

THE BROWNSTONE PROGRAM

MANAGEMENT LIABILITY/CRIME SUPPLEMENTAL APPLICATION

MAIL TO: BROWNSTONE AGENCY; 32 OLD SLIP, FL. 8, NEW YORK, NY 10005 OR FAX TO: 212.742.7934
WWW.BROWNSTONEAGENCY.COM

ARGO INSURANCE COMPANY

Not-For-Profit Management Liability/Crime

MANAGEMENT LIABILITY (D&O)/CRIME COVERAGE IS PROVIDED ON A CLAIMS MADE BASIS. CLAIMS EXPENSES ARE PAYABLE **WITHIN AND NOT IN ADDITION TO** THE LIMITS OF LIABILITY CONTAINED IN THE MANAGEMENT LIABILITY COVERAGE PART. THE LIMITS OF LIABILITY CONTAINED IN THE MANAGEMENT LIABILITY COVERAGE PART SHALL BE REDUCED AND MAY BE COMPLETELY EXHAUSTED BY CLAIMS EXPENSES.

1. Name of Applicant: _____

2. Date of incorporation or association established: _____

3. Type of Association: Condo Co-Op Other

If Other, describe:

4. Do you currently carry Management Liability coverage? Yes No

If No, why not?

5. Total number of: Units _____ Directors _____ Officers _____ Trustees _____

6. Does a builder, developer, or real estate agent or their representative have:

a) Financial interest in the development? Yes No

If Yes, attach details

b) Representation on the Board of Directors? Yes No

If Yes, attach details

7. Is there an income producing commercial tenant? Yes No

If Yes, please provide details.

8. Is the complex being constructed on a phase basis? Yes No

9. How many units were sold at time of application? _____

10. How many units are owner occupied? _____

11. Does the Insured have an operating fund and a reserve account (both)? Yes No
 If Yes, what is the limit on operating account disbursements/transfers? \$ _____
 If No, please provide details.
12. Is there a managing agent or other organization or individual managing the operation? Yes No
 If Yes, the independent property management firm handling funds must have a contractual agreement between the two parties defining the property management firm's financial responsibilities. Additionally, the contract must require the property management firm to maintain employee dishonesty coverage. All disbursements by the property manager must be limited to approved budgeted items.
13. Has there been any Management Liability or similar insurance losses in the past three years? If Yes, attach details. Yes No
14. Has any insurer declined, cancelled, or non-renewed any prior policy or application for Management Liability or similar insurance? Yes No
15. Has the organization or any insured person(s) given written notice under the provisions of any prior or current Management Liability/D&O insurance of specific facts or circumstances which might subsequently give rise to a claims being made against any insured person(s)? If Yes, attach details. Yes No
16. Does the organization or any insured person(s) know of any instances of construction defects, faulty designs, earth movement, and/or soil subsidence? If Yes, attach details. Yes No
17. Are there any legal actions against the Board or any notices of a claim providing similar insurance or any known facts or circumstances which might give rise to a claim being made against the Insured or any Board member? It is agreed that if such facts or circumstances exist, any claim or action arising there from is excluded from this proposed coverage. If Yes, attach details. Yes No
18. Have there been any liens/foreclosure sales on any unit within the last 24 months? If Yes, attach details. Yes No
19. Within the last three years, has the Applicant had a negative fund balance? Yes No
 Are there any special assessments being contemplated? Yes No
 If Yes, please provide details.
20. Has there been any challenged board election in the last 24 months? Yes No
 If Yes, please provide details.

CLAIMS MADE DISCLOSURE STATEMENT

The Management Liability coverage part is written on a claims made basis. The coverage part provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the coverage part. The coverage part covers only claims actually made against the insured while the coverage part remains in effect and all coverage under the coverage part ceases upon the termination of the coverage part except for the sixty (60) day automatic extended reporting period coverage, unless the insured purchases the three (3) year additional extended reporting period option coverage.

NOTE: Potential coverage gaps may arise upon expiration of the extended reporting period if replacement coverage is not purchased. During the first several years of the claims made relationship, claims made rates are comparatively lower than occurrence rates and the insureds can expect substantial annual premium increases, independent of overall rate increases, until the claims made relationship reaches maturity.

NOTE: Application must be signed by an ELECTED BOARD MEMBER only.

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 a part of the policy. The company is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

FRAUD WARNING

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

SIGN AND DATE

APPLICANT'S SIGNATURE	DATE
APPLICANT'S TITLE	

As part of this application, please attach the most current financial statement, tax return or operating budget for the insured organization.