



## QUOTATION FOR INSURANCE

**Quotation #:** AR8185190

**Proposed Insured:** The Directors, Trustees and Officers of:  
IOWA COUNTY AREA ECONOMIC DEVELOPMENT CO  
DODGEVILLE, WI 57533

*Subject to the terms and conditions contained herein, Great American Insurance Company hereby agrees to offer to the above proposed Insured*

**Policy form:** D16100

**Endorsements:**

D16329 WISCONSIN AMENDATORY ENDORSEMENT  
D16504 LIMITED PARTNERSHIP EXCLUSION  
DTCV\_09P COVERAGE FOR ACTS OF TERRORISM  
DTDP\_09P AMENDMENT TO DECLARATIONS PAGE

**Conditions:**

*This quotation is subject to the following conditions:*

NONE

## QUOTATION FOR INSURANCE

Non-Profit Executive Protection and Employment Practices

<b>Date:</b> January 27, 2011		<b>Quotation #:</b> AR8185190	
<u><b>D &amp; O LIMIT</b></u> <b>(Defense Costs Outside)</b>	<u><b>EPL LIMIT</b></u>	<u><b>RETENTION</b></u> <b>(each loss)</b>	<u><b>PREMIUM</b></u> <b>(Annual)</b>
<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$1,000</b>	<b>\$1,785</b>

The following options are available:

1. A shared Fiduciary limit is available for 20% of the premium selected, subject to receipt, review, and acceptance of a Great American Fiduciary Proposal Form.

2. \*\* A TWO-YEAR policy is available for two installments of the annual premium selected above. \*\*  
The two-year policy option must be selected prior to binding and it features:  
A fresh Limit of Liability for the second year.  
The premium is invoiced and payable in two equal annual installments. However, state taxes and surcharges for BOTH years are due with the first installment.

Quote Expiration 3/25/2011

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**NOTE: THIS COVERAGE, SUBJECT TO ALL THE TERMS, CONDITIONS AND PROVISIONS STATED HEREIN, CAN ONLY BE BOUND BY AN AUTHORIZED EMPLOYEE OF THE EXECUTIVE LIABILITY DIVISION.**

This quotation expires at 12:01 A.M. Standard Time at the address of the company as of the end of the Policy Period of the expiring Policy. If subsequent to the date of quotation and the Effective date of the Binder there is a material change in the condition of the Proposed Insured or an occurrence of an event which could materially change the underwriting evaluation of the Proposed Insured, then, at the Insurer's option, this Quotation may be withdrawn by written notice thereof to the Proposed Insured.

In the event of any conflict or ambiguity between the proposed policy and any statements made concerning this coverage, the proposed policy shall control.

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\*\* Please note that coverage cannot be bound prior to the fulfillment of the aforementioned conditions. Only authorized employees of the Executive Liability Division can bind coverage.



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**WISCONSIN AMENDATORY ENDORSEMENT**

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In compliance with the insurance regulations of the state of Wisconsin, the following provisions are hereby added to the Policy. In the event that a similar provision is already contained in the Policy, the provisions of this endorsement shall take precedence over such similar provision.

1. **ACTION AGAINST INSURER.** No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance by the **Insured** with all the terms of the Policy.

Any person or organization or the legal representative thereof shall be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Bankruptcy or insolvency of the **Insured** or of the **Insured Persons'** estate shall not relieve the **Insurer** of any of its obligations hereunder.

2. **CHANGES.** The terms of this Policy shall not be changed except by endorsement issued to form a part of this Policy signed by an authorized representative of the **Insurer**.

Knowledge of an agent of the **Insurer** shall be knowledge of the **Insurer**, and any fact which breaches a condition of the Policy and is known to an agent shall not void the Policy or defeat a recovery thereon in the event of a **Loss**.

3. **CANCELLATION OF POLICY.** This Policy may be cancelled by the **Organization** by surrender of the Policy to the **Insurer** or any of its authorized agents or by mailing to the **Insurer** written notice stating when thereafter the cancellation shall be effective.

This Policy is subject to cancellation by the Insurer as follows:

- (a) **CANCELLATION OF POLICIES IN FORCE FOR LESS THAN 60 DAYS.** Insurance under this Policy which has been in force for less than 60 days may be cancelled by the **Insurer** by mailing or delivering to the **Organization** written notice stating when, not less than 10 days thereafter, such cancellation shall be effective.

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Insured:

Policy Period:

Policy Number:

Countersigned by: \_\_\_\_\_  
*Authorized Representative*

Endorsement Effective Date:

**WISCONSIN AMENDATORY ENDORSEMENT**

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- (b) **CANCELLATION FOR NON-PAYMENT OF PREMIUM.** Insurance under this Policy may be cancelled by the **Insurer** if the **Organization** fails to discharge when due, any of its obligations in connection with the payment of premium for such Policy or any installment thereof, by mailing to the **Organization** written notice stating when, not less than 10 days thereafter, such cancellation shall be effective.
- (c) **MID-TERM CANCELLATION OF POLICIES IN FORCE FOR 60 DAYS OR MORE.** Other than for non-payment of premium as provided for in paragraph (b) above, insurance under this Policy which has been in effect for 60 days or more may be cancelled by the **Insurer** prior to the expiration of the Policy term only for one of the following reasons: (i) Material misrepresentation; (ii) Substantial change in the risk assumed; or (iii) Substantial breaches of contractual duties, conditions or warranties. Notice may be given by mailing or delivering to the **Organization** written notice stating when, not less than 10 days thereafter, such cancellation shall be effective.
- (d) **CANCELLATION OF POLICIES WITH A TERM OF MORE THAN ONE YEAR.** In addition to the right of the **Insurer** to cancel as provided for in paragraphs (b) and (c) above and provided that if this Policy is written without a fixed expiration date or for a **Policy Period** longer than one year, this Policy may be cancelled by the **Insurer** effective on the expiration of any annual period, commencing with its original effective date, by mailing or delivering to the **Organization** written notice of such cancellation not less than 30 days prior to the expiration of such annual period.

The time of surrender of this Policy or the effective date and hour of cancellation stated in the notice shall become the end of the Policy. Delivery of a written notice either by the **Insurer** or by an authorized representative of the **Insurer** shall be equivalent to mailing. If the **Organization** cancels, earned premium shall be computed in accordance with the customary short-rate table and procedure. If the **Insurer** cancels, earned premium shall be computed pro-rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

4. **RENEWAL OF POLICY** This Policy may be renewed for one or more subsequent policy terms.
- (a) by mailing to the **Organization**, at the last known address as shown in this Policy, a renewal premium notice for the applicable renewal term, or

**WISCONSIN AMENDATORY ENDORSEMENT**

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(b) by issuing or offering to issue a renewal Policy, certificate or other evidence of renewal at the applicable renewal premium, and in accordance with the **Insurer's** then current rules, rates, rating plans, premiums and minimum premiums applicable to this insurance. Any obligation for dividend or other credit shall not in any way extend or change the **Policy Period**.

5. **NON-RENEWAL OF POLICY.** The **Organization** shall have the right to renewal of this Policy, on the terms being applied by the **Insurer** to similar risks, for an additional period of time equivalent to the expiring **Policy Period** if the agreed term is a year or less, or for one year if the agreed term is longer than one year, unless at least 30 days prior to the date of expiration of the **Policy Period**, a notice of intention not to renew the Policy beyond such agreed expiration date is mailed or delivered to the **Organization**

If the **Insured Persons** are insured elsewhere, have accepted replacement coverage or have requested or agreed to non-renewal, the provisions of this Non-Renewal of Policy do not apply.

6. **DECLARATIONS.** By acceptance of this Policy the **Insured** agrees that statements in the application and the Declarations, and in any subsequent notice relating to underlying insurance are its agreement and representations and that this Policy is issued and continued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the **Insured** and the **Insurer** or any of its agents relating to this insurance.

No misrepresentations or breach of affirmative warranty made by an **Insured** or in their behalf in the negotiation of this Policy affects the **Insurer's** obligation under this Policy unless the **Insurer** relies on it and it is either material or made with intent to deceive, or unless the facts misrepresented or falsely warranted contribute to the **Loss**. No failure of a condition prior to the **Loss** and no breach of a promissory warranty affects the **Insurer's** obligation under this Policy unless it exists at the time of the **Loss** and either increases the risk at the time of **Loss** or contributes to the **Loss**. The provisions of this condition do not apply to failure to tender payment of premium.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.



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**LIMITED PARTNERSHIP EXCLUSION**

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It is understood and agreed that this Policy does not apply to any **Claim** made against any **Insured** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

the offering of units, investment in, management, operation and/or control of any limited partnership.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

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Insured:

Policy Period:

Policy Number:

Countersigned by: \_\_\_\_\_  
*Authorized Representative*

Endorsement Effective Date:

**SPECIMEN**

**COVERAGE FOR ACTS OF TERRORISM**

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It is understood and agreed that the General Conditions of the Policy are amended by the addition of the following:

**Act of Terrorism Coverage**

Subject to all other terms and conditions of this Policy, coverage is available for Loss caused by an Act of Terrorism as defined below.

“Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States –

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to –
  - (a) human life;
  - (b) property; or
  - (c) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
  - (a) an air carrier or vessel described in Section (5)(B) of the Terrorism Risk Insurance Act; or
  - (b) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more Acts of Terrorism under the Terrorism Risk Insurance Act, as amended in 2007, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

No act shall be certified by the Secretary as an Act of Terrorism if (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

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Insured:

Policy Period:

Policy Number:

Countersigned by: \_\_\_\_\_  
*Authorized Representative*

Endorsement Effective Date:

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**AMENDMENT TO DECLARATIONS PAGE**

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It is understood and agreed that the Declarations is amended by the addition of the following:

Act of Terrorism Premium: \$ 0.00

It is further understood and agreed the Policyholder Disclosure of Terrorism Coverage is attached to and is to be considered as incorporated in and constituting a part of this Policy.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

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Insured:

Policy Period:

Policy Number:

Countersigned by: \_\_\_\_\_  
*Authorized Representative*

Endorsement Effective Date:



INSURANCE COMPANIES

580 Walnut Street, Cincinnati, Ohio 45202

## POLICYHOLDER DISCLOSURE OF TERRORISM COVERAGE

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an Act of Terrorism. The Act provides that, to be certified, an Act of Terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The Terrorism Risk Insurance Act, as amended in 2007, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an Act of Terrorism. All other provisions of this policy will still apply to such an act. That is, a loss will not be excluded or covered just because it was caused by an Act of Terrorism.

The portion of the annual premium that is attributable to coverage for Acts of Terrorism that are certified under the Terrorism Risk Insurance Act is \$0.00.

All other terms and conditions of the policy remain unchanged.

*If you would like to reject the coverage for "certified" Acts of Terrorism, please provide Great American written confirmation of such, and an exclusion will be attached to your policy.*

## ExecPro<sup>®</sup> Nonprofit Solution

- Directors' & Officers'
- Employment Practices Liability
- Fiduciary Liability
- Employed Lawyers Coverage
- Workplace Violence Insurance

### Why Nonprofit D&O?

Nonprofit Directors and Officers have a personal liability exposure by virtue of their management of their organization and its financial assets. Employment related matters, breach of duty, and errors and omissions when making business decisions are hazards faced by Nonprofit organizations nationwide. Unfortunately, lawsuits from employees, customers, vendors and the government are becoming increasingly common against Nonprofit organizations.

### Are You Protected?

- First Dollar Defense for Qualifying Accounts
- Costs of Defense are in addition to the limit for no additional charge
- 22 types of EPL Wrongful Acts Covered
- Employed Lawyers Coverage
- Prior acts coverage
- Volunteers and Leased, Seasonal, and Part-Time employees are included as Insured Persons
- Definition of Claim includes non-monetary relief
- Third Party coverage
- Coverage for suits brought by Qualifying Independent Contractors for EPL Claims
- A \$150,000 sublimit for defense of Fair Labor Standards Acts (FLSA) Claims
- Personal Injury Coverage Backstop
- Copyright/Trademark Coverage
- Order of Payments wording
- Crisis Fund for reputational damage done due to lost or stolen donor data

### Risk Management can Prevent Future Losses

Through Jackson Lewis, a national law firm, Great American provides its policyholders:

- Access to a toll-free Hot line Service which provides complimentary telephone consultation pertaining to Employment Practices matters
- Sample workplace policies which provide guidance with respect to preserving employment-at-will status, complying with the Federal Family and Medical Leave Act, and prohibiting harassment in the workplace.
- A guide to avoiding workplace claims. The guide contains general information about employment claims, the hiring process, pre-employment testing, and other issues.
- Jackson Lewis will offer discounted billing rates to Great American insureds to assist in developing preventive practices, preparing employee handbooks and training supervisors.

### Great American Insurance Company

Great American Insurance Company is part of the Great American Insurance Group. Great American Insurance Company has been rated A (Excellent) by A.M. Best for over 100 Years. Great American Insurance Company's Nonprofit D&O primary policies are admitted in all 50 states and the District of Columbia.

Great American Insurance Group, 580 Walnut Street, Cincinnati, OH 45202. Coverage features described in this brochure are summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. Coverage is underwritten by Great American Insurance Company. The underwriting insurers are authorized in the fifty states and the District of Columbia. Great American Insurance Company is the owner of the following registered service marks: the Great American Insurance eagle logo, and the word marks Great American<sup>®</sup>, ExecPro<sup>®</sup>, and Great American Insurance Group<sup>®</sup>. ©2008 Great American Insurance Company. All rights reserved. GAIC.2513 (1/09)

## Introducing the **ExecPro Nonprofit Solution**

Congratulations! Your organization could now qualify for our D16100 ExecPro Nonprofit Solution Policy. This is a new, state of the art policy for Nonprofit Organizations provided by Great American Insurance. Here is a summary of the differences between the D9100/D9101 policy and the new D16100 policy.

D16100	D16100	D9100/D9101
Leased Employees included as Insured Persons	Included	Silent
Outside Director Coverage for service on other Nonprofit boards	Included	Not Included
Loss includes Front/Back Pay, Pre/Post Judgment Interest, not perquisites/benefits	Included	Silent
Employed Lawyers Coverage	Included	Silent
Automatic Subsidiary Coverage Wording	35% of assets	25% of assets
\$150,000 FLSA Defense Limit	Included	Silent
Exclusion for Workers Comp, OSHA, National Labor Relations Act Claims	Included	Silent
Carve-out for Non-indemnifiable pollution Claims	Included	Not Included
Punitive Damages Coverage	Included	By Endorsement
E&O / Intellectual Property Exclusions	Included	By Endorsement
Order of Payments Wording	Included	Not Included
Domestic Partner Wording	Included	Not Included
Crisis Fund for Image Consulting due to lost/stolen donor data	Included	Not Included
Definition of Claim includes Arbitration Proceedings, excluding collective bargaining disputes	Included	Not Included
True Worldwide Coverage	Included	Claim must be brought in the US
Third Party & Personal Injury (for most classes)	Included	By Endorsement
Qualifying Independent Contractors can bring an Employment Practices Claim	Included	No
Discovery	1,2 & 3 Year Options	1 Year Option Only

[www.GreatAmericanELD.com](http://www.GreatAmericanELD.com)



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Nonprofit Solution



# Nonprofit Solution

Great American Insurance Group – Executive Liability Division:  
1515 Woodfield Road, Suite 500, Schaumburg, IL 60173

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**THIS IS A CLAIMS MADE AND REPORTED POLICY. READ IT CAREFULLY.**

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In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the Proposal Form and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

**Section I. Insuring Agreements**

- A.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Insured Persons, Loss** and **Costs of Defense** resulting from such **Claim**, except for any **Loss** and **Costs of Defense** which the **Organization** or any **Subsidiary** actually pays as indemnification.
- B.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary, Loss** and **Costs of Defense** resulting from such **Claim**, but only to the extent the **Organization** or any **Subsidiary** is required or permitted by law to indemnify the **Insured Persons**.
- C.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against the **Organization** or any **Subsidiary** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary, Loss** and **Costs of Defense** resulting from such **Claim**.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

**Section II. Discovery Period**

- A.** If this Policy is not renewed or is cancelled by the **Insurer**, for any reason other than non-payment of premium, then without any additional premium being required, the **Organization** shall receive an automatic ninety (90) day extension of the coverage granted by this Policy for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Automatic Discovery Period**. In addition, if prior to the end of the **Automatic Discovery Period**, the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive an extension of the coverage granted by this Policy for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Discovery Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.
- B.** If this Policy is not renewed or is cancelled by the **Organization**, and if no later than sixty (60) days after the end of the **Policy Period** the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive a **Discovery Period** for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Policy Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.

- C. The fact that this Policy may be extended by virtue of the **Automatic Discovery Period** or **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Automatic Discovery Period** and the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

### Section III. Definitions

A. **"Claim"** shall mean:

- (1) a written demand for monetary or non-monetary (including injunctive) relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document;
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document;
- (5) any arbitration, mediation or similar alternative dispute resolution proceeding if any **Insured** is obligated to participate in such proceeding; or
- (6) a written request to enter into an agreement to toll any applicable statute of limitation prior to the commencement of any judicial, administrative, regulatory or arbitration proceeding.

In no event shall the term **Claim** include any labor or grievance proceeding which is subject to a collective bargaining agreement.

B. **"Claimant"** shall mean:

- (1) any past, present, and future **Insured Persons** or applicants for employment with the **Organization** or any **Subsidiary**;
- (2) a government entity or agency, including but not limited to the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, when acting on behalf of or for the benefit of any individual in (1) above; or
- (3) all persons who were, now are, or shall be independent contractors, but only to the extent such individuals perform work or services for or on behalf of the **Organization** or any **Subsidiary** and only to the extent such individuals are indemnified by the **Organization** or any **Subsidiary**.

- C. **"Costs of Defense"** shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation or defense of any **Claim**, including the costs of any appeal or appeal bond, attachment bond or similar bond (but without any obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defense** shall not include: (1) salaries, wages, overhead or benefit expenses associated with any **Insured Persons**, and (2) any amounts incurred in defense of any **Claim** which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

- D. "Employed Lawyer Legal Services"** shall mean legal services provided by any **Insured Person** as an attorney, but only if such services are performed for the **Organization** or any **Subsidiary** and in the **Insured Person's** capacity with the **Organization** or any **Subsidiary**. **Employed Lawyer Legal Services** shall not include legal services rendered by any **Insured Person** for any third party.
- E. "Employment Practices Wrongful Act"** shall mean any of the following acts related to employment, but only if alleged by or on behalf of a **Claimant**:
- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive;
  - (2) misrepresentation;
  - (3) violation of employment laws;
  - (4) sexual or workplace harassment;
  - (5) discrimination;
  - (6) wrongful failure to employ or promote;
  - (7) wrongful discipline;
  - (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
  - (9) failure to grant tenure;
  - (10) negligent employee evaluation;
  - (11) retaliation;
  - (12) failure to provide adequate workplace or employment policies or procedures;
  - (13) defamation (including libel and slander);
  - (14) invasion of privacy;
  - (15) wrongful demotion;
  - (16) negligent reassignment;
  - (17) violation of any federal, state or local civil rights laws;
  - (18) negligent hiring;
  - (19) negligent supervision;
  - (20) negligent training;
  - (21) negligent retention; or
  - (22) acts described in (1) through (21) above arising from the use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems.
- F. "Financial Insolvency"** shall mean the **Organization** becoming a Debtor in Possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Organization**.
- G. "Insured"** shall mean:
- (1) the **Organization**;
  - (2) any **Subsidiary**;
  - (3) in the event of **Financial Insolvency**, the resulting Debtor in Possession (or foreign equivalent status), if any; and
  - (4) all **Insured Persons**.
- H. "Insured Persons"** shall mean all persons who were, now are, or shall be directors, trustees, officers, regents, governors, members of the Board of Managers, employees, leased employees, temporary or seasonal employees, interns, student teachers, substitute teachers, teaching assistants, volunteers or staff members of the **Organization** or any **Subsidiary**, including any executive board members and committee members whether salaried or not.

I. **"Loss"** shall mean settlements, judgments, pre-judgment and post-judgment interest, front and back pay, compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, and subject to the provisions of Section V and VI, **Costs of Defense** incurred by the **Insured**. **Loss** shall not include:

- (1) criminal or civil fines or penalties imposed by law, or taxes (except for the 10% "excess benefit" tax assessed by the Internal Revenue Service against any **Insured Person** pursuant to 26 USC Section 4958 (a)(2) );
- (2) the value of tuition or scholarships, employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation earned in the course of employment or the equivalent value thereof; and
- (3) any amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for compensatory, punitive, or exemplary damages or the multiple portion of any multiplied damage award.

J. **"Organization"** shall mean the entity named in Item 1 of the Declarations.

K. **"Outside Entity"** shall mean any not-for-profit corporation, community chest, fund or foundation that is not included in the definition of **Organization** or **Subsidiary** and that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and any other entity organized for a religious or charitable purpose under any non-profit organization act or statute.

L. **"Personal Injury Wrongful Act"** shall mean any actual or alleged invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel or slander.

M. **"Policy Year"** shall mean the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. Any **Discovery Period** or **Automatic Discovery Period** shall be considered part of and not in addition to the last **Policy Year**.

N. **"Policy Period"** shall mean the period from the inception of this Policy to the expiration date stated in Item 2 of the Declarations or its earlier termination, if applicable.

O. **"Related Wrongful Acts"** shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

P. **"Subsidiary"** shall mean:

- (1) any entity which qualifies as a not-for-profit organization under the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the **Organization** has or controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy;
- (2) any similar entity which was created or acquired by the **Organization** after the inception date of this Policy, if the entity's total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the **Organization** as of the inception date of this Policy; or

(3) any other entity added as a **Subsidiary** by written endorsement to this Policy.

Coverage shall apply to a **Subsidiary** only for **Wrongful Acts** allegedly committed during the time such entity qualified as a **Subsidiary**.

**Q. "Third Party Wrongful Act"** shall mean:

- (1) actual or alleged discrimination against a third party based upon such third party's race, color, religion, creed, age, sex, national origin, disability, pregnancy, HIV status, marital status, sexual orientation or preference, military status or other status protected pursuant to any applicable federal, state, or local statutory law; or
- (2) actual or alleged sexual harassment, including unwelcome sexual advances against, or requests for sexual favors of, a third party; or
- (3) actual or alleged civil rights violations against a third party related to (1) or (2) above.

**R. "Wrongful Act"** shall mean:

- (1) any of the following by the **Organization**, and/or any **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**:
  - (a) actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty;
  - (b) actual or alleged error or omission in the rendering of or the failure to render **Employed Lawyer Legal Services**;
  - (c) **Employment Practices Wrongful Act**;
  - (d) **Personal Injury Wrongful Act**; or
  - (e) **Third Party Wrongful Act**;
- (2) any matter claimed against any **Insured Person** solely by reason of their status with the **Organization** or any **Subsidiary**; or
- (3) any matter claimed against any **Insured Person** arising out of their service as directors, trustees, officers, regents, governors, or member of the Board of Managers of an **Outside Entity**, but only if such service is at the request of the **Organization** or any **Subsidiary**.

#### **Section IV. Exclusions**

This Policy does not apply to any **Claim** made against any **Insured**:

- A.** brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which they were not legally entitled; or (2) the deliberate fraudulent or criminal acts of any **Insured**; however, this exclusion shall not apply unless it is finally adjudicated such conduct in fact occurred, nor shall it apply to coverage provided under Insuring Agreement I.B.;
- B.** to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise. It is further understood and agreed that coverage for all **Claims** for **Personal Injury Wrongful Acts** shall be specifically excess of any similar coverage provided by the **Organization's** General Liability Policy.

- C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
- (1) any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given under any other policy of which this Policy is a renewal or replacement; or
  - (2) any civil, criminal, administrative or investigative proceeding involving any **Insured** pending as of or prior to the date stated in Item 8 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;
- D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property or the loss of use of any tangible property; or (3) humiliation, mental anguish, or emotional distress; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for an **Employment Practices Wrongful Act, Personal Injury Wrongful Act, or Third Party Wrongful Act**;
- E. for any actual or alleged violation by any **Insured** of the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act or any rules or regulations promulgated under these acts or any similar provisions of any federal, state, local or foreign law, except a **Claim** alleging retaliation for the exercise of any rights under such laws;
- F. for any **Wrongful Act** of any **Insured Persons** in their respective capacity as a director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position of an entity other than the **Organization**, any **Subsidiary**, or **Outside Entity**;
- G. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission, contamination or irritant of any kind, including but not limited to smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement I.A.;
- H. by, or for the benefit of, or at the behest of the **Organization** or any **Subsidiary** or any entity which controls, is controlled by, or is under common control with the **Organization** or any **Subsidiary**, or any person or entity which succeeds to the interests of the **Organization** or any **Subsidiary**, provided, however, this exclusion shall not apply to any **Claim** brought by the receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official of the **Organization**, if any, in the event of **Financial Insolvency**;
- I. for any actual or alleged breach by the **Organization** or any **Subsidiary** of an express or implied contract, except for employment related obligations which would have attached absent such contract or agreement;
- J. other than **Costs of Defense**:
- (1) for any obligation of the **Organization** or any **Subsidiary**, as a result of a **Claim**, seeking relief or redress in any form other than money damages, including but not limited to any obligations of the **Organization** or any **Subsidiary** to modify any building or property; or

- (2) for any obligation of the **Organization** or any **Subsidiary** to pay compensation earned by any **Insured Person** in the course of employment, but not paid by the **Organization** or any **Subsidiary**, including any unpaid salary, bonus, wages, severance pay, retirement benefits, vacation days or sick days, provided, however, this exclusion shall not apply to front pay and back pay; or
  - (3) for any actual or alleged violation by any **Insured** of the Fair Labor Standards Act or any similar state or local law, provided, however, this shall not apply to the Equal Pay Act. **Costs of Defense** provided pursuant to this section, J.(3), shall be subject to the FLSA Defense Sublimit of Liability stated in Item 3(d) of the Declarations, if any;
- K.** for any obligations under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law; provided, however this exclusion shall not apply to a **Claim** for an **Employment Practices Wrongful Act** involving retaliation with regard to benefits paid or payable;
  - L.** for the performance of or failure to perform psychological, counseling, financial counseling/advisory, legal (except **Employed Lawyer Legal Services**), arbitration, insurance or investment advisory services or referrals, if brought by or on behalf of any individual and/or entity for whom such services were, now are, or shall be performed;
  - M.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving infringement of any patent or misappropriation of trade secrets, provided, however, this exclusion shall not apply to copyright or trademark infringement;

With respect to this section of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present, or future Executive Director, President, or Chairman of the **Organization** shall be imputed to the **Organization** or any **Subsidiary** to determine if coverage is available.

#### **Section V. Limits of Liability and Retention**

- A.** The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** in excess of the Retention stated in Item 4 of the Declarations. The **Insurer's** maximum Limit of Liability for the aggregate amount of **Loss** resulting from all **Claims** deemed to have been made in a **Policy Year** shall be shown in Item 3 of the Declarations.
- B.** One Retention shall apply to each and every **Claim**. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims**, constituting a single **Claim**, shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.
- C.** **Costs of Defense** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defense** shall not be subject to the Retention amount. If **Costs of Defense** are incurred by the **Insured** with the **Insurer's** consent, such **Costs of Defense** shall be considered **Loss** and thus subject to the Limit of Liability and Retention.
- D.** With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations.

- E.** For the purposes of the application of the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is legally permissible, regardless of whether actual indemnification is granted. The certificate of incorporation, charter or other organizational document of the **Organization**, including by-laws and resolutions, shall be deemed to require indemnification and advancement of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

#### **Section VI. Costs of Defense and Settlements**

- A.** The **Insureds** shall not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defense** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B.** The **Insurer** has the right to investigate and settle any **Claim** as it deems expedient. If the **Insurer** recommends a settlement and the **Insured** refuses to consent thereto, the **Insurer's** liability for such **Claim** is limited to the amount in excess of the Retention, which the **Insurer** would have contributed had the **Insured** consented to the settlement, the **Costs of Defense** covered by the Policy and incurred prior to the date of such refusal to settle, and seventy percent (70%) of any additional covered **Loss**, including **Costs of Defense**, incurred subsequent to such refusal and subject to the Limit of Liability.

If the **Insured** refuses to consent to a settlement as contemplated above, **Costs of Defense** shall be subject to the Retention.

#### **Section VII. Notice of Claim**

- A.** The **Insureds** shall, as a condition precedent of their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date the President, Executive Director, Chief Financial Officer, General Counsel, or person with equivalent responsibility has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Year**.
- B.** If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a specific **Wrongful Act** and gives notice to the **Insurer** of: (1) the specific **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.
- C.** In addition to furnishing the notice as provided in Section VIII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.
- D.** Notice to the **Insurer** as provided in Section VII A or B shall be emailed to **ELDClaims@gaic.com** or mailed to **GREAT AMERICAN INSURANCE GROUP, EXECUTIVE LIABILITY DIVISION, CLAIMS DEPARTMENT, P.O. BOX 66943, CHICAGO, IL 60666**.

## Section VIII. Coverage Extensions

### A. Spousal/Domestic Partner Provision

The coverage provided by this Policy shall also apply to the lawful spouse or "Domestic Partner" of any **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Person**. The term "Domestic Partner" shall mean any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

### B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide. The term **Insured Persons** is deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

### C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives, or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

### D. Donor Data Loss Crisis Fund

The **Insurer** shall, subject to prior written consent, reimburse the **Organization** reasonable expenses incurred to hire an image consulting company for the purpose of reducing damage to reputation suffered by the **Organization** or any **Subsidiary** arising from donor information that is lost or stolen during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this Policy, not to exceed the Donor Data Loss Crisis Fund Sublimit of Liability stated in Item 3(b) of the Declarations, if any. No Retention shall apply to this coverage extension.

## Section IX. General Conditions

### A. Cancellation or Non-Renewal

- (1) This Policy may be cancelled by the **Organization** at any time by written notice to the **Insurer**. In the event the **Organization** cancels this Policy for reasons other than the downgrade of the **Insurer's** rating by A.M. Best, the **Insurer** shall retain the customary short rate portion of the premium. However, if the **Organization** cancels the Policy due to a downgrade of the **Insurer's** rating to below [A-] by A.M. Best, the **Insurer** shall refund any unearned premium on a pro rata basis. Payment of any unearned premium by the **Insurer** shall not be a condition precedent of the effectiveness of cancellation but such payment shall be made as soon as practicable.
- (2) This Policy will only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Organization** with at least sixty (60) days advance notice thereof.

## B. Proposal Form

It is agreed the particulars and statements contained in Proposal Forms submitted to the **Insurer** (and any material submitted therewith) are the representations of the **Insured** and are to be considered as incorporated in and constituting part of this Policy. It is also agreed this Policy is issued in reliance upon the truth of such representations. However, coverage shall not be excluded as a result of any untrue statement in the Proposal Form, except:

- (1) as to any **Insured Person** making such untrue statement or having knowledge of its falsity; or
- (2) as to the **Organization** and any **Subsidiary**, if the person(s) who signed the Proposal Form(s) for this coverage or any **Insured Person** who is or was a past, present or future Chief Financial Officer, President, or Executive Director of the **Organization** made such untrue statement or had knowledge of its falsity.

In no event shall Insuring Agreement I.A. of this Policy be rescinded by the **Insurer**.

## C. Outside Entity Provision

In the event a **Claim** is made against any **Insured Persons** arising out of their service as a director, officer, trustee, regent, governor, or member of the Board of Managers of an **Outside Entity**, coverage as may be afforded under this Policy shall be excess of any indemnification provided by the **Outside Entity** and any insurance provided to the **Outside Entity** which covers its directors, trustees, officers, regents, governors, member of the Board of Managers, or natural person general partners.

In the event Great American Insurance Group provides Directors' and Officers' Liability Insurance for the **Outside Entity**, all **Loss** incurred from all **Claims** submitted under this Policy and the **Outside Entity's** Policy (hereinafter referred to as **Respective Policy(ies)**), arising out of **Related Wrongful Acts**, shall be considered a single **Loss** and the maximum annual aggregate Limit of Liability shall not exceed, under the **Respective Policies**, the higher Limit of Liability between the **Respective Policies**, such Limit of Liability being part of, and not in addition to, the Limits of Liability of the **Respective Policies** previously referenced.

## D. Order of Payments

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Policy, the **Insurer** shall first, pay **Loss** for which coverage is provided under Insuring Agreement I.A. of this Policy; and thereafter with respect to whatever remaining amount of the Limit of Liability is available after such payment, pay such other **Loss** for which coverage is provided under any other applicable Insuring Agreements in Section I of this Policy.

## E. Merger or Acquisition

If, during the **Policy Period**, the **Organization** acquires the assets of another entity, by merger or otherwise, and the acquired assets of such other entity exceed thirty-five percent (35%) of the assets of the **Organization** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

## F. Conversion to Run-Off Coverage

If prior to the end of the **Policy Period**, the **Organization** merges into another organization and the **Organization** is not the surviving entity, another organization or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the **Organization**, or the **Organization** ceases to qualify as a not-for-profit organization under any federal, provincial and territorial legislation and/or the Internal Revenue Code (such events hereinafter referred to as **Transaction**), then:

- (1) the **Organization** must give written notice of such **Transaction** to the **Insurer** within thirty (30) days after the effective date of such **Transaction**, and provide the **Insurer** with such information as the **Insurer** may deem necessary; and
- (2) this Policy, including the **Discovery Period** if elected, shall apply, but only with respect to any **Wrongful Act** committed prior to the effective date of such **Transaction**.

## G. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, those filing the claim, and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against any **Insured** nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

## H. Subrogation

In the event of payment under this Policy, the **Insurer** shall be subrogated to all the **Insureds'** rights of recovery. The **Insureds** shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. In no event, however, shall the **Insurer** exercise its rights to subrogation against an **Insured Person** under this Policy unless, such **Insured Person**:

- (1) has been convicted of a deliberate criminal act, or
- (2) has been determined by a final adjudication adverse to the **Insured Person** to have committed a deliberate fraudulent act, or to have obtained any profit, advantage or remuneration to which such **Insured Person** was not legally entitled.

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Organization** or any **Subsidiary** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Organization** or any **Subsidiary** and shall be subrogated to rights of the **Insured Persons** hereunder.

## I. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

## J. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

**K. Representative of the Insurer**

**Great American Insurance Group, Executive Liability Division, Post Office Box 66943, Chicago, Illinois, 60666** shall act on behalf of the **Insurer** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence.

**L. Organization Represents Insured**

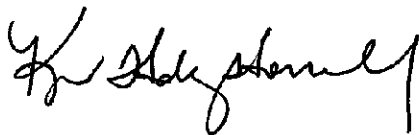
By acceptance of this Policy, the **Organization** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

**M. Entire Agreement**

By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the Proposal Forms submitted to the **Insurer** and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.

**GREAT AMERICAN INSURANCE COMPANY®**



*Secretary*



*President*



**ExecPro<sup>SM</sup>**  
**Proposal Form**  
 for  
 Directors', Officers', Insured Entity and  
 Employment Practices Liability Insurance Policy

**FIDUCIARY PROPOSAL FORM**

Name of Company: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

**EMPLOYEE BENEFIT PLAN INFORMATION**

1. In an attachment to this Proposal Form, provide the name and the total asset value for each Employee Benefit Plan sponsored by the Company or its Subsidiaries for which coverage is desired (hereinafter referred to as the Plans).
2. If the Company sponsors an Employee Stock Ownership Plan or Trust, is the Trustee of such Plan represented on the Board of Directors?  Not Applicable  Yes  No
3. Has the Company been involved in any actual merger, consolidation, acquisition, tender offer, divestment, or sale of its stock in excess of 25% of the total stock outstanding within the last three years?  Yes  No  
**If "Yes",** provide by attachment details and effects on the Employee Pension/Welfare Benefit Plan(s).
4. Has the Company or any Subsidiary terminated or contemplated terminating any Employee Benefit Plan within the past three years or within the next 12 months?  Yes  No  
**If "Yes",** provide details in an attachment to this Proposal Form.
5. Has any Plan had, at any time during the current year or last five years, a funding deficiency?  Yes  No  
**If "Yes",** provide the name of the Plan, amount of the deficiency and current status in an attachment to this Proposal Form.
6. Have current plan assets been borrowed by, or loaned or pledged to any party-in-interest?  Yes  No  
**If "Yes",** provide details in an attachment to this Proposal Form.
7. Has any plan(s) invested in more than 10% of any corporation or partnership?  Yes  No  
**If "Yes",** attach a list of such investments.
8. Does any Plan employ the services of:
  - (a) Any professional Investment Advisory Firm? If so, provide name of firm: \_\_\_\_\_
  - (b) Any professional Actuarial Firm? If so, provide name of firm: \_\_\_\_\_
  - (c) Date of latest Actuarial Assessment: \_\_\_\_\_
  - (d) Did the Assessment contain qualifications?  Yes  No  
**If "Yes",** attach a copy of the Assessment.
  - e. Were all the criticisms in the Assessment corrected?  Yes  No
9. Have the Plans been amended to comply with the "Employee Retirement Income Security Act of 1974" (ERISA) where applicable and are the Plans reviewed and/or audited periodically to ensure compliance?  Yes  No  
**If "No",** provide details in an attachment to this Proposal Form.

**PRIOR ACTIVITIES**

10. Have there been during the last five years, or are there now pending, any claims or suits brought against the Plan(s), Sponsor Organization or its Subsidiaries, or any person proposed for this insurance which would have been covered by insurance similar to that herein applied for?  Yes  No  
**If "Yes",** provide details in an attachment to this Proposal Form.

**IT IS AGREED THAT ANY CLAIM ARISING FROM ANY PRIOR OR PENDING PROCEEDING IS EXCLUDED FROM THE PROPOSED COVERAGE.**

11. Is the undersigned or any other person(s) proposed for this insurance aware of any fact, circumstance or situation involving the Sponsor Organization, its Subsidiary(ies), the Plan(s) or any other person proposed for this insurance, which he or she has reason to believe might result in any future claim which would fall within the scope of the proposed insurance?  Yes  No  
**If "Yes",** provide details in an attachment to this Proposal Form.

**IT IS AGREED THAT IF KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION EXISTS, ANY CLAIM SUBSEQUENTLY ARISING THEREFROM SHALL BE EXCLUDED FROM COVERAGE.**

12. Previous Employee Pension/Welfare Benefit Plan Fiduciary Liability Insurance (answer each item):
- a. Carrier \_\_\_\_\_
  - b. Limit \_\_\_\_\_ Deductible \_\_\_\_\_ Policy Period \_\_\_\_\_ Premium \_\_\_\_\_
  - c. Has any Claim been made or has notice been given to any Insurer?  Yes  No
  - d. Has any carrier refused, cancelled or non-renewed coverage?  Yes  No
  - e. If cancelled or non-renewed, has the discovery option been exercised?  Yes  No
- If "Yes" to any of the above,** please provide details in an attachment to this Proposal Form.

The undersigned Plan Administrator(s) and Officer of the Sponsor Organization on behalf of the Sponsor Organization, Plan(s) proposed and any other person(s) proposed for this insurance declare that to the best of their knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information to facilitate the proper and accurate completion of this Proposal Form. The undersigned further agree that if any significant adverse change in the condition of the applicant is discovered between the date of this Proposal Form and the effective date of the Policy, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately. The signing of this Proposal Form does not bind the undersigned to purchase the insurance.

It is agreed by the Company and the Insured Persons that the particulars and statements contained in this Proposal Form and any information provided herewith (which shall be on file with the Insurer and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further understood and agreed by the Company and the Directors and Officers that the statements in this Proposal Form or any information provided herewith are their representations, that they are material and that this Policy is issued in reliance upon the truth of such representations; provided, however, that except for material facts or circumstances known to the persons who subscribed this Proposal Form, any misstatement or omission in this Proposal Form or information provided herewith in respect of a specific Wrongful Act by a particular Director or Officer or his or her cognizance of any matter which he or she has reason to believe might afford grounds for a future Claim against him or her shall not be imputed to any other Director or Officer for purposes of determining the validity of this Policy as to such other Director or Officer.

**This Proposal Form must be signed by the Chairman of the Board, President, Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer of the Company and by a Plan Administrator.**

Signature (Senior Officer)	Title	Date
Signature (Plan Administrator)	Title	Date

- One copy of each of the following documents is considered part of the Proposal Form:
- (a) Copy of the most recently filed Form 5500 and schedules for all Plans listed in the response to Question 1.
  - (b) If applicable, any required attachments in response to questions on this Proposal Form.

**NOTE:** This Proposal including any material submitted herewith shall be treated in strictest confidence.