

Application For Non-Profit Directors, Officers And Employees Liability And Reimbursement Insurance



Zurich American Insurance Company

PLEASE NOTE:

- **Non-profit Directors, Officers and Employees Liability and Reimbursement Insurance is written on a claims-made basis and covers only Claims first made against the Insureds during the Policy Period or the Extended Reporting Period, if exercised. The Limit of Liability available to pay judgments or settlements shall be reduced by amounts incurred as Defense Costs.**
- **This application and all exhibits attached shall form a part of this proposal and shall be held in strictest confidence.**

The following material must be attached to this application (if applicable):

1. Complete copies of the Parent Company's last three audited financial statements with notes. If not consolidated, provide financial statements on each consolidated entity.
2. The names and occupations of the Parent Company's board of directors and trustees.
3. The Parent Company's charter and by-laws.

Please indicate if any of the materials requested above are not attached to this application and the reason why.

This application is submitted by:

Insurance Agency/Agent: _____

Address: _____

Please submit this completed proposal Application with all attachments to:

Zurich-American Specialties
Executive Assurance Department
One Liberty Plaza, 53rd Floor
New York, New York 10006

Please answer all of the following questions and indicate if a question is not applicable:

1. GENERAL INFORMATION

- a) Name of Parent Company _____
- b) Address _____
- c) State of Incorporation _____
- d) Date Established _____
- e) Policy Period Requested: From _____ To _____

2. OPERATIONS / OWNERSHIP

- a) Please provide a brief description of the Parent Company's operations:

- b) Does the Parent Company have any subsidiaries or control any other entity or organization? _____ If yes, please attach a description of the operations, ownership and tax status of each such organization.
- c) Does the Parent Company or any organization described in Question 2(b) above render any professional services, including but not limited to providing any standard setting, accrediting, credentialing, or licensing activities? _____ If yes, please attach details.
- d) Does another entity own or control the Parent Company? _____ If yes, please attach details.
- e) Is any director, officer, trustee, or employee indebted to the Parent Company? _____ If yes, please attach details.
- f) Does the Parent Company charter or by-laws limit or eliminate the personal liability of its directors, officers, trustees and/or employees to the fullest extent permitted by law? _____ If no, please attach details.
- g) Does the Parent Company lobby or have a political action committee? _____ If yes, please attach details.

3. COMPLIANCE

- a) Has the Parent Company or any organization described in Question 2(b) above during the last five years been the subject of any antitrust investigation or the subject of any claim or allegation of violation of any laws relating to antitrust, restraint of trade, or unfair competition? _____ If yes, please attach details.
- b) Does the Parent Company now have tax-exempt status under the U.S. Internal Revenue Code? _____ If yes, has there been or is there any pending dispute as to the Parent Company's tax-exempt status? _____ If yes, please attach details.
- c) Has any director, officer, trustee, or employee been:
 - i) Accused, found guilty, sued or held liable for a breach of trust or a breach of fiduciary duty? _____ If yes, please attach details.
 - ii) Convicted of criminal conduct? _____ If yes, please attach details.
- d) Have any claims which would fall within the scope of the proposed coverage been made during the past 5 years against any current or past directors, officers, trustees, or employees? _____ If yes, please attach details.

4. PRIOR INSURANCE

Does the Parent Company or any affiliated organization currently have director and officer indemnification or company reimbursement liability coverage? If no, skip to Section 6 and answer the prior knowledge statement. If yes, answer the following:

- a) Current Insurer
- b) Limit of Liability
- c) D&O Deductible
- d) Company Reimbursement Deductible
- e) Premium
- f) Policy Period: From _____ To _____
- g) Number of years of uninterrupted coverage with current insurer
- h) First year of director and officer liability or company reimbursement coverage
- i) Has the Parent Company, a subsidiary or any proposed Insured given written notice under the provisions of any prior or current director and officer liability or company reimbursement policy or any other insurance policy of a claim or specific facts or circumstances which might give rise to a claim against any proposed Insured? _____ If yes, please attach details.
- j) Have any loss payments been made on behalf of any proposed Insured under any director and officer liability or company reimbursement policy or similar insurance? _____ If yes, please attach details.
- k) Have any Insurers indicated an intent not to offer renewal terms? _____ If yes, please attach details.
- l) Does the Parent Company or any affiliated organization currently have comprehensive general liability coverage? _____ If yes, please attach information with respect to the identity of the Insurer, the limit of liability, the deductible, the premium, and the policy period.

5. CONTINUITY WITH PRIOR COVERAGE

If the Parent Company has director and officer indemnification or company reimbursement coverage and is requesting continuity of coverage for an existing layer of coverage, please complete this Section and skip Section 6. If the Parent Company does not currently have director and officer indemnification or company reimbursement coverage, or this application is being submitted for a new excess limit of liability or the request for continuity of coverage for an existing layer has been declined, please skip this Section and complete Section 6.

Continuity date requested _____

Attach a copy of the prior application with which continuity of coverage is to be maintained. The Underwriter will be relying upon the declarations and representations contained in such prior application and those declarations and representations shall be considered to be incorporated in and form a part of the proposed policy.

6. PRIOR KNOWLEDGE

Please complete the following paragraph:

No person proposed for coverage is aware of any fact or circumstance or any actual or alleged act, error or omission which he or she has reason to suppose might give rise to a future claim that would fall within the scope of the proposed coverage, except (if no exceptions, please state) _____

_____ It is agreed that if such fact or circumstance or actual or alleged act, error or omission exists, whether or not disclosed, any claim arising therefrom is excluded from this proposed coverage.

7. FALSE INFORMATION

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 in certain jurisdictions.

8. DECLARATION AND SIGNATURE

The undersigned declares that to the best of his or her knowledge and belief the statements set forth herein are true. The signing of this application does not bind the Underwriter or the proposed Insureds to effect insurance. The undersigned agrees that this application and its attachments shall be the basis of the contract should a policy be issued and shall be deemed attached to and shall form part of the policy. The Underwriter is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

The undersigned, on behalf of all proposed Insureds, agrees that if the information in the declarations and representations contained in this application and its attachments materially changes between the date of this application and the inception of the proposed coverage, the undersigned will immediately report in writing to the Underwriter such change, and the Underwriter may withdraw or modify any outstanding quotations or agreements to bind coverage. The undersigned acknowledges and agrees that the Underwriter's receipt of such written report, prior to inception of the proposed coverage, is a condition precedent to coverage.

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.

This application must be signed by the Chairman of the Board or President of the Parent Company.

Signature _____ Title _____ Date _____

NEW YORK AND RHODE ISLAND APPLICANTS: PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED, NEW YORK AND RHODE ISLAND INSURANCE DEPARTMENT REGULATIONS REQUIRE THAT THIS SIGNED STATEMENT BE ATTACHED TO THE POLICY.

The insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and , in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the retention amount.

Must be signed by the Chairman of the Board or President of the Parent Company.

Signature _____ Title _____ Date _____