



PROPOSAL FORM

Non-Profit Corporations

DIRECTORS' & OFFICERS' LIABILITY & CORPORATE REIMBURSEMENT INSURANCE

This is a Proposal Form for an insurance policy relating to **Claims** made against the **Directors and Officers** and reported to the **Insurer** during the **Policy Period**.

- Please note:**
- all of the following questions must be answered and all required attachments specified in Section 11 must be provided
 - words and expressions appearing in **bold italics** in this proposal form are defined in the policy wording.

1. GENERAL INFORMATION

a) Name of the Non-Profit **Corporation**: _____

b) Address: _____

Web Address: _____

Postal Code: _____ Phone: () _____ Fax: () _____

c) Nature of Activities: _____

d) Date of Incorporation: _____ Jurisdiction _____ Fiscal Year End _____

e) Conducted business continuously since: _____

f) Total Budget for next twelve (12) months: _____

g) Please enumerate the sources of income and the percentage of total income:

_____	_____ %
_____	_____ %
_____	_____ %

2. LIMIT OF LIABILITY REQUESTED

\$ _____ aggregate limit of liability each **Policy Period**.
(actual amount to be provided will be indicated in the Declarations in the event that a policy is issued)

3. CORPORATE INFORMATION

a) Is the **Corporation** sponsored by a political party, or by a trade union or federation, or does the **Corporation** have any involvement in the activities and operation of any political committee or those of a trade union or federation ? Yes No

- b) Is the **Corporation** currently or has it, during the past twelve (12) months, been in arrears in its payments of monies payable to Revenue Canada or the provincial ministries of revenue (including source deductions, G.S.T and P.S.T) ? Yes No
- c) Is the **Corporation** currently or has it, at any time during the last five (5) years, been in breach of any of its debt covenants, loan agreements or contractual obligations, or does it anticipate any such breach occurring within the next twelve (12) months ? Yes No
- d) Has the **Corporation** changed its outside accountant or external legal counsel during the past five (5) years ? Yes No
- e) Is the **Corporation** or any of its **Subsidiaries** currently, or has it at any time during the last three (3) years:
 - (i) sought protection under the "Companies' Creditors Arrangement Act" (Canada), or
 - (ii) made a commercial proposal under Part III of the Bankruptcy and Insolvency Act (S.C. 1992, Ch. 27), or
 - (iii) sought protection under "Chapter 11" of the U.S.C. (United States Bankruptcy Code), or does it anticipate seeking such protection or making such a proposal within the next twelve (12) months ? Yes No

(If the answer to any of the above questions is Yes, please provide full details.)

4. OPERATIONS

Does the **Corporation** or any person(s) proposed for this insurance perform the following:

- a) Provide counselling services, referral services, legal aid services, computer services, or medical services to its members or the public ? Yes No
- b) Promote, sponsor or provide any form of insurance to its members or non-members ? Yes No
- c) Act as or participate in a peer review group or committee for assessing the qualifications and performance of others or the quality of products manufactured, sold, handled or distributed by others ? Yes No
- d) Take any disciplinary action or recommend disciplinary action as a result of peer review group activities ? Yes No
- e) Develop standards used to evaluate the quality of goods, products manufactured or services rendered ? Yes No
- f) Engage in activities such as lobbying or labour negotiation ? Yes No

(If the answer to any of the above questions is Yes, please provide full details.)

5. ANNOUNCED OR CONTEMPLATED CHANGES

- a) Have there been any changes in the **Directors or Officers** in the past twelve (12) months? Yes No
- b) Does the **Corporation** have under consideration at the present time or does it contemplate any acquisitions, divestitures, tender offers or mergers? Yes No

(If the answer to any of the above questions is Yes, please provide full details.)

6. **DIRECTORS**

- a) How frequently does the board of **Directors** meet? _____
- b) How many board members must be present to constitute a quorum? _____
- c) Do the **Directors** see the meeting agenda and minutes from the board meetings at least ten days prior to each board meeting date? Yes No
- d) Are there any loans outstanding or anticipated to **Directors or Officers** or Corporations controlled by **Directors or Officers**? Yes No
- e) Does each **Director** have a formal job description which clearly defines the **Director's** scope of duties? Yes No

7. **OPERATIONAL PROCEDURES**

- a) Do procedures exist to keep the **Directors and Officers** informed of new developments, and operation's results? Yes No
- b) Have standard decision making procedures been defined? Yes No
- c) Does a procedure for documenting major decisions and events exist? Yes No
- d) Does a procedure for retention of essential legal, financial and personnel records exist ? Yes No

8. **LEGAL**

- a) What is the source of the board's legal advice? _____
- b) Do legal advisers make regular presentations to the board to review the responsibilities of the **Directors and Officers** and the **Corporation**? Yes No
- c) Are all **Directors, Officers** and senior employees required to obtain legal counsel prior to publicly commenting on any of the **Corporation's** activities? Yes No

9. **NOTICE**

Identify the **Officer** of the **Corporation** designated to receive all notices from the Insurer concerning this insurance:

NAME (Please print)

TITLE

10. **PRIOR INSURANCE**

- a) Have any claims, or facts or circumstances which might possibly give rise to a **Claim**, been reported to the current or any previous Directors' and Officers' Liability insurance carrier ? Yes No
(If the answer to the above question is Yes, please provide full details.)

b) Previous Directors' and Officers' Liability Insurance (last 3 years) :

Name of Insurer	Limit of Policy	Retentions	Period	Premium	Claims
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

11. ATTACHMENTS

IMPORTANT PLEASE SUBMIT ONE COPY OF EACH OF THE FOLLOWING DOCUMENTS WHICH WILL BE CONSIDERED TO BE PART OF THIS PROPOSAL:

- a) Last three (3) years' annual reports including financial statements;
- b) Latest interim financial statement;
- c) By-laws of the **Corporation**;
- d) List of proposed Insured persons (complete Appendix A);
- e) List of Committees (complete Appendix B);
- f) List of **Subsidiaries** (complete Appendix C);

Note: With respect to items d) & f) above, notwithstanding the contents of the appendices or lists submitted and subject to the terms and conditions of the proposed insurance, coverage will only be afforded to those individuals and companies that fit within the definitions of **Director and Officer** and **Subsidiary**, unless otherwise agreed to by the Insurer and specifically endorsed onto the policy.

12. WARRANTIES AND SIGNATURE

THE APPLICANT DOES HEREBY PROVIDE THE FOLLOWING WARRANTIES TO THE INSURER:

- a) No **Claim** which would, had insurance similar to that now proposed been in force, have fallen within the scope of such insurance has been made or is now pending against any person(s) proposed for this insurance in the capacity of either **Director or Officer** of the **Corporation** (and/or its **Subsidiaries**), except as follows: (If answer is none, so state) _____
- b) No person proposed for this insurance is cognizant of any fact or circumstances or of any **Wrongful Act** which might possibly give rise to a future **Claim** such as would fall within the scope of the proposed insurance, except as follows: (If answer is none, so state) _____
- c) No similar insurance on behalf of the **Corporation** has been declined or cancelled or renewal thereof refused, except as follows: (If answer is none, so state) _____
- d) Neither the **Corporation** nor any of its **Directors or Officers** has been involved in or has any knowledge of any currently pending insolvency and/or bankruptcy, anti-trust, combines, price fixing, restraint of trade, tax, copyright, patent, securities law or regulation infringement or government regulatory or administrative proceedings against the **Corporation** and/or its **Directors or Officers** , except as follows: (If answer is none, so state) _____

- e) No fact, circumstance or situation indicating the possibility of a **Claim** against which indemnification would be afforded by the proposed insurance is now known to any person(s) applying for this insurance other than which is disclosed in this proposal form.

It is specifically agreed by all concerned that if any person(s) applying for this insurance has any knowledge of any such fact, circumstance or situation, any **Claim** subsequently emanating therefrom will be excluded from coverage under the proposed insurance.

- f) The undersigned **Director** of the **Corporation** is duly authorized to make representations and to sign on behalf of all of the **Directors and Officers** and the **Corporation** and declares that the statements herein are true and complete.
- g) The undersigned **Director** of the **Corporation** declares that the financial statements submitted with this proposal form are representative of the current financial position of the **Corporation** including its **Subsidiaries**.
- h) Signing of this proposal form does not bind the Insurer to complete the insurance, but it is agreed that this proposal form will be the basis of the contract should a policy be issued, and that this proposal form will be attached to and become a part of such policy, if issued.

The Insurer is hereby authorized to make any investigation and inquiry in connection with this proposal as it may deem necessary.

- i) It is warranted that the particulars and statements contained in the proposal form for the policy and any materials submitted herewith (which will be retained on file by the Insurer and which will be deemed attached hereto, as if physically attached hereto), are the basis for the policy and are to be considered as incorporated into and constituting a part of the policy.
- j) It is agreed that in the event that there is any material change in the answers to the questions contained herein prior to the effective date of the policy, the **Corporation** will notify the Insurer and, at the sole discretion of the Insurer, any outstanding quotations may be modified or withdrawn.

N.B. COVERAGE CANNOT BE BOUND UNLESS THIS PROPOSAL FORM HAS BEEN DULY COMPLETED AND DULY SIGNED AND DATED.

Corporation

Name of Chairman of the Board or President
(in block letters)

Date

Signature of Chairman of the Board or President

APPENDIX "A"
LIST OF INSURED PERSONS

DIRECTORS	OFFICERS
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APPENDIX "B"

LIST OF COMMITTEES

NAME OF COMMITTEE	BRIEF DESCRIPTION OF FUNCTIONS
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APPENDIX "C"

SUBSIDIARIES

Name	Acquisition Date	% Owned	Nature of Activities	Location	<u>Latest Fiscal Year End</u>		
					Net Worth	Total Assets	Net Income
