

## NIAC #5

### *Directors and Officers Liability and Employment Practices Liability Supplemental Application*

Applicant Name: \_\_\_\_\_  
 Board Chair: \_\_\_\_\_ Board Chair Email: \_\_\_\_\_  
 Quote Need by Date: \_\_\_\_\_ Prop. Effective Date: \_\_\_\_\_  
 Limits Requested: \_\_\_\_\_

Please Note: This application is for Directors and Officers Liability coverage, and can only be bound in conjunction with a General Liability policy. For complete instructions on our submission requirements, please visit <https://secure.insurancefornonprofits.org/Brokers-New-Submissions.cfm>

For the remainder of this application, "applicant" refers individually and collectively to the entity(ies) for which coverage is desired, as well as each person who is an officer, director, owner, partner or employee of these entity(ies)

#### **DIRECTORS AND OFFICERS LIABILITY AND EMPLOYMENT PRACTICES LIABILITY (D&O and EPLI)**

##### **Board Management**

1. Indicate total number of board members: \_\_\_\_\_  
 If fewer than three (3), please contact your underwriter to discuss an exception to this requirement.
2. Is the number of board members currently serving on Applicant's board of directors in  Yes  No compliance with the number required by the Bylaws or Articles of Incorporation of the organization?  
 If no, please explain: \_\_\_\_\_
3. Have more than forty-nine percent (49%) of the members of Applicant's board of directors  Yes  No received compensation within the previous twelve (12) months for their services to the nonprofit, either as an employee or independent contractor?  
 If yes, please explain: \_\_\_\_\_
4. Are more than forty-nine percent (49%) of the members of Applicant's board of directors  Yes  No related (sibling, spouse, in-law, or descendent) to a person currently being compensated as described in 3. above?  
 If yes, please explain: \_\_\_\_\_
5.
  - a. Are board meetings held at least two (2) times per calendar year?  Yes  No
  - b. Are written minutes of board and committee meetings kept?  Yes  No
  - c. Is attendance kept for every board meeting?  Yes  No
6. Does the board approve compensation of the following:

- a. Executive Director or CEO:  Not applicable  Yes  No
- b. CFO, Treasurer or Financial Manager:  Not applicable  Yes  No
- c. Is compensation of the positions listed above comparable to salaries in the marketplace?  Yes  No

**Board Management (Continued)**

7. Has the board of directors of Applicant discussed the unsatisfactory performance of the Executive Director or other key management personnel during the past twelve (12) months?  Yes  No  
 If yes, please explain: \_\_\_\_\_
8. Is a procedure in place for replacing board members who do not attend board meetings regularly?  Yes  No
9. Does the board have an Audit Committee that is independent of management (i.e., paid employees who do not serve on this committee)?  Yes  No
10. Has the board adopted a Conflict of Interest Policy?  Yes  No

**Financial Information**

11. a. Please provide the following financial information for the Applicant. Check here if new organization and provide estimates below:

990 LINE ITEM	FINANCIAL INFORMATION	MOST CURRENT FISCAL YEAR YE	PREVIOUS FISCAL YEAR YE
Line 12	Annual Revenue	\$	\$
Line 18	Annual Expenses	\$	\$
Line 19	Net Revenue	\$	\$
Line 20	Total Assets	\$	\$
Line 21	Total Liabilities	\$	\$
Line 22	Fund Balance*	\$	\$

\*(Fund Balance = Total Assets – Total Liabilities)

- b. If current year reported above indicates a negative fund balance, please provide an explanation that includes steps Applicant is taking to avoid in the future and submit the most recent 990 tax form or audited financials including notes.  
 \_\_\_\_\_
12. a. Has Applicant made any loans to, or received loans from, key employees or board members in the past three (3) years?  Yes  No
- b. If yes, please provide loan details:  
 From: \_\_\_\_\_ To: \_\_\_\_\_  
 Reason: \_\_\_\_\_  
 Amount: \_\_\_\_\_ Interest: \_\_\_\_\_ Terms: \_\_\_\_\_
13. For the most recent fiscal year, has Applicant reported any Related Party Transactions in their financial statement?  Yes  No
14. a. Does Applicant have an annual independent audit performed?  Yes  No
- b. If yes, please provide a copy of Applicant’s audited financials, including notes, with the submission of this application.

**Employment Practices**

15. a. Does Applicant have employees?  Yes  No

If no: An Applicant that has no employees is eligible for our Flat-Fee D&O policy which excludes Employment Practices Liability coverage. If Applicant is interested in our Flat-Fee policy, check here:

b. If yes, please indicate number of current employees:

Full Time Exempt (Salaried)	Full Time Non-Exempt (Hourly)	Part Time, Temporary or Seasonal

c. Of the employees listed in item b above, are any employees represented by a union?  Yes  No  
If yes, how many?

**Employment Practices (continued)**

16. a. How many employees have left the organization in the past twelve (12) months? If none, check here:

Voluntary	Involuntary/Laid Off

b. If Applicant's most recent annual turnover rate is greater than fifteen percent (15%), please explain:

\_\_\_\_\_

17. Is any significant reduction of employees or change of employee status anticipated in the next twelve (12) months?  Yes  No

If yes, please explain: \_\_\_\_\_

18. Indicate date Personnel Handbook was last updated by a Labor Law Professional: \_\_\_\_\_

If Applicant does not have a Personnel Handbook in place, check here:

19. Please indicate whether Applicant has the following written policies or procedures in place:

- a. Employment At-Will:  Yes  No
- b. Sexual Harassment Complaints:  Yes  No
- c. Anti-Retaliation (including employee whistleblower protection):  Yes  No
- d. Sexual Harassment Prevention Training:  Yes  No

20. Have any of Applicant's employees received training regarding Applicant's obligation concerning accommodation of disabled employees or applicants?  Yes  No

21. Is there an employee who is trained in conduction of investigations into allegations of sexual harassment?  Yes  No

22. How many employees have the full-time responsibility of handling Human Resources issues for Applicant's organization (including the administration of employee benefits programs)  
Please provide the following for each:

Name	Title	# of Years in Position

a. Does this employee have formal training or certification in Human Resources?  Yes  No

**Claims and Insurance Information**

**Important Notice: Our policy will not afford coverage to any claim, incident, suit, complaint or situation the Applicant knew of prior to the effective date of our proposed policy. It is important that any and all such incidents that may give rise to a claim be reported to the current insurer.**

23. Provide currently valued loss runs for the past five (5) years as well as a completed #11, Claims Supplemental Application, for each claim that has been reported under any Directors and Officers, Fiduciary Liability, and /or Employment Practices Liability policy. If no coverage was in force, but an incident did occur please provide a completed #11, Claims Supplemental Application to describe each incident. If none, check here:
24. Has Applicant been involved in any grievance or other administrative proceeding before any agencies in the last five (5) years?  Yes  No
- If yes, please explain: \_\_\_\_\_

**Claims and Insurance Information (continued)**

25. Does Applicant have knowledge, information or access to information of any act, error, omission or incident which might give rise to a claim or suit, including any employment-related actions, claims or suits?  Yes  No
- If yes, a completed Supplemental Claims Application #11 is required for each incident.**
26. In the past (5) years has any insurance carrier declined, canceled or non-renewed any D&O Coverage?  Yes  No
- If yes, please explain: \_\_\_\_\_
27. Provide the following information regarding Applicant's current insurance policies. If none, so indicate.

Type of Policy:	Insurance Carrier	Term	Retro Date*	Limit	Premium	Deductible
Directors & Officers: If none, check here: <input type="checkbox"/>						
Employment Practices Liability: If none, check here: <input type="checkbox"/>						
Fiduciary Liability (other than ERISA): If none, check here: <input type="checkbox"/>						

\*Copy of the current declaration page showing the retro and/or continuity date is required to offer Prior Wrongful Acts Coverage

**SIGNATURES**

**The undersigned authorized officer of the Applicant declares that the statements set forth herein are true. The undersigned authorized officer agrees that if the information supplied on this application changes between the date of this application and the effective date of the coverage, he/she (undersigned) will immediately notify Nonprofits Insurance Alliance of California (NIAC) of such changes, and NIAC may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the coverage.**

**Signing of this application does not bind NIAC to issue nor the Applicant to buy the coverage, but it is agreed that this form shall be the basis of the contract should a policy be issued and it will be attached to and be made a part of the policy.**

**All written statements and materials furnished to NIAC in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.**

\_\_\_\_\_  
Applicant's Signature                      Date                      Producer's Signature                      Date

\_\_\_\_\_  
Print or type applicant's name/Title