



# ESSEX INSURANCE COMPANY

## COMBINED SHORT LINE RAILROAD LIABILITY INSURANCE & PROPERTY/INLAND MARINE INSURANCE APPLICATION

Note: This application is for claims made insurance coverage for Liability Insurance.

- Please type or print clearly and sign where requested.
- If you need more space, continue on a separate sheet indicating question number and attach it to the application.
- Please answer all questions completely.

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### General Information

1. Name of Railroad: \_\_\_\_\_

2. Applicant is:

a)  Individual  Partnership  Corporation  Other \_\_\_\_\_

b) Federal Employer's Tax Identification Number: \_\_\_\_\_

c) Your web site address: \_\_\_\_\_ (If none, please indicate)

d) Your e-mail address: \_\_\_\_\_ (If none, please indicate)

3. Mailing Address: \_\_\_\_\_

4. Location of Operations: \_\_\_\_\_

5. Name of Contact for Inspection: \_\_\_\_\_

6. Telephone Number: \_\_\_\_\_

7. a) Name(s) of subsidiary (ies) or affiliated Railroad Company(ies). Complete separate application for each company to be covered. \_\_\_\_\_

b) List all additional insureds to be added to policy and a brief explanation as to their interest. (Provide copies of lease and/or contractual agreements if any.) \_\_\_\_\_

8. Number of years experience General Manager has had in shortline railroad industry: \_\_\_\_\_

9. List interchange locations of Railroad. If jointly owned or operated with other railroads, provide copy (ies) of liability agreements between the railroads. Provide copy (ies) of all hold harmless agreements. \_\_\_\_\_

10. If a company (in item 1 or 7) is newly formed, provide the following:

a.) Name of previous operator: \_\_\_\_\_

b.) If track has not been in operation, please advise how long: \_\_\_\_\_

c.) What is prior railroad operating experience of officers: \_\_\_\_\_

d.) What is prior railroad experience of operation personnel: \_\_\_\_\_

**Description of Operations**

11. Indicate major customers/industries served and general description of operations: (Indicate hours of operations.) \_\_\_\_\_

12. a.) List major commodities and percentage of carloads for each handled per year:

<b>Commodities</b>	<b>%</b>	<b># of carloads per year</b>
	<b>TOTAL 100%</b>	

13. Describe hazardous materials, as determined by Hazard Class and ID Number.

<b>Specific Type</b>	<b>#Cars/Trains</b>	<b>#Cars/Year</b>

14. Freight Operations

Number of cars owned/leased/rented: \_\_\_\_\_

Number of engines owned/leased/rented: \_\_\_\_\_

Average number of foreign cars on line per month: \_\_\_\_\_

Average speed of train: \_\_\_\_\_

Maximum speed of train: \_\_\_\_\_

Average number of cars per train: \_\_\_\_\_

Average value of lading per train: \_\_\_\_\_

15. Scenic Operations

Number of excursion passengers carried per year: \_\_\_\_\_

Total passenger revenue per year: \_\_\_\_\_

16. Do other railroads operate on your track? If so, please explain. \_\_\_\_\_

**Description of Track and Employees**

17. Total miles of track: \_\_\_\_\_

Miles of track operated: \_\_\_\_\_

How many miles of excepted track (Class I of lower): \_\_\_\_\_

General condition of track: \_\_\_\_\_

Specify FRA track maintenance class: \_\_\_\_\_

Number, general condition, and type of bridges crossed by your line: \_\_\_\_\_

\*(Attach copy of most recent FRA or independent bridge inspection report)

18.

	Number with Active Warnings	Number with X-Bucks	Number Unprotected	Total
# of Public Crossings				
# of Private Crossings				

19.

	Current Year	Last Year	Previous Year
Maintenance of Way			
Maintenance of Equipment			

- A. How often are there maintenance inspections by railroad personnel? \_\_\_\_\_
- B. Does the applicant receive any grants or subsidies for track maintenance?  
 Yes  No If yes, describe and indicate what amounts are included or are in addition to the above expenditures. \_\_\_\_\_

20. Do you currently haul, or plan to begin hauling within the next 12 months, 286,000 pound cars?

YES  NO (If yes, please complete the following questions)

a. Has a full system rail test program been performed?  YES  NO

If so, by whom? \_\_\_\_\_

When? \_\_\_\_\_

Results (Please attach copy of report)

b. How often do you plan to perform geometry inspections of track? \_\_\_\_\_

c. Date of last inspection? \_\_\_\_\_

d. How often do you lubricate all curves greater than 2 degrees? \_\_\_\_\_

e. Describe frequency of testing of rails for internal defects. \_\_\_\_\_ By whom? \_\_\_\_\_

f. Describe capital plan for upgrading of bridges, if necessary. \_\_\_\_\_

g. Describe tie replacement plan. \_\_\_\_\_

h. Replacement of crossties near rail joints? \_\_\_\_\_

i. Ballast replacement program? \_\_\_\_\_

j. Anticipated increase in maintenance of way costs to be spent on overall maintenance and development of HAL infrastructure? \_\_\_\_\_

k. Source of funding? \_\_\_\_\_

21. Please explain any "nonstandard" contracts you have signed \_\_\_\_\_

22. List number of employees and annual payroll for each of the last three (3) years plus estimate for the coming year:

	<b>Year</b>	<b># of Employees</b>	<b>Total Payroll</b>
<b>Estimate for Coming Year</b>			
<b>Current Year</b>			
<b>1<sup>st</sup> Previous Year</b>			
<b>2<sup>nd</sup> Previous Year</b>			

Do you currently have a "Salary Continuation" and/or Advancement Program in Place?  
 YES  NO

23. a.) List locomotive engineer information:

<b>Name of Driver</b>	<b>Date of Birth</b>	<b>Drivers License #</b>	<b>State</b>

23. b) Does the Railroad have written safety procedures and standards that prohibits employees from getting on or off moving equipment? \_\_\_\_\_

Please explain: \_\_\_\_\_

24. List total operating profitability before taxes for each of the last three (3) years and estimate for the coming year.

	<b>Year</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Fiscal Period</b>
<b>Estimate for Coming Year</b>				
<b>Current Year</b>				
<b>1<sup>st</sup> Previous Year</b>				
<b>2<sup>nd</sup> Previous Year</b>				

Note: Please include copy of current financial statements or pro-forms for new operations.

25. Have you ever filed for protection under the bankruptcy laws? If yes, explain. \_\_\_\_\_

26. Have you been cited or fined by the FRA or AAR for any reason during the past three (3) years? If the answer is yes, please provide a complete description of the incident and what remedial action was taken and current status:

\_\_\_\_\_

#### **Liability Insurance Information**

27. Current Program:

a.) Name of carrier: \_\_\_\_\_

b.) Policy Number: \_\_\_\_\_

c.) Policy term: \_\_\_\_\_

d.) Retroactive date: \_\_\_\_\_

e.) Limits and self insured retention carried: \_\_\_\_\_

f.) Coverage carried:  BI  PD  FELA  FRS  BOL  Passenger Liability

g.) Premium and rate (indicate rating basis): \_\_\_\_\_

28. Have you ever been denied coverage or had coverage cancelled for any reason?

YES  NO

If yes, please provide details: \_\_\_\_\_

29. Requested program:

a.) Limit of liability: \_\_\_\_\_

b.) Each accident Self Insured Retention: \_\_\_\_\_  
(*\$25,000 minimum for freight operations/\$5000 minimum for passengers*)

c.) Proposed effective date: \_\_\_\_\_

d.) Proposed retroactive date: \_\_\_\_\_

### **Employment Practices**

30. Do you currently have in place a rule certification program? If so, what are the requirements for the program? Do you have a re-certification program as well? If so, how often are employees recertified and by whom?

\_\_\_\_\_

31. How many training classes are held each year? \_\_\_\_\_

32. Are training classes mandatory for all employees? \_\_\_\_\_

33. Do you have a pre-employment physical examination requirement? \_\_\_\_\_

34. Do you have a drug and alcohol testing program that meets the FRA requirements? \_\_\_\_\_

35. Do you have a policy concerning drug and alcohol testing after employment begins? If so, please supply the details:

\_\_\_\_\_

36. Do you have an efficiency testing program in place to ensure rule compliance? \_\_\_\_\_

**Employment Insurance**

37. Medical Insurance:

Is coverage written on a 24-hour basis?  YES  NO

What is lifetime maximum amount per employee each year? \_\_\_\_\_

What is the maximum out of pocket amount per employee each year \_\_\_\_\_

38. Disability Income Insurance:

What is a maximum benefit period for any employee? \_\_\_\_\_

What percentage or amount of lost weekly wages is covered? \_\_\_\_\_

39. Accidental Death & Dismemberment Policy:

What is the amount provided for the accidental death of any employee? \_\_\_\_\_

Does the coverage apply on a 24-hour basis?  YES  NO

40. Are all clerical/administrative employees covered by a workers compensation policy?

YES  NO If yes, please furnish a copy of the policy declarations page.

41. Has the applicant had any general liability, bill of lading, foreign rolling stock or federal employer's liability claims in the past five years?  YES  NO. If yes, describe in detail, using the outline below. If available attach Insurance Company loss runs.

42. Describe Each Claim (last 5 years). If additional space is required, please use photocopies of this page.

a.) Date of occurrence: \_\_\_\_\_

b.) Who is plaintiff(s)? \_\_\_\_\_

c.) Who is defendant(s)? \_\_\_\_\_

d.) Name of insurance carrier: \_\_\_\_\_

e.) How incident/accident occurred: \_\_\_\_\_



**Reserves**

43. a.) What are the insurance company current reserves for damage claimed?

Bodily Injury \$\_\_\_\_\_ Property Damage \$\_\_\_\_\_

FELA \$\_\_\_\_\_ Loss Adjustment Exp. \$\_\_\_\_\_

b.) Has loss reserve grown from original amount?  YES  NO

If yes, what was original reserve? \$\_\_\_\_\_

c.) What is your opinion of the validity of this claim? \_\_\_\_\_

**Paid**

44. a.) Bodily Injury \$\_\_\_\_\_ b.) Property Damage \$\_\_\_\_\_

c.) Loss Adjustment Expenses (including estimates) \$\_\_\_\_\_

45. Please list below all incidents/accidents that Applicant is aware of which have occurred on or after the requested retroactive date and which have resulted in bodily injury or property damage, but have not resulted in a claim being made as of the date of this Application: (If additional space is needed, please use photocopies of this page.)

Date of Incident/Accident	Description of Incident/Accident (include exact names of injured person)	Extent of Bodily Injury/Property Damage	Current Status and name of Insurance Co. the Incident/Accident was reported to

Special Note: Any omission from the foregoing listing constitutes cause for denial of any claim which may arise from an omitted incident or accident.

**Property/Inland Marine Insurance Information**

46. Coverages Requested:

- Buildings
- Contents
- Business Interruption/Time Element
- Other Property Coverages \_\_\_\_\_
- Locomotives
- Rolling Stock
- Maintenance of Way/Contractors Equipment
- Track and Roadbed
- Signals
- Bridges and Tunnels
- Bill of Lading – Limit \$ \_\_\_\_\_
- Foreign Rolling Stock – Limit \$ \_\_\_\_\_

47. Please attach the appropriate Acord application or a schedule for all property where coverage is indicated above with corresponding values for all items. Please include all deductible options.

**Current Program**

48. Inception Date \_\_\_\_\_ Expiration Date \_\_\_\_\_

49. List coverages currently provided or provide copy of current policy.

\_\_\_\_\_

50. Current Carrier: \_\_\_\_\_

51. Current Premium: \_\_\_\_\_ and rate(s): \_\_\_\_\_

**CLAIM INFORMATION:**

52. Has the applicant had any claims for any coverages requested in the past three years?

- Yes  No

If yes, provide full details and/or attach copies of insurance company loss runs.

\_\_\_\_\_

53. Describe current claims handling procedure:

\_\_\_\_\_

**CORPORATE SIGNATURE**

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NOTICE TO APPLICANT – *PLEASE READ CAREFULLY*

The applicant declares that the statements and information set forth in this Application and in any attachments made hereto are true and no material facts have been suppressed or misstated.

The applicant agrees that the Insurance Company or its designee may make such inquiries with respect to the proposed insurance as are deemed necessary by the Insurance Company.

The Insurance Company reserves the right to amend the terms, conditions and limitations of any policy issued as a result of this Application if subsequent to the date of this Application, but prior to the inception date of such policy, there are any material changes to the information contained herein. In the event of such material changed as aforesaid, the applicant agrees to give immediate written notice to the Insurance Company and the former insurer and such notice shall attach to and form part of this Application.

Signing this Application does not bind the applicant to the Insurance Company to complete the insurance, but is agreed that the statements and particulars contained in this Application will be relied upon by the Insurance Company should a policy be issued, and, in such case, the Application shall form a part of the policy.

**I hereby certify that all incidents/accidents described in question 45 have been reported in writing to the appropriate Insurance Company (ies) and recognize that failure to do so may be grounds for the Insurance Company with whom I am applying to deny coverage for any such incident/accident.**

Signature of Applicant \_\_\_\_\_ Title \_\_\_\_\_

Date \_\_\_\_\_

**AUTHORIZATION TO OBTAIN INFORMATION**

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To: FRA/AAR and other governmental and regulatory agencies.

We hereby authorize you to release to Essex Insurance Company copies of all reports, actions, filings or documents that may relate to the operation of our railroad – explicitly for the purpose of determining insurance acceptability.

This shall constitute their sufficient open power of attorney for obtaining such information.

In witness whereof, we have caused this authorization to be duly signed by a corporate officer on the date set forth below.

Applicant-Signature of Officer \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

**FRAUD WARNING**

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 may be guilty of insurance fraud.

**ARKANSAS**

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.

**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. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder 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.

**FLORIDA**

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

**KENTUCKY AND PENNSYLVANIA**

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 and subjects the person to criminal and civil penalties.

**OHIO**

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.

**OKLAHOMA**

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.

**NEW JERSEY**

Automobile

New Jersey law requires us to give you the following notice:

Any person who includes false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Other than Automobile

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

