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Non-Profit Organization Directors and Officers Liability and Employment Practices Liability Coverages Application

NOTICE

ALL LIABILITY COVERAGE PARTS FOR WHICH APPLICATION IS MADE APPLY, SUBJECT TO THEIR TERMS, ONLY TO CLAIMS FIRST MADE OR DEEMED MADE AGAINST INSURED DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSSES WILL BE REDUCED BY THE AMOUNTS INCURRED AS DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION AMOUNT, UNLESS OTHERWISE SPECIFICALLY PROVIDED BY ENDORSEMENT TO THE LIABILITY COVERAGE. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE IS SPECIFICALLY PROVIDED.

The term **Applicant** means all corporations, organizations or other entities, including subsidiaries, proposed for this insurance.

I. GENERAL INFORMATION

1. **Applicant** Information:

Name of **Applicant**: _____

Street Address: _____

City, State, ZIP Code: _____

Website Address: _____

Year **Applicant's** business was established: _____

Description of **Applicant's** operations: _____

2. Does the **Applicant** now have tax exempt status under the United States Internal Revenue Code? Yes ☐ No ☐

3. Is there now, or has there been, any dispute as to the **Applicant's** tax exempt status? Yes ☐ No ☐
If Yes, please attach an explanation.

II. ORGANIZATION INFORMATION

1. Does the **Applicant** have any subsidiaries or control any other entity or organization for which coverage is requested? Yes ☐ No ☐
If Yes, please attach a description of operations, ownership, and tax status for each such entity.

2. In the next 12 months (or during the past 24 months) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) the following:

a. Any actual or proposed merger, acquisition, or divestiture? Yes ☐ No ☐

b. Any creation of a new organization, subsidiary, or division? Yes ☐ No ☐

c. Any reorganization or arrangement with creditors under federal or state law? Yes ☐ No ☐

d. Any branch, location, facility, office, or subsidiary closings, consolidations, or layoffs? Yes ☐ No ☐

If any of the questions above were answered Yes, please attach an explanation, including the timing, the essential terms of the event, arrangement, impact on employee base and the surrounding circumstances.

3. Does the **Applicant** perform any of the following services: Yes ☐ No ☐
If Yes, please attach an explanation.

a. Engage in or sponsor product or service research, standards development, experimentation, safety or performance testing? Yes ☐ No ☐

- b. Negotiate labor contracts or provide arbitration services? Yes ☐ No ☐
- c. Conduct professional ethics, peer review, or accreditation activities? Yes ☐ No ☐
- d. Certify, endorse, or license members or members' products/services? Yes ☐ No ☐
- e. Promote, sponsor, or provide any form of insurance to its members or non-members? Yes ☐ No ☐
- f. Sponsor or operate a political action committee? Yes ☐ No ☐
- g. Provide a referral service, legal aid service, or computer service to its members or non-members? Yes ☐ No ☐
- h. Promote or sponsor any type of group travel, convention, parade, or other similar event, or assume liability in connection therewith? Yes ☐ No ☐
- i. Provide administrative or management services for any other entity(ies)? Yes ☐ No ☐
- j. Publishing, other than a newsletter? Yes ☐ No ☐
4. Is the **Applicant** managed or administered by any third party under contract or agreement?
If Yes, please attach an explanation. Yes ☐ No ☐
5. Does the **Applicant** currently carry General Liability Insurance? Yes ☐ No ☐
6. If applicable, indicate the following: Number of Members _____ Number of Chapters _____ N/A ☐

III. FINANCIAL INFORMATION

1. Is the **Applicant** currently (or has it been in the past 24 months) in violation of, or has it received an amendment to any debt covenant?
If Yes, please attach an explanation. Yes ☐ No ☐

*Note: Omit Question 2 and attach the most recent annual audited financial statement if the **Applicant** receives government funding or is requesting a limit of \$3,000,000 or greater*

2. Complete the following chart providing the requested financial information:

Indicate the following as it relates to the Applicant's fiscal year end (FYE): (Please indicate negative figures with "()" or "-" as appropriate)	Most Recent FYE (Month/Year) (____/____)	Prior FYE (Month/Year) (____/____)
Total Assets	\$ _____	\$ _____
Long Term Debt	\$ _____	\$ _____
Net Equity/Net Assets (Deficit Equity)	\$ _____	\$ _____
Revenues	\$ _____	\$ _____
Net Income (Net Loss)	\$ _____	\$ _____

IV. EMPLOYMENT PRACTICES LIABILITY SECTION FOR ALL APPLICANTS

1. Total number of employees*: _____
2. Total number of employees* outside the U.S.? _____
3. Total number of locations: _____
4. Complete the following chart providing the number of Full Time and Part Time employees*, Volunteers and natural person Independent Contractors:

As of Date of Application		Previous 12 Months		As of Date of Application	
Full Time Employees	Part Time Employees	Full Time Employees	Part Time Employees	Volunteers	Independent Contractors
_____	_____	_____	_____	_____	_____

**Full and part time including leased, seasonal, and temporary employees*

- | Leased | Temporary | Seasonal | Union |
|--------|-----------|----------|-------|
| | | | |

- | State or Foreign Country | Number of Employees |
|--------------------------|---------------------|
| | |
| | |

8. Complete the following chart providing employee turnover figures for each of the last 3 years:

Number of Terminations	Year - 20____	Year - 20____	Year - 20____
Voluntary			
Involuntary (excluding layoffs/downsizing)			
Layoffs/Downsizing			

10. Prior to employee terminations does the **Applicant** consult with:

- a. Human Resources personnel? Yes ☐ No ☐
- b. An attorney with experience in employment law? Yes ☐ No ☐
11. a. Does the **Applicant** provide severance packages to terminated or laid off employees? Yes ☐ No ☐
- b. If Yes, does the severance agreement include a waiver or release of an employee's rights to bring claim against the **Applicant**? Yes ☐ No ☐
12. Are all prospective employees required to complete a uniform employment application prior to hire? Yes ☐ No ☐
13. Complete the following chart for guidelines, policies and procedures related to the following:

Guidelines, Policies, Procedures	Formal Written Policy	Employees Sign and Acknowledge Receipt
Discrimination	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Sexual and Other Workplace Harassment	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Equal Employment Opportunity	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
FMLA	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Disabled Employees and Accommodations	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Retaliation	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Reporting, Investigating and Resolving Employee Complaints	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Employment At Will	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Written Performance Appraisals/Reviews	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

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V. ADDITIONAL QUESTIONS ONLY FOR APPLICANTS WITH GREATER THAN 250 EMPLOYEES

1. What percentage of the **Applicant's** employee base is: Exempt _____ %
Nonexempt _____ %
2. Does the **Applicant** have a Human Resources department? Yes ☐ No ☐
Number of Human Resource employees: _____
3. Does the **Applicant** have an employee handbook that is distributed to all employees? Yes ☐ No ☐
4. Are employees required to acknowledge, by signature, receipt of such employee handbook? Yes ☐ No ☐
5. Does the **Applicant** conduct human resources training on guidelines, policies and procedures for all individuals who handle human resources functions? Yes ☐ No ☐
6. Within the past 24 months has the **Applicant** or outside employment counsel completed an audit regarding the payment of wages, including equal pay and overtime pay? Yes ☐ No ☐
7. Within the past 24 months has the **Applicant** or outside employment counsel completed an audit regarding the classification of individuals as exempt v. non-exempt employees or as independent contractors? Yes ☐ No ☐
8. Does the **Applicant** have written policies or procedures outlining employee conduct when dealing with the general public, customers, clients, vendors, or other third parties? Yes ☐ No ☐
9. Does the **Applicant** have written policies or procedures for dealing with complaints from the general public, customers, clients, vendors, or other third parties for issues involving harassment or discrimination? Yes ☐ No ☐

VI. CURRENT INSURANCE INFORMATION/REQUESTED INSURANCE TERMS

Liability Coverage	(A) Requested Limit	(B) Coverage Currently Purchased	(C) Expiring Limit	(D) Expiring Retention
Non-Profit Organization Directors and Officers	\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	
Employment Practices	\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	

Expiring insurer: _____ Expiring premium: \$ _____

1. If Liability Coverage is currently purchased as indicated in Column (B) above, but has been in place for less than 3 years, please answer the following question:
As of the date the **Applicant** first purchased the Liability Coverage, is the **Applicant** or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim being made against them under the Liability Coverage for which the **Applicant** is applying?
If Yes, please attach an explanation. Yes ☐ No ☐
2. If Liability Coverage is not currently purchased as indicated in Column (B) above, please answer the following question:
Is the **Applicant**, or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under the Liability Coverage for which the **Applicant** is applying?
If Yes, please attach an explanation. Yes ☐ No ☐
3. If the Requested Limit in Column (A) exceeds the Expiring Limit in Column (C), please answer the following question:
Solely with respect to any higher limits requested or that may ultimately be issued for the proposed insurance, is the **Applicant** or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under the Liability Coverage for which the **Applicant** is applying?
If Yes, please attach an explanation. Yes ☐ No ☐

With respect to the information required to be disclosed in response to the questions above, the proposed insurance will not afford coverage for any claim arising from any fact, circumstance, situation, event or act about which any executive officer of the **Applicant** had knowledge prior to the issuance of the proposed policy, nor for any person or entity who knew of such fact, circumstance, situation, event or act prior to the issuance of the proposed policy.

VII. LOSS INFORMATION

1. Has any person or entity proposed for this insurance been a party to any claim which would have fallen within the scope of this coverage including but not limited to employment-related claims, criminal actions, administrative or regulatory proceedings, charges, hearings, demands or lawsuits during the past 3 years, whether or not insured?

Yes ☐ No ☐

If Yes, please complete the table below:

Date of Such Claim	Nature of Claim	Defense	Damages	Covered by Insurance?	Corrective Procedures Implemented	Current Status
		\$	\$	Yes <input type="checkbox"/> No <input type="checkbox"/>		
		\$	\$	Yes <input type="checkbox"/> No <input type="checkbox"/>		

VIII. REQUIRED ATTACHMENTS

As part of this Application, please submit the following documents (*these documents, and the representations and facts they contain, are made a part of this Application, whether such documents are physically delivered to the Company by the Applicant or are obtained by the Company from any public source, including the Internet*):

- If **Applicant** receives any government funding or if limit requested is \$3,000,000 or greater, most recent annual audited financial statement
- IRS Form 990
- If **Applicant** is a *start-up*, a copy of organization plan and list of outside affiliations of Directors and Officers
- If **Applicant** is a *country club*, a copy of club rules, constitution, and by-laws
- If **Applicant** is an *agricultural cooperative*, complete the Agricultural Cooperative Supplemental Application
- If **Applicant** is a *school*, complete the School Supplemental Application
- If **Applicant** has 500 or more employees, attach employee handbook
- If **Applicant** has 1,000 or more employees, most recent EEO-1 report and complete the Wage and Hour Supplemental Application
- If impact of **Applicant** layoffs is either 10% of the workforce or more than 100 employees, complete the Downsizing Supplemental Application

IX. COMPENSATION NOTICE

Important Notice Regarding Compensation Disclosure

For information about how Surety One, Inc. is compensated an intermediary, please visit <https://suretyone.com/producer-compensation>.

X. FRAUD WARNINGS

Attention: Insureds in Arkansas, D.C., Louisiana, Maryland, New Mexico, and Rhode Island

Any person who knowingly (and willfully in D.C. and MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (and willfully in D.C. and MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Attention: Insureds in Colorado

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.

Attention: Insureds in Florida

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Attention: Insureds in Kentucky, New Jersey, New York, Ohio, and Pennsylvania

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 New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.)

Attention: Insureds in Maine, Tennessee, Virginia, and Washington

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.

Attention: Insureds in Puerto Rico

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years; if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

XI. SIGNATURE SECTION

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE (PRESIDENT, CEO, EXECUTIVE DIRECTOR OR OTHER OFFICER ACCEPTABLE TO SURETY ONE) OF THE APPLICANT DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS SET FORTH IN THE ATTACHED NEW BUSINESS OR RENEWAL APPLICATION FOR INSURANCE ARE TRUE AND COMPLETE AND MAY BE RELIED UPON BY THE UNDERWRITER. IF THE INFORMATION IN ANY APPLICATION CHANGES PRIOR TO THE INCEPTION DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION. THE COMPANY IS AUTHORIZED TO MAKE INQUIRY IN CONNECTION WITH THIS APPLICATION.

THE SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO OFFER, NOR THE APPLICANT TO PURCHASE, THE INSURANCE. IT IS AGREED THAT THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, SHALL BE THE BASIS OF THE INSURANCE AND SHALL BE, IN ALL STATES OTHER THAN NC AND UT, CONSIDERED PHYSICALLY ATTACHED TO AND PART OF THE POLICY, IF ISSUED. THE COMPANY WILL HAVE RELIED UPON THIS APPLICATION, INCLUDING ANY MATERIAL SUBMITTED THEREWITH, IN ISSUING THE POLICY.

ELECTRONICALLY REPRODUCED SIGNATURES WILL BE TREATED AS ORIGINAL.

Signature* of **Applicant's** Authorized Representative
(President, CEO, Executive Director)

Name (Printed)

Title

Date

***IF YOU ARE ELECTRONICALLY SUBMITTING THIS APPLICATION TO SURETY ONE, APPLY YOUR ELECTRONIC SIGNATURE TO THIS FORM BY CHECKING THE ELECTRONIC SIGNATURE AND ACCEPTANCE 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 AND ACCEPTANCE BOX CONSTITUTES YOUR SIGNATURE, ACCEPTANCE, AND AGREEMENT AS IF ACTUALLY SIGNED BY YOU IN WRITING AND HAS THE SAME FORCE AND EFFECT AS A SIGNATURE AFFIXED BY HAND.**

AUTHORIZED REPRESENTATIVE'S ELECTRONIC SIGNATURE AND ACCEPTANCE ☐

XII. PRODUCER INFORMATION (ONLY REQUIRED IN FLORIDA, IOWA, AND NEW HAMPSHIRE):

Producer Signature

Producer Name (Printed)

Agency Name

Agency Code

License Number