

The NonProfit D&O Liability coverage provided here is written on a claim made basis. Except as otherwise provided, this policy will cover only claims first made against the insured during this policy period

THE COVER

The policy may be in two parts:

- an indemnity to the company in respect of the costs it incurs in indemnifying a director against the successful defence of a claim;
- an indemnity to the director in circumstances where this cannot be obtained from the company because the defence has not been successful.

This second part comes about because companies are prohibited by the Companies Act from indemnifying directors in unsuccessful defences, but permitted to buy insurance to cover the risk.

THE RISKS

Liability may arise out of lack of care and skill in the performance of the duties, e.g. negligent advice or misstatement, particularly in the context of a merger or takeover when failure to understand economic trends results in a poor forecast of the company's performance.

Any act which goes beyond the company's constitution such as;

- excessive borrowing;
- unauthorised payments;
- failure to disclose the full extent of the directors' interests; or
- failure to comply with requirements

may involve a director or officer in a personal liability.

Liability may also arise out of the failure to arrange proper insurance; for example, public liability or products liability covers with inadequate limits of indemnity.

Under the provisions of the Insolvency Act, directors may be personally liable for 'wrongful trading' and liquidators can seek contribution from them if they failed to take reasonable steps to minimise the losses.

The limit of indemnity: The policy pays for any damages and for defence costs in relation to claims.

EXCLUSIONS

- claims for bodily injury or damage;
- actions brought against an individual director as a result of their own dishonesty, fraudulent or malicious conduct;
- claims arising from improper personal gain, profit or advantage;
- breaches of professional duty.

Insurance Contact: _____

Organization: _____

Postal Address: _____ Postal Code: _____ Town: _____

Physical Address: Bldg: _____ Floor: _____ Street: _____

Office Tel: _____ Fax No: _____ Mobile Phone: _____

Email Address: _____ Website: _____

Date of Incorporation: _____ / _____ / _____ PIN No: _____

Nature of Business (or Organizational Activities): _____

(Please complete or forward your organization's mission statement.)

OPERATIONS

- Yes No
1. Does your organization have a negative fund balance? _____
(If YES, please forward your organization's most recent financial audit)
2. a. Please indicate your organizations Total Gross Annual Revenue: Kshs _____
b. Please indicate your organization's Total Gross Annual Assets: Kshs _____
3. Expiration Date of current D&O policy (if applicable): _____ / _____ / _____ Current Limits: _____
Current Premium: _____
4. Is coverage requested to include any Subsidiary? _____ Yes No
Or Affiliate? _____ Yes No
5. Is your organization involved in any standard setting, accreditation, certification or peer review activities
(If YES, please attach details) _____ Yes No
6. Is your organization involved in any labour negotiations or collective bargaining? _____ Yes No
(If YES, please attach details)
7. Does your organization sell or administer any insurance product (other than those designed solely for
the organization's employees)? (If YES, please attach details) _____ Yes No
8. Does the organization provide any loans? (If YES, please attach details) _____ Yes No

EMPLOYMENT INFORMATION

9. Total number of employees: _____
10. How many employees have been terminated in the last year? _____ voluntarily _____ involuntarily
11. Does the applicant have formal written procedures for hiring and firing employees? _____ Yes No

CLAIMS HISTORY

12. Within the last three years, has the applicant, its directors, officers and/or other proposed INSURED
person received any complaint, suit, inquiry or notice of hearing from any state or federal legislative
committee, regulatory body, or any other party _____ Yes No

PRIOR Knowledge

13. Is any potential INSURED aware of any circumstance(s) or action(s) which could result in a future claim
against any potential INSURED? _____ Yes No
IF YES, please provide a detailed explanation: _____

(IT US UNDERSTOOD AND AGREED THAT THERE WILL BE NO COVERAGE FOR ANY CLAIM WHICH IS RELATED TO OR
ARISES OUT OF THE MATTER WHICH IS SET FORTH OR SHOULD HAVE BEEN SET FORTH IN THE ANSWERE TO
QUESTION #12)

DECLARATION AND SIGNATURE

PLEASE SIGN AND DATE THIS APPLICATION. Any person who, knowingly and with intent defrauds any insurance company or other persons, files an application for insurance containing any false information, or conceals for the purpose of misleading, circumstances concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The undersigned declares that to the best of his or her knowledge and belief the statements set forth herein are true. Although the signing of this application does not bind the undersigned on behalf of the Organization or its Directors, officers or other Insured Persons 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 attached to and form part of the policy. The insurance company is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

SIGNED: _____ DATE: _____

Name: _____ TITLE: _____