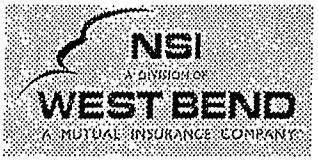

EPLI – Claims Made Employment Practices Liability Stand Alone Program Coverage Summary

I WHAT IS EPLI?

Employment Practices Liability Insurance (EPLI) provides defense and indemnity protection against claims arising from the employer/employee relationship. The policy shields employers – plus all current, former, and prospective employees, directors and officers, even the corporate entity – against a broad spectrum of employment-related claims.

II PRESENT NEED

Given today's litigious environment, the protection afforded by EPLI coverage has become more valuable than ever. Yet studies indicate that less than 2% of the eligible firms in the United States actually obtain a policy. Consider the following trends:

1. Over one-fourth of all winning plaintiffs in employment-related liability cases are awarded punitive damages averaging just under $3 million.
2. A recent telephone poll revealed that nearly one-third of all female and 7% of all male workers feel they have been sexually harassed.
3. The average legal cost an employer will incur to protect itself against an employment-related practices claims is $44,000 – even if the suit is groundless!

Two recent U.S. Supreme Court decisions further underscore the need for firms to consider employment practices insurance coverage. In Oncale v. Sundowner Offshore Services, Inc., it was ruled that nothing in Title VII of the Federal Civil Rights Act of 1964 bars a claim for sexual harassment simply because the victim and harasser are of the same sex. In Faragher v. City of Boca Raton, the Court decided that employers are responsible for the sexual harassment of their supervisors, even if the employer did not know or reasonably could not have known about the conduct.

III COVERAGE PROVIDED

1. We shall pay those amounts the "insured" is legally required to pay by reason of a "claim" arising out of your "wrongful employment practice" to which this insurance applies.
   "Wrongful employment practice(s)" means any actual or alleged act of a.
   "Discrimination"
   a) "Harassment", or
   b) "Discrimination"
   c) Any actual or alleged wrongful dismissal, discharge or termination (either actual or
      constructive of employment);
   d) Employment related misrepresentation;
   e) Employment related libel, slander, humiliation, defamation or invasion of privacy;
   f) Wrongful failure to employ or promote;
   g) Wrongful deprivation or career opportunity, wrongful demotion or negligent evaluation;
   h) Wrongful discipline
   i) Vicarious liability for intentional acts; or
   j) Punitive damages;
   k) Coercion or humiliation as a consequence of race, marital status, gender, age, physical and/or mental impairments, pregnancy, sexual orientation, or any other protected class or characteristic established by any applicable federal, state, or local statue.
      Note: Certain policy conditions may apply.

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NSI
A DIVISION OF
WEST BEND
A MUTUAL INSURANCE COMPANY

Employment Practices Liability Insurance Application

A. GENERAL INFORMATION

Agency Name: WEST BEND MUTUAL INSURANCE Agency #: 99999

1. Named Insured: _____
2. Street Address: _____
   City: _____ State: _____ ZIP: _____
3. Additional Locations: _____
4. Contact Name: _____ Title _____ Phone Number _____
5. Number of Years Under Current Management: _____
6. Describe the firm's operations: _____
7. Business is: ☐Corporation ☐Individual ☐Partnership ☐Joint Venture ☐Other: _____
8. Date of Incorporation: _____
9. Please select Deductible and Policy Limits:

Deductible	Optional Coinsurance	Policy Limit:
☐$ 5,000	☐ 0%	☐ $ 250,000
☐$ 10,000	☐ 5%	☐ $ 500,000
☐$ 15,000	☐ 10%	☐ $ 1,000,000
☐$ 25,000		☐ $ 2,000,000

(Contact company for higher limits)

10. Choose one: ☐ Defense Costs Outside the Policy limits ☐ Defense Costs Inside the Policy limits
11. ☐Yes ☐No Is Third Party Liability Coverage desired?
12. ☐Yes ☐No Has any policy or coverage ever been declined, cancelled or non-renewed?
13. ☐Yes ☐No Has the proposed coverage been purchased before? If yes, please fill in the following:

Year	Renewal Date	Carrier	Limit/Deductible	Coins. %	Claims Made	Premium
					Yes☐ No☐	
					Yes☐ No☐	
					Yes☐ No☐	

14. Current GL Carrier: _____ Current Limit of Liability: $ _____
15. Is coverage for Volunteer Workers desired? ☐Yes ☐No
16. Proposed Effective Date: _____ Expiration Date: _____
17. Retroactive date of Applicant's current policy:

B. EMPLOYEES

1. Number of Employees at Location 1. (Provide this information for the additional locations, if applicable, including city and state)

	Current Year	Prior Year	2nd Prior Year	3rd Prior
Full-Time Employees				
Part-Time Employee				
Temporary Workers				
Leased Workers				
Independent Contractors				
Volunteers				
Seasonal				

2. What was your employee turnover rate for the last 3 years? ____% This Year ____% Prior Year ____% 2nd Prior
3. What percent of terminations were employer-initiated for the last 3 years? ____% This Year ____% Prior Year ____% 2nd Prior
4. Percentage of employees that are: Salaried _____% Non-salaried _____%
5. How many employees have an income of: $50,000 to$100,000 _____ $100,000 and over _____
6. Percent of workforce that are union members: %

C. LOSS HISTORY

1. ☐Yes ☐No Are you aware of any circumstances which may give rise to a claim?
   If yes, please provide details on a separate sheet.
2. ☐Yes ☐No Have you had any EEOC or NLRB charges, state or local judgments or demand letters from current or former employees or their attorneys in the past five years?
   If yes, please provide details on a separate sheet.

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3. ☐Yes ☐No Have you had any lawsuits, mediations, arbitrations or negotiated settlements entered into with any current or former employee in the past five years?

D. BUSINESS

1. ☐Yes ☐No 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?

   If yes, please describe _____

2. ☐Yes ☐No 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 next 12 months?

   If yes, please describe _____

E. HUMAN RESOURCES

1. ☐Yes ☐No Do you use an employment application during your hiring process? If yes, please attach.
2. ☐Yes ☐No Has the applicant's manager/supervisors received training or education on employment related issues in the past twelve months?

   If yes, please describe: _____
3. ☐Yes ☐No Do you have a human resources department?
4. ☐Yes ☐No Do you have a written internal communication procedure or policy for grievances, anti-harassment, sexual and non-sexual harassment and discrimination? If yes please attach.
5. ☐Yes ☐No Do you have a written employee evaluation form? If yes, please attach.
6. ☐Yes ☐No Do you have a written equal opportunity statement? If yes, please attach.
7. ☐Yes ☐No Do you have a written employee handbook?
8. ☐Yes ☐No Do you use outside council for review and approval of employment policies and procedures?
9. ☐Yes ☐No Do you post all notices, required by law, in a conspicuous place for all employees and applicants to view?
10. ☐Yes ☐No Do you have personnel files on all employees?
11. ☐Yes ☐No Do you have a written progressive disciplinary program in which you distribute to supervisors?

    If yes, please attach.
12. ☐Yes ☐No Do you require that the personnel having human resource responsibilities review all employment terminations?
13. ☐Yes ☐No Have you informed supervisory personnel, in writing, of their responsibility to provide you with prompt notice of any claims, incidents, or allegations?
14. Do you make use of any of the following tests to screen employment applicants, to promote employees, or for the purpose of continuing employment?

    ☐Psychological or personality tests ☐Drug or alcohol tests ☐Pre-employment offer medical tests

F. OTHER MATERIAL FACTS – MUST BE COMPLETED

PLEASE DECLARE ANY MATERIAL FACTS ON A SEPARATE SHEET. A MATERIAL FACT IS ONE LIKELY TO INFLUENCE ASSESSMENT OF THIS RISK, THE PREMIUM CHARGED AND TERMS AND CONDITIONS IMPOSED BY THE UNDERWRITERS. IF YOU ARE IN ANY DOUBT AS TO WHETHER A FACT WOULD BE CONSIDERED MATERIAL YOU SHOULD DECLARE IT.

☐NONE ☐ATTACHED

The Applicant warrants after full investigation and inquiry that the statements set forth herein are true and include all material information.

The Applicant on behalf of the Proposed Insured/s further warrants that if the information supplied on this application changes between the date of this application and the inception date of the Policy, he/she will immediately notify us of such change. Signing the application does not bind Underwriters to offer nor the Applicant to accept insurance, but it is agreed that this application shall be the basis of the insurance and will be attached and made part of the Policy should the Policy be issued. 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.

Applicant's Authorized Signature	Title	Date
LORI HUNDT		
Agent Name (please print or type)	Agent Signature	Date

Home Office Use Only:		
Customer Number:	Policy Number:	Policy Period:

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