computer-fraud, or social-engineering loss? ☐ YES ☐ NO

TOTAL AMOUNT $ AND DESCRIBE

IF “YES” TO ANY OF THE ABOVE, EXPLAIN (REFERENCE QUESTION NUMBER)

## KIDNAP & RANSOM / EXTORTION DETAIL

COUNTRIES OF TRAVEL / OPERATION (HIGH-RISK)

# PERSONNEL TRAVELING ABROAD / YEAR

**64.** Does the applicant have personnel, executives, or operations in high-risk or sanctioned countries? ☐ YES ☐ NO

**65.** Is there a kidnap / extortion response and travel-security protocol in place? ☐ YES ☐ NO

**66.** Have any executives / employees been the subject of a kidnap, extortion, or threat in the past 5 years? ☐ YES ☐ NO

## COVERAGE REQUEST — LIMITS & RETENTIONS BY PART

Complete only the rows for the coverage parts checked above.

**Requested Limits & Retentions**

| COVERAGE PART | LIMIT — EACH CLAIM $ | LIMIT — AGGREGATE $ | RETENTION / DEDUCTIBLE $ | RETRO DATE | PRIOR/PENDING DATE |
|---|---|---|---|---|---|
| Directors & Officers | | | | | |
| Employment Practices | | | | | |
| Fiduciary Liability | | | | | |
| Crime / Fidelity | | | | | |
| Not-for-Profit ML | | | | | |
| Kidnap & Ransom | | | | | |
| | | | | | |

## COVERAGE REQUESTED

SEPARATE OR SHARED LIMITS (ACROSS PARTS)

REQUESTED EFFECTIVE DATE

## INSURANCE & LOSS HISTORY — BY PART

Provide the expiring / current program for each coverage part being applied for. Attach prior years and currently-valued (within 90 days) loss runs.

**Expiring / Prior Program by Part**

| COVERAGE PART | CARRIER | LIMITS (CLAIM / AGG) | RETENTION $ | PREMIUM $ | RETRO DATE |
|---|---|---|---|---|---|
| D&O — Current | | | | | |
| D&O — Prior | | | | | |
| EPL — Current | | | | | |
| EPL — Prior | | | | | |
| Fiduciary — Current | | | | | |
| Crime — Current | | | | | |
| K&R — Current | | | | | |
| | | | | | |

**67.** Does the current / expiring policy bundle EPL and/or Fiduciary into the D&O form? ☐ YES ☐ NO

**68.** Is any current coverage part being cancelled or non-renewed by the carrier? ☐ YES ☐ NO

**69.** Has any management-liability coverage ever been cancelled, declined, or non-renewed? ☐ YES ☐ NO

**70.** Has the applicant ever had a D&O, EPL, Fiduciary, Crime, or K&R claim? ☐ YES ☐ NO

**71.** Is the applicant aware of any act, error, circumstance, or pending litigation that may give rise to a claim under any part? ☐ YES ☐ NO

IF "YES" TO ANY OF THE ABOVE, EXPLAIN (REFERENCE QUESTION NUMBER)

## CLAIM / CIRCUMSTANCE DETAIL

Complete for each claim, suit, or circumstance disclosed above (attach additional sheets).

COVERAGE PART | CLAIM / SUIT / CIRCUMSTANCE | DATE OF CLAIM | STATUS (OPEN / CLOSED / PENDING)

CLAIMANT | DEFENDANT(S) / INDIVIDUALS INVOLVED

ALLEGATION / NATURE OF CLAIM | DATE REPORTED TO INSURER

DAMAGES / LOSS PAID $ | DAMAGES RESERVED $ | DEFENSE COSTS PAID $ | DEFENSE RESERVED $

SETTLEMENT DEMAND $ | SETTLEMENT OFFER $ | BEST ESTIMATE OF RESOLUTION AMOUNT $ | EST. RESOLUTION DATE

NARRATIVE DESCRIPTION OF THE SUIT, CLAIM, OR CIRCUMSTANCE

ACTIONS TAKEN TO PREVENT RECURRENCE

## LOSS HISTORY

List all claims and losses for the past 5 years, regardless of fault or payment. Attach currently-valued (within 90 days) loss runs for all lines.

**72.** Has the applicant had any claims, losses, or incidents in the past 5 years? ☐ YES ☐ NO

**73.** Are there any known incidents, facts, or circumstances that may result in a claim? ☐ YES ☐ NO

**74.** Has any coverage been declined, cancelled, or non-renewed in the past 5 years? ☐ YES ☐ NO

**Loss Detail**

| DATE OF LOSS | LINE / COVERAGE | CLAIMANT | DESCRIPTION | PAID $ | RESERVED $ | STATUS (O/C) |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

## APPLICANT STATEMENT & SIGNATURE

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 (in some states a fine and/or imprisonment). The applicant represents that the statements and answers given are true, complete, and accurate to the best of their knowledge and will be relied upon by the insurer. Completion of this application does not bind coverage.

SIGN

DATE

SIGNATURE OF APPLICANT

PRINTED NAME | TITLE

PRODUCER / AGENCY

HEDGE SUBMISSION #