

9. Total number of employees.

	Current 12 months	Prior 12 months	Anticipated next 12 months (If operating less than 5 years)
Full Time:	_____	_____	_____
Part Time:	_____	_____	_____
Temporary/Seasonal:	_____	_____	_____
Independent Contractors:	_____	_____	_____
Leased:	_____	_____	_____

10. Is more than 20% of the Organization's work force located in a state other than that shown in Item 1?
 Yes No If yes, please provide the number of workers at each location.

11. Percentage of employees with total compensation including salaries, bonuses and commissions?
\$51,000 to \$100,000 _____ Over \$100,000 _____

12. Has the Organization closed any facilities, downsized, laid off or reduced staff in the past 12 months? Yes No
Does the Organization anticipate doing so in the next 12 months? Yes No
If yes, please attach details.

13. Number of employees involuntarily terminated or laid off in the past 12 months? _____ past 24 months? _____

14. Within the last 5 years has any employment related, third party harassment or third party discrimination claim, suit, inquiry, complaint or notice of hearing been made against the Organization or any individual proposed for Insurance? Yes No
If "Yes", please complete a United States Liability Insurance Group claim supplement.

15. Within the last 5 years, has any claim, suit inquiry, complaint or notice of hearing been made against the Organization or any person proposed for Insurance in the capacity of Director, Officer, or Employee of the Organization? Yes No
If "Yes", please complete a United States Liability Insurance Group claim supplement.

16. Is any person or entity proposed for this Insurance aware of any fact, circumstance or situation which may result in a claim against the Organization or any of its Directors, Officers, or Employees? Yes No If "Yes", please complete a United States Liability Insurance Group claim supplement.

Please complete the following if Employment Practices Liability requested:

Mandatory Written Employment Policies. Please identify policies Applicant has in place:

- Anti-Harassment Policy Yes No
- Anti-Discrimination Policy Yes No

Please forward copies of the policies identified above with this signed and dated application. If you do not have these written policies in place, the Company will provide sample wording at the time of binding this insurance.

Policies must apply to employees and contractors, vendors, customers and other third parties if Third Party Discrimination is purchased.

Recommended Written Employment Policies. Please identify policies Applicant has in place:

- Employment Application Yes No
- Employee Handbook Yes No
- E-mail/Internet Policy Yes No

If Applicant has an Employee Handbook, Employment Application or E-Mail/Internet Policy, a copy of the Contractual Disclaimer and Employment At Will statements in the Handbook, the employment application and the E-Mail/Internet Policy must be forwarded to the Company for review.

As a condition precedent to issuance of the Policy for Insurance the Applicant agrees:

- 1) to implement and distribute to each employee the Mandatory Written Policies identified above which are currently not in place as soon as possible, but no later than 21 days after the inception date of this insurance. Failure of the Company to receive these policies within 21 days after the inception date of this insurance will result in rescission of the binder for this insurance.
- 2) to adopt and distribute to each employee all changes required by the Company to the Applicant's Written Policies, as soon as possible, but no later than 21 days after receipt of notice of the changes required by the Company.

REQUIRED INFORMATION

- A. Completed Application signed and dated by the President or Chairman of the Board
- B. Most recent audited financial statement.
- C. Any private placement memorandums issued within the past 12 months.
- D. List of Directors and Officers

ARIZONA AND OREGON FRAUD STATEMENT: 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 MAY BE SUBJECT TO A CIVIL PENALTY.

PENNSYLVANIA FRAUD STATEMENT: 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.

UTAH, CONNECTICUT, OHIO FRAUD STATEMENT: 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.

MAINE AND VIRGINIA FRAUD STATEMENT: 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.

VIRGINIA NOTICE: YOU HAVE AN OPTION TO PURCHASE A SEPARATE LIMIT OF LIABILITY FOR THE EXTENSION PERIOD, POLICY COMMON CONDITIONS I. IF YOU DO NOT ELECT THIS OPTION, THE LIMIT OF LIABILITY FOR THE EXTENSION PERIOD SHALL BE PART OF AND NOT IN ADDITION TO THE LIMIT SPECIFIED IN THE DECLARATIONS.

STATEMENTS IN THE APPLICATION SHALL BE DEEMED THE INSURED'S REPRESENTATIONS. A STATEMENT MADE IN THE APPLICATION OR IN ANY AFFIDAVIT MADE BEFORE OR AFTER A LOSS UNDER THE POLICY WILL NOT BE DEEMED MATERIAL OR INVALIDATE COVERAGE UNLESS IT IS CLEARLY PROVEN THAT SUCH STATEMENT WAS MATERIAL TO THE RISK WHEN ASSUMED AND WAS UNTRUE.

MINNESOTA NOTICE: THE CLAUSE 'AND/OR AUTHORIZATION OR AGREEMENT TO BIND THE INSURANCE.' IS REPLACED WITH "AUTHORIZATION OR AGREEMENT TO BIND THE INSURANCE MAY BE WITHDRAWN OR MODIFIED BASED ON CHANGES TO THE INFORMATION CONTAINED IN THIS APPLICATION PRIOR TO THE EFFECTIVE DATE OF THE INSURANCE APPLIED FOR THAT MAY RENDER INACCURATE, UNTRUE OR INCOMPLETE ANY STATEMENT MADE WITH A MINIMUM OF 10 DAYS NOTICE GIVEN TO THE INSURED PRIOR TO THE EFFECTIVE DATE OF CANCELLATION WHEN THE CONTRACT HAS BEEN IN EFFECT FOR LESS THAN 90 DAYS OR IS BEING CANCELED FOR NONPAYMENT OF PREMIUM.

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 THAT TOOK PLACE PRIOR TO THE RETROACTIVE DATE, IF ANY, STATED ON THE DECLARATIONS. THIS POLICY SHALL COVER ONLY THOSE CLAIMS MADE AGAINST AN INSURED WHILE THE POLICY REMAINS IN EFFECT AND ALL COVERAGE UNDER THE POLICY CEASES UPON TERMINATION OF THE POLICY EXCEPT FOR THE AUTOMATIC EXTENDED REPORTING PERIOD 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. (90 DAYS IF THE INSURED IS A PUBLIC ENTITY.) THE INSURED MAY PURCHASE FOR AN ADDITIONAL PREMIUM AN ADDITIONAL EXTENDED REPORTING PERIOD OF 12 MONTHS, 24 MONTHS OR 36 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 INCREASED INDEPENDENT OF OVERALL RATE INCREASES UNTIL THE CLAIMS-MADE RELATIONSHIP HAS MATURED.

DEFENSE COSTS SHALL REDUCE AND MAY COMPLETELY EXHAUST THE DIRECTORS AND OFFICERS LIMIT OF LIABILITY SHOWN ON THE DECLARATIONS. TO THE EXTENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED BY DEFENSE COSTS, THE COMPANY SHALL NOT BE LIABLE FOR THE DEFENSE OF ANY CLAIM OR THE AMOUNT OF ANY JUDGEMENT OR SETTLEMENT AS RESPECTS THIS COVERAGE. THE COMPANY SHALL PAY ONLY LOSS IN EXCESS OF THE RETENTION AND SUBJECT TO THE CO-INSURANCE PROVISIONS STATED IN THE POLICY. DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION.

MISSOURI AND ARKANSAS DISCLOSURE NOTICES: I UNDERSTAND AND ACKNOWLEDGE THAT THIS POLICY CONTAINS A DEFENSE WITHIN THE LIMITS PROVISION WHICH MEANS THAT "DEFENSE COSTS" WILL REDUCE MY LIMITS OF INSURANCE AND MAY EXHAUST THEM COMPLETELY. SHOULD THAT OCCUR, I SHALL BE LIABLE FOR ANY FURTHER LEGAL "DEFENSE COSTS" AND DAMAGES. THIS PROVISION APPLIES TO THE DIRECTORS AND OFFICERS LIABILITY COVERAGE PART AND ALSO APPLIES TO THE EMPLOYMENT PRACTICES LIABILITY COVERAGE PART IF I HAVE MORE THAN 200 EMPLOYEES OR IF MY LIMITS OF LIABILITY ARE LESS THAN \$500,000.

SIGNED AND ACCEPTED BY THE INSURED: _____
SIGNATURE OF PRESIDENT OR CHAIRMAN

IF THE PRIMARY ADDRESS OF THE LOCATION LISTED IN ITEM #1 IS IN THE STATE OF **NEW YORK, IOWA OR FLORIDA**, THE STATES OF **NEW YORK, IOWA AND FLORIDA** REQUIRE THAT WE HAVE THE NAMES AND ADDRESS OF YOUR (INSURED'S) AUTHORIZED AGENT OR BROKER.

NAME OF AUTHORIZED AGENT OR BROKER: Paragon Underwriters, Inc.

ADDRESS: 7035 Orchard Lake Road, Suite 200, West Bloomfield, MI 48322

AGENT OR BROKER LICENSE NUMBER:

The undersigned represents that to the best of his/her knowledge and belief the particulars and statements set forth herein are true and agree that those particulars and statements are material to the acceptance of the risk assumed by the Company. The undersigned further declares that any claim, incident or event taking place prior to the effective date of the insurance applied for which may render inaccurate, untrue, or incomplete any statement made will immediately be reported in writing to the Company and the Company may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. The signing of this Application does not bind the undersigned to purchase the insurance, nor does the review of this Application bind the Company to issue a policy. It is understood the Company is relying on this Application in the event the Policy is issued. It is agreed that this Application, including any material submitted therewith, shall be the basis of the contract should a policy be issued and it will be attached and become a part of the policy.

FRAUD STATEMENT (ALL OTHER STATES): 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 SUCH VIOLATION.

Signature _____
(Chairman of the Board or President)

Title: _____ Date _____