



Pennock Insurance, Inc.
2 Christy Drive, Suite 100
Chadds Ford, PA 19317
610.387.3799 Call
sgregg@pennockins.com

Email: axisprosubmissions@axiscapital.com
Website: www.axisproinsurance.com

AXIS Staffing Insurance SolutionsSM

A LIABILITY POLICY FOR TEMPORARY HELP AND PERMANENT PLACEMENT ORGANIZATIONS

PLEASE CONSULT AND REVIEW THE COVERAGE PARTS OF THIS POLICY TO DETERMINE WHICH ARE AFFORDED ON A CLAIMS MADE BASIS. UNDER ALL COVERAGE PARTS, THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED AND MAY BE TOTALLY EXHAUSTED BY AMOUNTS INCURRED AS DEFENSE COSTS. PLEASE READ THIS POLICY CAREFULLY.

THE COVERAGE PARTS WRITTEN ON A CLAIMS MADE BASIS APPLY TO ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE.

Please fully answer all questions and submit all requested information. If you do not have a copy of the Policy, please request it from your agent or broker. This Application, including all materials submitted herewith, shall be held in confidence.

In addition to this Application, please provide sample contracts (that you sign with your clients and subcontractors), sample publications, marketing materials, résumés or bios of key professionals (if in business less than three years) and any other general information that would assist in understanding your company.

I. APPLICANT INFORMATION

- 1) Applicant: _____
- 2) Address: _____
City: _____ State: _____ Zip: _____ Phone: _____ Fax: _____
- 3) Applicant's website address: _____
- 4) Name of Applicant's designated representative to receive all notices from the Insurer on behalf of all person(s) and entities proposed for this insurance. _____
- 5) Is Applicant a Franchisor or Franchisee? Yes No
If "Yes", please explain: _____
- 6) What is the principle industry served? _____
- 7) Is the Applicant engaged in any business other than Permanent or Temporary Placements? Yes No
If "Yes", please explain: _____
- 8) Date Established: _____ (If less than three years, please submit résumés of principals.)
- 9) Limits of Liability requested for Professional Liability:
 \$250,000/\$250,000 \$500,000/\$500,000 \$1,000,000/\$1,000,000 Other \$_____
- 10) Retention requested for Professional Liability:
 \$2,500 \$5,000 \$10,000 \$25,000 \$50,000 Other \$_____

11) Do you anticipate a staff increase or decrease of more than 25% within the next 12 months? Yes No
 If "Yes", please explain: _____

12) Gross Revenue:	<u>Current Year</u>	<u>Previous Year</u>
Permanent Placement:	\$ _____	\$ _____
Temporary Placement:	\$ _____	\$ _____
Other (please attach explanation):	\$ _____	\$ _____
Total:	\$ _____	\$ _____

13) Is the Applicant owned by, controlled by, affiliated with, or associated with any other entity? Yes No

14) If "Yes" to Question 13. above, please list the entity(ies), provide an explanation of the relationship, the services provided and the ultimate end client. _____

15) Has the Applicant changed its name in the last five years? Yes No
 If "Yes", please attach a narrative.

16) Has the Applicant acquired, merged or divested any business in the last five years? Yes No
 If "Yes", please attach a narrative.

17) Do you use written contracts with clients? Always Sometimes Never

18) Does your client services contract contain the following clauses?

- a) Arbitration Clause: Yes No
- b) Hold Harmless Clause: Yes No
- c) Direction and Control of Client Clause: Yes No

If you answered "No" to b) and/or c) above, you are required to implement a Hold Harmless Clause and/or a Direction of Control Clause to your client services contracts for Professional Placements within ninety (90) days. Will you agree to do this?

Yes No

PLEASE ATTACH A SAMPLE CONTRACT

19) What percentage of business is subcontracted? _____%

20) What type of work is contracted? _____

21) Does the Applicant require the subcontractor to carry errors and omissions insurance? Yes No

22) Does the Applicant require a written contract with subcontractors? Always Sometimes Never

II. TEMPORARY PLACEMENT SECTION

Do you perform Temporary Placements? Yes No

1) Please provide percentage of payroll for each placement below: (This must add up to 100%.)

Clerical	%	Accountant	%
Secretarial	%	Actuary	%
Construction	%	Auditor	%
Industrial/Manufacturing (describe placements in detail: _____)	%	Collection Agent	%
Bank Teller	%	Customer Service Rep.	%
Bookkeeper	%	Insurance Adjuster	%
Call Center	%	Investment Counselor, Broker or Advisor	%
Data Entry	%	Lawyer	%
Facilities/Property Manager	%	Security Guard	%
Food Service	%	Information Technology	%
Hospitality	%	EDP Software Engineer	%
Human Resources	%	EDP Programmer	%
Management Consultant	%	EDP Other (describe)	%
Mortgage Broker	%	Architect	%
Paralegal	%	Draftsman	%
Real Estate Agent	%	Civil Engineer	%
Sales	%	Electrical Engineer	%
Telemarketer	%	Mechanical Engineer	%
Medical	%	Other (please explain):	%

2) Total Payroll of all Temporary placements: \$ _____

3) Average number of placements per year: _____

4) Number of locations: _____

State	Number of Professional Placers Involved in Recruiting	All Other Employees Including Independent Contractors	Temporary Employees Including Independent Contractors You Place With Clients

5) Percentage of employees with salaries:

Less than \$25,000: _____% \$25,000 - \$50,000: _____%
\$50,000 - \$100,000: _____% over \$100,000: _____%

6) Do you conduct reference checks? Yes No

7) What percentage of candidates do you perform background checks on? _____%

8) Do you have a procedures manual? Yes No

9) Do you currently carry GL Insurance? Yes No

If "Yes", will you continue to cover through the policy period applied for? Yes No

If "No", please explain: _____

10) Is errors and omissions coverage currently in force? Yes No

If "Yes", please provide the following:

Insurance Company: _____

Expiration date: _____ Limit of Liability: _____ Premium: _____ Retention: _____

Is the Policy: Claims Made? Occurrence?

If claims made, what is your retroactive date? _____

III. PERMANENT PLACEMENT SECTION

Do you engage in Permanent Placements? Yes No

1) Number of agency employees who are active in making permanent placements? _____

2) Average number of placements per year: _____

3) Does the Applicant conduct background checks on prospective employees? Yes No

4) Does the Applicant guarantee background checks to clients? Yes No

IV. EMPLOYMENT PRACTICES LIABILITY COVERAGE

Is Applicant requesting EPLI coverage? Yes No

1) Does the Applicant use an employment application for all applicants? Yes No

If "No", which applicants are not required to complete an application and then how is the hiring process conducted? _____

2) Does your application contain an "Employee at Will" statement? Yes No

3) Does the Applicant conduct training on sexual harassment, harassment and discrimination prevention? Yes No

Who is required to attend? _____ How often is it held? _____

Who conducts the training? _____ Is training documented? _____

4) Does the Applicant have its employment policies/procedures reviewed by labor relations counsel annually or biannually?
 Yes No

5) Does the Applicant have a Human Resources or Personnel Department? Yes No

If "No", who handles this function? _____

- 6) Does the Applicant have an employee handbook or manual? Yes No
- a) If "Yes", does the Applicant distribute it to all employees? Yes No
- b) If "Yes", do the employees sign for receipt/acceptance? Yes No
- c) If "Yes", has an attorney reviewed the Employee Handbook? Yes No
- 7) Does the Applicant have a written procedure in place that explains the procedure to be followed if a placed worker notifies the Applicant that he or she is being harassed? Yes No
- 8) Is employment practices liability coverage currently in force? Yes No
- If "Yes", please provide the following:
 Insurance Company: _____
 Expiration date: _____ Limit of Liability: _____ Premium: _____ Retention: _____
 If claims made, what is your retroactive date? _____

V. LOSS EXPERIENCE AND WARRANTY

- 1) Have any claims been made against any entity or person(s) proposed for this insurance in a capacity that would be insured under this Policy (including Loss payment and Defense Costs)? Yes No
 If there are any exceptions, please attach complete details.
- 2) Are any person(s) or entity(ies) proposed for this insurance cognizant of any fact, circumstance or situation that he/she has reason to suppose might afford ground for any Claim? Yes No
 If there are any exceptions, please attach complete details.

It is agreed that with respect to questions V.1) and V.2) above, if such knowledge exists by any person signing this Application, then any Claim arising therefrom is excluded from the proposed insurance for all Insureds. Additional information may be required as part of the Application process.

The undersigned authorized officer of the Applicant declares that the statements set forth herein are true. The undersigned authorized officers agree that if the information supplied on this Application changes between the date of this Application and the effective date of the insurance, they shall, in order for the information to be accurate on the effective date of the insurance, immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding quotations or authorizations or agreements to bind the insurance.

Signing of this Application does not bind the Applicant or the Insurer to complete the insurance contract, but it is agreed that this Application shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the Policy. All written statements and materials furnished to the Insurer in conjunction with this Application are hereby incorporated by reference into this Application and made a part hereof.

The undersigned authorized officer of the Applicant hereby acknowledges that:

- with respect to **Claims Made Coverage Parts**, this Policy applies to **Claims** first made or deemed made, during the **Policy Period**, or Extended Reporting Period, if purchased, and
- under all **Coverage Parts** the Limit of Liability available to pay damages or settlements will be reduced, and may be completely exhausted, by the payment of **Defense Costs**, and in such event, the Insurer shall not be responsible for the continued **Defense Costs** or for the amount of any judgment or settlement to the extent that any of the foregoing exceed any applicable Limit of Liability.

WARNING:

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT S(HE) IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO ALABAMA APPLICANTS:

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO RESTITUTION FINES OR CONFINEMENT IN PRISON OR ANY COMBINATION THEREOF.

NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA APPLICANTS:

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO COLORADO APPLICANTS:

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.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:

WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

NOTICE TO FLORIDA APPLICANTS:

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.

NOTICE TO KANSAS APPLICANTS:

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF, AN INSURANCE POLICY OR STATEMENT OF CLAIM OR ANY WRITTEN STATEMENT 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 THE PERSON TO CRIMINAL PENALTIES.

NOTICE TO KENTUCKY APPLICANTS:

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE 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.

NOTICE TO MAINE APPLICANTS:

IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO MARYLAND APPLICANTS:

ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO NEW JERSEY APPLICANTS:

ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW MEXICO APPLICANTS:

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO NEW YORK APPLICANTS:

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 EACH SUCH VIOLATION.

NOTICE TO OHIO APPLICANTS:

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE 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.

NOTICE TO OKLAHOMA APPLICANTS:

WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

NOTICE TO OREGON APPLICANTS:

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS MATERIALLY FALSE INFORMATION IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

IN ORDER FOR US TO DENY A CLAIM ON THE BASIS OF MISSTATEMENTS, MISREPRESENTATIONS, OMISSIONS OR CONCEALMENTS ON YOUR PART, WE MUST SHOW THAT:

- A. THE MISINFORMATION IS MATERIAL TO THE CONTENT OF THE POLICY;
- B. WE RELIED UPON THE MISINFORMATION; AND
- C. THE INFORMATION WAS EITHER:
 - 1. MATERIAL TO THE RISK ASSUMED BY US; OR
 - 2. PROVIDED FRAUDULENTLY.

FOR REMEDIES OTHER THAN THE DENIAL OF A CLAIM, MISSTATEMENTS, MISREPRESENTATIONS, OMISSIONS OR CONCEALMENTS ON YOUR PART MUST EITHER BE FRAUDULENT OR MATERIAL TO OUR INTERESTS.

WITH REGARD TO FIRE INSURANCE, IN ORDER TO TRIGGER THE RIGHT TO REMEDY, MATERIAL MISREPRESENTATIONS MUST BE WILLFUL OR INTENTIONAL.

MISSTATEMENTS, MISREPRESENTATIONS, OMISSIONS OR CONCEALMENTS ON YOUR PART ARE NOT FRAUDULENT UNLESS THEY ARE MADE WITH THE INTENT TO KNOWINGLY DEFRAUD.

NOTICE TO PENNSYLVANIA APPLICANTS:

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.

NOTICE TO PUERTO RICO APPLICANTS:

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.

NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:

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.

Date

Signature

Title