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 www.MyEmPRO.com

Long-Term Care Facility Professional Liability Application

Requested Effective Date: _____

Section 1 - Applicant Information			
Name of Applicant:		d/b/a (If Applicable):	
Contact Person Name:		Contact Person Email Address:	
Primary Business Phone:		Primary Business Fax:	
Primary Business Address:	City:	State:	Zip:
Website:			
Mailing Address (if different from Primary):	City:	State:	Zip:
Billing Address (if different from Primary):	City:	State:	Zip:

Facility Tax I.D. Number: _____

Tax Status:

- For Profit - Private
 For Profit - Publicly Traded
 Not for Profit
 Government
 Other

Applicant's Legal Structure:

- Corporation
 Partnership
 Joint Venture
 LLC
 Sole Proprietorship
 Other

Number of years in business: _____

Number of years under current management: _____

States where the facility is licensed:

Is the facility affiliated with a hospital or any other type of organization?

- Yes No

If "Yes," please identify: _____

Named Insureds: List all subsidiaries, date acquired, description of operation, ownership, and if coverage is requested for the subsidiary.

Subsidiaries	Date Acquired	Description Of Operation	% of Ownership	Coverage Requested?

Section 1 - Continued

Within the past 36 months or within the next 12 months has the Applicant or does the Applicant expect to:

Merge, acquire or consolidate with another entity?

Yes No

Sell or divest another entity or facility?

Yes No

Discontinue any operations or services?

Yes No

Enter into any new business activities or services (including new procedures or products being offered)?

Yes No

If "Yes" to any of the above questions, please describe the essential terms of each such transaction:

Section 2 - Coverage Options

Primary Excess (*Only Available in New York*)

Coverage Type

Claims-Made Occurrence Modified Claims-Made (*Not Available in New York*)

Limits of Liability

Per Claim: _____

Aggregate: _____

Physicians (if coverage is being requested for employed physicians under the facility policy):

Shared Limit Option (*Only available in certain states*):

Yes No

Deductible/Annual Aggregate:

\$100K/\$300K \$250K/\$750K No Annual Aggregate No Deductible Other: _____

Self-Insured Retention (SIR):

\$100K \$250K \$300K No SIR Other: _____

If Self-Insured Retention is applicable:

How are loss adjustment expenses handled? Within SIR Limit Outside SIR

Is there a dedicated trust?

Yes No

If "No," how is SIR secured? _____

Is there an independent actuarial review? _____

What organization handles the claims? _____

What legal firm is responsible for defending the claims? _____

Section 3 - Professional Liability Insurance History

Primary Professional Liability

Policy Period	Carrier	Limits of Liability	Deductible/SIR	Claims-Made or Occurrence	Retro Date, if applicable	Are ALAE included in Limits of Liability?	Premium
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

Section 3 - Continued

Excess Professional Liability

Policy Period	Carrier	Limits of Liability	Deductible/SIR	Claims-Made or Occurrence	Retro Date, if applicable	Are ALAE included in Limits of Liability?	Premium
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Ded <input type="checkbox"/> SIR	<input type="checkbox"/> CM <input type="checkbox"/> Occ		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

Has the Applicant's policy or coverage ever been declined, canceled or non-renewed during the past five (5) years? Yes No

If "Yes," please explain: _____

For Claims-Made coverage, was an extended reporting period (tail coverage) purchased for any previous primary or excess policy? Yes No

Has the Applicant's long term care facility received any fines or sanctions or Statements of Deficiency imposed by regulatory agencies in the past 12 months? Yes No

If "Yes," please describe below. Attach, also, each Plan of Correction and Statement of Acceptance by the Regulatory agency:

Section 4 - Facility Information

Estimated Gross Revenue: _____

Services Provided:

Skilled Care Services: Professional nursing care – 24 hours per day by licensed nurses. A registered nurse provides care during the day shift. LPN coverage required during other shifts. Skilled care services include some of the following:

- Medical Administration Tube Feedings Procedures Ordered by Physician Injections Catheterization

Total Number of Beds: _____ Average Occupancy: _____

Intermediate Care Services: Nursing care during the day shift, 7 days per week, by either RNs or LPNs. No complex nursing care (IVs, tube feedings, etc.) Assistance with activities of daily living (i.e., walking, bathing, eating). Some assistance with administering medications.

Total Number of Beds: _____ Average Occupancy: _____

Residential Care Services/Assisted Living: Residents are ambulatory with possible minor medical disorders, provided protective environments (meals, planned programs for social and/or spiritual needs) and/or personalized support services including assistance with activities of daily living (walking, bathing, dressing, eating). Residents are eligible for incidental healthcare services, including assistance with medications.

Total Number of Beds: _____ Average Occupancy: _____

Section 4 - Continued

Independent Living: Residents are retirement age and in general good health, occupy apartments, condominiums, or dwelling units that normally include cooking facilities. Residents do not receive any healthcare services or assistance with medication but do have access to skilled, intermediate, or residential nursing care within the same facility complex.

Total Number of Beds: _____ Average Occupancy: _____

Total Number of Residents: _____

Subacute Care Services: A comprehensive inpatient program for patients who have experienced a serious illness, injury or disease, but who will not require intensive hospital services. The range of services include infusion therapy, respiratory care, cardiac services, wound care, rehabilitation services, postoperative recovery programs for knee and hip replacements and cancer, stroke and AIDS care.

Total Number of Beds: _____ Average Occupancy: _____

Beds	Projected # Certified	Projected Year % Occupied	Current Year # Certified	Current Year % Occupied	Previous Year # Certified	Previous Year % Occupied
Long Term Care						
Subacute Care						
LTC Assisted Living						
Other:						
Total Licensed Beds:						

Non-Resident Services

Please indicate if the following services are offered:

- Adult Day Care Yes No Average # of Participants: _____
- Child Day Care Yes No Average # of Participants: _____
- Home Health Care Yes No # of Annual Visits: _____
- Hospice Care Yes No # of Annual Visits: _____
- Respite Care Yes No # of Annual Visits: _____
- Rehabilitation Services Yes No # of Annual Visits: _____

Section 5 - Professional Staff

Employees: Non-Physician, Non-Dentist (indicate number of the following in your facilities):

- _____ Lab Technicians
- _____ X-Ray Technicians
- _____ Students
- _____ Physical Therapist
- _____ Perfusionists
- _____ Volunteer Workers
- _____ Traveling Nurses
- _____ Occupational Therapist
- _____ Registered Nurses
- _____ OR Technicians
- _____ Midwives
- _____ Speech Therapist
- _____ Pharmacists
- _____ LPNs
- _____ Medical Assistants
- _____ Social Worker
- _____ CRNAs
- _____ Nurse Practitioners
- _____ Optometrists
- _____ Dialysis Technician
- _____ Paramedics/EMTs
- _____ Physician Assistants
- _____ Phlebotomist

Contracted Physicians/Services

Are the Applicant's physicians/dentists or any other services contracted? Yes No

If "Yes," name of group/physician(s): _____

If "Yes," do they provide proof of Professional Liability Insurance: _____

How often does that staff work at the facility? Yes No

Is that staff obligated to follow entity rules and procedures? Yes No

Section 5 – Continued

Employed Physicians/Dentists (Attach additional pages, if necessary)

Name	Specialty	Board Certified	Total Number of Hours Worked Per Week	Years Employed at Facility	Has Own Insurance Yes or No	Coverage Requested Yes or No

Name of Medical Director: _____

Please note that above referenced physician (Medical Director) will only be covered for administrative duties. No clinical activities or direct patient care coverage will be afforded, unless specifically requested.

Section 6 – Licensing/Accreditation

Is the facility JCAHO accredited? Yes No

Accreditation Period: _____ to _____

If "No," when does the facility expect to get accredited? _____

Is the facility Medicare Certified? Yes No

Is the facility Medicaid Certified? Yes No

Is the facility a member of a State or National Association? Yes No

Has the Applicant's license ever been revoked/suspended/refused/canceled/voluntarily surrendered or subject to enforcement action? Yes No

If "Yes," please explain:

Does the Applicant have any pending investigations being conducted by any city, state or federal agency? Yes No

If "Yes," please explain:

Has the Applicant ever filed for protection under Chapters 11 or 7 of the Bankruptcy code? Yes No

Section 7 – Contractual Agreements

Are there contractual agreements in place, whereby the facility either receives or provides medical services? Yes No

If "Yes", please provide a copy of each agreement.

Does the Applicant rent or lease the premises? Yes No

If "Yes," does the Applicant rent or lease any medical or therapeutic supplies and/or equipment to others? Yes No

Does the Applicant indemnify (hold harmless) any other party for liability? Yes No

If "Yes," please provide a copy of each agreement.

Section 8 – Risk Management

Does the Applicant employ a Risk Manager? Yes No

If “No,” please explain:

Is there a written, formalized Risk Management and/or Patient Safety Program? Yes No

If “Yes:”

a. Is this plan regularly reviewed for effectiveness and/or any necessary changes? Yes No

b. How often is the plan reviewed? _____

Is there an ongoing Quality Assessment or Improvement Plan? Yes No

If “No,” please explain:

Are transfer agreements in place with the closest hospital(s) for patients who develop a need for care beyond the scope of the facility? Yes No

Is a formal process in place to evaluate and address concerns of unexpected patient outcomes? Yes No

Are written policies and procedures in place for reporting of any suspected abuse? Yes No

Has the Applicant had any incident at any facility that resulted in an allegation of sexual abuse or molestation? Yes No

If “Yes,” please explain:

Are complete records kept on all patients or clients? Yes No

Is an informed consent process in place? Yes No

Does the Applicant have a written policy in place to address staff about whom complaints are received? Yes No

If “Yes,” does the Applicant investigate complaints made against its staff prior to placing them in other roles? Yes No

Does the Applicant have written job descriptions? Yes No

Before staff can provide care, is a competency based checklist used to assess and document their skills? Yes No

Is there a fall risk and reduction program in place? Yes No

Is there an infection program in place? Yes No

Section 9 – Claims History

During the past ten (10) years, has any claim that would fall within the scope of the proposed insurance been made against the Applicant or against any entity or individual proposed for coverage under this insurance? Yes No

(Please provide a loss report for the last 10 years.)

Section 9 - Continued

Is the Applicant or any entity or individual proposed for coverage under this insurance aware of any fact, circumstance, situation, transaction, event, act, error or omission which they have reason to believe may or could reasonably be foreseen to give rise to a claim that may fall within the scope of the proposed insurance?

Yes No

If "Yes," please provide details:

Note: Without prejudice to any other rights or remedies of the underwriter, it is agreed that any claim arising from any fact, circumstance, situation, transaction, event, act, error or omission required to be disclosed in response to the question above is excluded from the proposed insurance.

Section 10 – Additional Information Required

1. Copy of the most recent Department of Health survey, including the Plan of Correction.
2. Complete copy of the most recent JCAHO or AAAHC accreditation report.
3. Copy of current state license.
4. Copies of Certificates of Insurance for physicians covered under individual policies.
5. If applicable, completed EmPRO applications for all physicians to be covered under this facility policy.
6. Copies of any contracts with independent physician groups.
7. Current annual audited financials.
8. Public relations materials, brochures, etc.
9. Copies of any hold harmless agreements.
10. Copy of Certificate of Incorporation (Articles of Organization).
11. Copy of loss runs for the last ten (10) years.

READ CAREFULLY BEFORE SIGNING.

The statements in this application, together with any supplemental applications, attachments, and any other information submitted to the Company in connection with this application will be referred to as the "Policy Application."

REPRESENTATIONS AS TO THE ACCURACY OF THIS APPLICATION, THE AUTHORITY OF PERSON SIGNING, AND APPLICANT'S OBLIGATION TO SUPPLEMENT INFORMATION

By signing below, I represent and certify: (i) that the information contained in this Policy Application is true and accurate; (ii) that I have made all reasonable efforts to investigate the accuracy of the information provided in this Policy Application and to obtain such information from all persons and entities to be insured by the requested policy as is necessary to provide true and accurate information in the policy application; (iii) that I am duly authorized to sign this Policy Application on behalf of all persons and entities to be insured by the requested insurance; and (iv) that I have carefully read this Policy Application.

I acknowledge that obtaining the requested insurance, including any renewals of the requested insurance, is conditioned upon providing true and accurate information in this Policy Application, and any such insurance that may be issued will be based upon the Company's reliance on the information provided in this Policy Application. I also agree and understand that this Policy Application shall be the basis of the contract should a policy be issued, and that this Policy Application will be deemed to be attached to and part of such policy and any renewals of such policy, if issued.

Additionally, I agree that in the event there is any change in the information provided in this Policy Application before the effective date of the requested insurance or before any renewal of the requested insurance, I will immediately notify the Company in writing. I understand that if there is a change in the information provided in this Policy Application the Company, in its sole discretion, may modify or withdraw any quotation or agreement to bind insurance.

NO OBLIGATION TO ISSUE OR PURCHASE INSURANCE

I understand that this Policy Application is not a binder of insurance. Accepting this Policy Application does not bind the Company to issue, or me to purchase, the requested insurance.

AUTHORIZATION TO OBTAIN INFORMATION

The Company is hereby authorized to obtain full information from any liability insurer, healthcare insurer, hospital, healthcare provider, medical association or society, board of medical examiners, governmental agency, attorney, or other person or entity concerning: (i) any medical malpractice claim, suit, licensing board proceeding, credentialing proceeding, disciplinary action, or any other civil or criminal action asserted against or relating to the professional conduct of any person or entity to be covered by the requested insurance; (ii) the qualifications of any person or entity to be covered by the requested insurance to perform professional healthcare services; and (iii) such other information which, in the sole judgment of the Company, may have a bearing on whether to issue the requested insurance.

I agree to hold harmless any person or entity providing such information to the Company and the Company, its directors, officers, employees, and agents from any liability arising out of the disclosure of such information, including any liability arising out of errors and omissions in the information disclosed.

This application shall be deemed appended to and a part of any policy of insurance issued to you based on this Policy Application.

CONNECTICUT APPLICANTS: Any person who knowingly with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false, incomplete, or misleading information concerning any fact or thing material to such application or claim is guilty of insurance fraud, which is a crime and subjects such person to criminal penalties.

PENNSYLVANIA APPLICANTS: 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 subjects such person to criminal and civil penalties.

NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NEW YORK APPLICANTS: 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 also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Signature of Applicant: _____

Title: _____

Printed Name: _____

Date: ____/____/____

SUBSCRIBERSHIP TO PRI EXCHANGE

Your signature on this application subscribes you to membership in the reciprocal exchange of Physicians' Reciprocal Insurers ("PRI"), the parent company of EmPRO Insurance Company, and all of the benefits of the exchange and shall be deemed to be a concurrent execution of the attached Subscriber's Agreement and Power of Attorney of PRI.

Subscribership begins with the commencement of the policy period of the professional liability insurance policy issued by EmPRO Insurance Company and ends upon cancellation or other termination of that policy.

Signature of Applicant: _____

Date: ____/____/____

ASSIGNMENT OF DISTRIBUTIONS

Paragraph 13(e) of the Subscriber's Agreement provides that the PRI Exchange may declare and make Distributions, as defined therein. Such Distributions shall be made to the Subscriber policyholder. However, in instances where the Subscriber's premium will be paid by a person or entity other than the Subscriber policyholder, the Subscriber may agree in advance to assign such Distribution and designate the person or entity which has paid the premium to receive such Distribution by signing below and naming such recipient:

Subscriber Policyholder Signature

Date: ____/____/____

Name of Designated Recipient (Print)

**PHYSICIANS' RECIPROCAL INSURERS
SUBSCRIBER'S AGREEMENT AND POWER OF ATTORNEY**

This Subscriber's Agreement and Power of Attorney (the "Agreement") is made by and between Physicians' Reciprocal Insurers (hereinafter "PRI") and the "Subscriber," holder of an insurance policy, to which this Agreement is appended, issued by PRI or by a wholly owned subsidiary of PRI, subject to the approval of those insurance regulator(s) having jurisdiction over holders of policies issued by any subsidiary of PRI under the laws of states other than New York. For purposes of this Agreement, PRI and its wholly owned subsidiary are hereinafter, collectively, the Exchange.

WHEREAS, the Subscriber desires to participate as a subscriber of the Exchange pursuant to which PRI or its wholly owned subsidiary will issue policies of insurance.

NOW THEREFORE, the Subscriber hereby agrees as follows:

POLICIES OF INSURANCE

1. The Exchange shall issue non-assessable policies of professional liability insurance and ancillary general liability insurance to policyholders insuring against liability for claims arising from alleged incidents of malpractice.

ATTORNEY-IN-FACT

2. The Subscriber hereby designates and appoints PRIMMA LLC, a wholly owned subsidiary of PRI, ("PRIMMA") as the Attorney-in-Fact to act for and bind the Subscriber in all transactions relating to or arising out of the operations of PRI, subject to such limitations as may be lawfully provided, including, but not limited to, the issuance of non-assessable policies of professional liability insurance and ancillary general liability insurance issued to policyholders insuring against liability for claims arising from alleged incidents of malpractice on behalf of the Exchange as well as the authority to reinsure any portion of the policies of liability insurance issued by the Exchange as permitted by law.
3. The Subscriber hereby acknowledges and agrees that service of summons or other legal process on PRIMMA or on any persons appointed by PRIMMA to receive such process, shall, in any action, suit or proceeding arising out of any contract, agreement or transaction of the Exchange, be equivalent to personal service of such summons or other legal process on each and every Subscriber.

POWERS AND DUTIES OF PRIMMA

4. PRIMMA shall have the duty to provide all services necessary and appropriate to operate and administer the day-to-day affairs of PRI as provided by law and the Management Agreement between PRI and PRIMMA, including, but not limited to, marketing, procuring and underwriting insurance business; collecting premiums; and administering, investigating and defending claims arising from policies of insurance issued by the Exchange.
5. In April of each year, PRIMMA shall render to Subscribers a statement showing a summary of collective transactions of PRI during the preceding calendar year.

BOARD OF GOVERNORS

6. PRI shall be governed by an advisory committee, known as the "Board of Governors," which shall have ultimate power and responsibility for the management and control of the affairs of PRI. The Board of Governors shall consist of not less than nine persons elected by the Subscribers, at least two-thirds of whom are Subscribers or officers of Subscribers and not more than one-third of whom may be the Attorney-in-Fact or any person designated by the Attorney-in-Fact. Each member of the Board of Governors shall serve for a term of three years, and not more than one-third of the Board members shall be elected at each annual meeting of Subscribers.
7. There shall be an Annual Meeting of Subscribers held in New York State, a place and time to be chosen each year by the Board of Governors and designated in a Notice of Meeting sent to all Subscribers no less than 30 days prior to such meeting, and at which meeting each Subscriber shall have power to vote in person or by proxy for all members of the PRI Board of Governors to be chosen or appointed at such time. Each Subscriber will be sent a ballot which will contain the names and addresses of the Board of Governors' nominees.

8. At the Annual Meeting, the election of the Board shall take place and all ballots not returned shall be deemed to designate the Chairman as the proxy holder of the non-responding Subscribers. The Chairman will then conduct the election and certify the election of the nominated Subscribers.
9. A majority of the members of the Board of Governors shall constitute a quorum for the transaction of business.
10. If the Exchange should for any reason cease to grant insurance to a Subscriber member of PRI's Board of Governors, or their firm or corporation, such person shall thereupon cease to be a member of said Board.
11. No member of the Board of Governors shall as such incur any personal liability for any loss of any kind, from any cause, save only such loss as may be incurred by reason of their own malfeasance.

POWERS AND DUTIES OF THE BOARD OF GOVERNORS

12. The Board of Governors shall have full power and authority to:
 - a. Adopt such rules and regulations for PRI and PRIMMA, as Attorney-in-Fact for PRI, not inconsistent herewith, as it shall see fit, including, but not limited to, fixing the compensation of PRIMMA, as the Attorney-in-Fact for PRI as provided in the PRI-PRIMMA Management Agreement, and directing PRIMMA in the safeguarding of all moneys and other assets and in making and changing of investments of PRI.
 - b. Suspend, remove, and terminate PRIMMA, as Attorney-in-Fact, for good cause pursuant to the terms of the the PRI-PRIMMA Management Agreement.
 - c. Fill any vacancy which may occur in the office of the Attorney-in-Fact at any time, by selecting and appointing a successor and executing thereto in the name and on behalf of each Subscriber such power of attorney, designation or other instrument as may be necessary or proper to enable it to act as Attorney-in-Fact with all the powers and authority herein given by the Subscribers to the aforesaid Attorney-in-Fact, without any further action on the part of Subscribers; and the Board of Governors shall mail to each Subscriber timely notice of each and every such change made.
 - d. Fill for the unexpired term any vacancy which may occur for any reason in the Board of Governors.
 - e. Fix its own fees from time to time within such limits as hereafter may be provided in the regulations adopted by it.
 - f. Appoint sub-committees of the Board of Governors and delegate to such sub-committees authority to exercise any or all of its own powers except as herein otherwise provided.
 - g. Fix the time and places of its own meetings.
 - h. Elect officers, which shall include a Chairman.
 - i. Select auditors who shall examine the books and accounts of PRI and report thereon to said Board.
 - j. Call annual meetings or special meetings of Subscribers at any time, by mailing to the last known address of each timely notice thereof stating when and where said meetings are to be held.
 - k. Determine what acts, incapacity or failure to act shall constitute a disqualification of any Subscriber to act further as such.

SUBSCRIBER RIGHTS, PRIVILEGES AND OBLIGATIONS

13. The Subscriber shall have the following rights, privileges and obligations as an underwriter of PRI, subject to the terms of the insurance contracts required or permitted by law to be issued:
 - a. The Subscriber hereby agrees to exchange with all other Subscribers contracts of liability insurance, or reinsurance, in the form and containing terms and conditions as are approved by the Exchange, but no Subscriber shall assume any liability as an insurer in any policy so granted.
 - b. Upon application and acceptance, the Subscriber shall receive a policy of liability insurance and a copy of this Agreement appended thereto.

- c. The Subscriber shall have the right to vote at all meetings of Subscribers, either in person or by proxy. All meetings of Subscribers shall be noticed by mail to all Subscribers not less than thirty (30) days prior to such meeting. The notice may include ballot materials concerning any matters requiring a vote at such meeting, which ballots must be completed and returned to PRI as noticed. On the scheduled date of a meeting of Subscribers, a vote on all previously noticed transactions shall take place and all ballots not returned shall be deemed to designate the Board of Governors, voting by a simple majority, as the proxy holder of the non-responding Subscribers.
- d. The Subscriber reserves the right to revoke this Agreement and the Power of Attorney granted to PRIMMA herein as of the end of any calendar quarter upon written notice to PRIMMA.
- e. In the event that PRI shall declare and make a Distribution to Subscribers and Non-Subscriber Policyholders, each Subscriber and Non-Subscriber Policyholder shall receive its Pro Rata Share of such Distribution. “Pro Rata Share” means, as of any date of determination, a percentage determined by dividing (i) the amount of annual premium payable under the Subscriber’s or Non-Subscriber Policyholder’s policy then in effect, by (ii) the total amount of annual premium payable under all policies issued by PRI and its subsidiaries then in effect, unless governing law provides otherwise. The date for determining the Pro Rata Share shall be established by the Board of Governors in conjunction with the authorization of any Distribution and shall, to the extent required, be approved by the New York State Department of Financial Services. “Distribution means a dividend, a cash payment, or any benefit inuring to Subscribers in conjunction with any restructuring of PRI. “Non-Subscriber Policyholder” means holders of policies issued by any subsidiary of PRI in a state in which policyholders are not permitted by applicable insurance law or regulation to be Subscribers, but have been allowed by applicable insurance law to economically participate in a Distribution as if they were Subscribers.

GENERAL PROVISIONS

- 14. PRI shall maintain a surplus to policyholders at least equal to the amount required to be maintained by Section 4103 of the New York Insurance Law for a similarly licensed stock property/casualty insurance company.
- 15. It is understood that the license of PRI and all other documents, data systems, books and records used in conducting the business of the Exchange are and shall remain the property of PRI.
- 16. This Agreement and the Power of Attorney herein contained shall supersede all previous Agreements and Powers of Attorney, if any, executed by all Subscribers, but any and all outstanding policies of liability insurance written under powers so superseded shall continue in full force and effect.
- 17. It is hereby expressly stipulated that this Power of Attorney shall be and hereby is strictly limited to uses contemplated by and expressed in this Agreement and no other.
- 18. All amendments, modifications or changes to this Agreement must be approved by the Board of Governors, may not be inconsistent with New York Insurance Law or any regulation thereto, and must be approved, in writing, by the Superintendent of the New York State Department of Financial Services prior to making such amendment, modification or change.
- 19. Every amendment, modification or change to this Agreement shall be submitted to all Subscribers contemporaneously in accordance with New York Insurance Law Section 6107(d)(4) and shall take effect as to all Subscribers who have not objected within sixty (60) days after the date of such submission. Failure of any Subscriber to object within sixty (60) days shall constitute such Subscriber’s acceptance of such amendment, modification or change. Any Subscriber who objects, in writing, within sixty (60) days from the date of submission to such amendment, modification or change shall be deemed to have withdrawn from membership of the PRI and said Subscriber’s liability insurance policy(s) with the Exchange shall be cancelled concurrent with such withdrawal.
- 20. In consideration of the foregoing, the Subscriber does hereby covenant and agree that Subscriber will fully and faithfully carry out, execute and perform everything in which PRIMMA shall, by virtue hereof, bind Subscriber, and in the same manner Subscriber does hereby ratify and confirm all that PRIMMA may lawfully do or cause to be done by virtue hereof.
- 21. This Agreement shall be governed by the laws of the State of New York.
- 22. Pursuant to Section 6106(a)(2) of the New York Insurance Law, the acceptance of a policy or binder of insurance with this Agreement printed thereon preceded by the words: “The acceptance of this policy or binder, shall constitute that execution and delivery by the insured of the Subscriber’s Agreement, which is appended to this policy or binder, and hereby made a part thereof,” shall constitute the execution and delivery of this Subscriber’s Agreement by that insured as fully and to the same extent as though this Agreement has been signed and acknowledged by the insured.