



Application

CHIROPRACTORS

Professional Liability Insurance

EmPRO INSURANCE COMPANY

Home Office: 1800 Northern Boulevard
Roslyn, New York 11576

Telephone: (516) 365-6345 / (833) 774-6625
Fax: (516) 684-2365

Rochester Office: 1200C Scottsville Road, Suite 195
Rochester, New York 14624

Telephone: (585) 328-8860 / (800) 329-8860
Fax: (585) 328-8686

PLEASE READ CAREFULLY AND ANSWER ALL QUESTIONS COMPLETELY

PLEASE PRINT or TYPE all information and make sure all questions are answered in full. Incomplete or missing answers will cause delays in processing and may cause coverage to be declined.

If you have had claims or suits filed against you, please make certain you have a completed claims information form for each open suit or closed suit in the past 10 years.

Upon acceptance of your application you will be notified of premium due. Upon payment of the premium, your policy will become effective.

**FOR ASSISTANCE, APPLICANT MAY CALL OUR HOME OFFICE
AT ANY ONE OF THE NUMBERS LISTED ABOVE.**

**PROFESSIONAL LIABILITY POLICY APPLICATION
TO: EmPRO INSURANCE COMPANY**

CONSENT OPTION

EmPRO Insurance Company has obtained Insurance Department approval for a 5% premium reduction for policyholders who opt to forego the customary consent to settle any claim.

Please indicate by checking the appropriate box below, the option that you wish.

“NO CONSENT” OPTION

I hereby authorize EmPRO to act on my behalf to settle any claim reported, or to appeal any judgment against me without first obtaining my written consent.

“CONSENT” OPTION

I wish to maintain the terms of the policy which under Section I, Part 4 currently requires EmPRO to obtain my written consent prior to settling any claim on my behalf or appealing any judgment on my behalf.

Signed: _____

Date _____

Print Name: _____

Policy Number (if known): _____

EmPRO INSURANCE COMPANY

APPLICATION FOR CHIROPRACTORS

A. GENERAL INFORMATION (Please type or print clearly in ink).

If my application is approved, make coverage effective on ____/____/____ (if possible) otherwise, on any other date set by the COMPANY.

1. **Name** _____ (_____) D.C.
 First Middle Last Maiden

2. **Date of Birth:** _____

3. **Male** **Female**

4. **Social Security #:** _____ **IRS Tax ID #:** _____

5. **NYS License #:** _____

List all non-NYS chiropractic licenses (if applicable):

a. _____ c. _____
 b. _____ d. _____

If you have more than four non-NYS licenses, please list in Remarks #35 and explain.

6. **Home Address:**

_____ () _____
 Number Street Telephone

_____ () _____
 County State City Zip Fax

7. **Mailing address (choose one):** Home Primary Address

Other (Specify) _____
 (Explain in **Remarks #36**)

8. **E-Mail Address:** _____

B. PRACTICE LOCATIONS

List all locations, other than hospitals and ambulatory surgery center, at which you currently render professional services. Include all office locations, nursing homes, urgent care clinics, and other non-hospital locations.

9. Primary address for which coverage is desired:

_____ () _____
Number Street Telephone

_____ () _____
County State City Zip Fax

This address is a (check one):

Private office Clinic Other

Number of hours per week: _____ Number of patients per week: _____

10. Other address for this policy (if any):

_____ () _____
Number Street Telephone

_____ () _____
County State City Zip Fax

This address is a (check one):

Private office Clinic Other

Number of hours per week: _____ Number of patients per week: _____

If this policy is for more than two locations, list other locations in **Remarks #36**.

C. TRAINING

11. a. Chiropractic Education:

_____ _____ _____
School State Graduation Date

b. Is your practice specialized? Yes No

If yes, please list specialty(ies). _____

c. Are you board certified in these specialties? Yes No

If yes, list designations and certifying organizations.

Designation

Organization

_____	_____
_____	_____
_____	_____

d. Do you hold any other professional licenses/certificates in New York State?

Yes No

If yes, please provide details.

D. PROFESSIONAL & INSURANCE HISTORY

12. Practice Locations

List all locations at which you have practiced in the last ten (10) years. Explain any gaps in time and attach additional pages as needed.

Name of Practice/Employer	Address	From Mo/Yr.	To Mo/Yr.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

13. Prior Insurance

Provide the name(s) of professional liability carrier(s), policy number(s) and coverage period(s) of all professional liability insurance policies under which you have been insured in the past ten (10) years. If you are applying for Prior Acts Coverage, please complete the following for the entire Prior Acts Coverage period. Attach additional pages as needed.

Name of Carrier	Policy No.	Coverage From/To:	Limits	# of Claims	Type: CM or OCC

14. Insurance History

- a. Have you **ever** practiced without insurance or allowed a claims-made policy to lapse without the purchase of tail or nose coverage?
 Yes No
 If yes, explain in **Remarks #36.**

- b. Have you **ever** had professional liability insurance refused, declined, canceled or accepted on special terms?
 Yes No
 If yes, explain in **Remarks #36.**

- c. Have you **ever** been required to pay an additional merit-rated premium or have you ever been involved in an appeal concerning the imposition of such a surcharge?
 Yes No
 If yes, explain in **Remarks #36.**

E. COVERAGE OPTIONS

15. Limits of Liability

Please check the desired limits of liability:

- \$100,000 per claim/ \$300,000 Annual Aggregate
- \$200,000 per claim/ \$600,000 Annual Aggregate
- \$500,000 per claim/ \$1,000,000 Annual Aggregate
- \$1,000,000 per claim/\$3,000,000 Annual Aggregate

16. Coverage Type

EmPRO offers both Claims-Made and Occurrence coverage.

Select coverage type: Claims-Made Occurrence

17. Prior Acts Coverage

- a. Is this policy to replace an existing Claims-Made Policy?
 Yes No

- b. Do you wish to have prior acts coverage (nose) beginning on the initial issue date of your existing Claims-Made Policy?
 Yes No

- c. Do you know of any incidents that may give rise to claims for chiropractic services which you provided during the period for which prior acts coverage is desired, and that you have not reported to your current carrier or carrier of record?
 Yes No

If yes, please explain: _____

For prior acts coverage, a Conversion Supplemental Application must accompany this application, along with a copy of your most recent declarations page.

18. Scope of Coverage

- I am requesting coverage for my entire chiropractic practice as described in this application.

- I do not want EmPRO coverage for the part of my chiropractic practice listed below.

Complete the following section to specify the part of your practice for which you do **not** want EmPRO coverage. **Please include the location(s)** of the practice(s) and proof of coverage from the professional liability carrier providing coverage for that aspect of your practice.

Practice/Location	Carrier/Limits	Dates
Practice/Location	Carrier/Limits	Dates

F. PROFESSIONAL CONDUCT INFORMATION

19. Governmental Action

a. Has any government agency **ever** investigated, suspended, revoked or taken any other action against your license to practice?

- Yes No

If yes, explain in **Remarks #36**.

b. Have you ever been convicted of a crime?

- Yes No

If yes, explain in **Remarks #36**.

20. Health

Do you have any health problem, illness or physical condition that impairs or may impair your ability to practice chiropractic?

- Yes No

If yes, please submit a letter from your treating health care practitioner addressing your state of health and whether any condition exists which could adversely affect your practice.

21. Claims/Suits

Have you **ever** been named as a defendant in a malpractice claim or suit, or are you presently involved in malpractice litigation?

- Yes No

If yes, submit a separate form for each case in the last 10 years. (See page 14)

G. PRACTICE ASSOCIATIONS

Reminder: Answers to the questions in this section should reflect your **intended** practice as of the date you wish this policy to become effective.

22. Practice Situation

a. Indicate all practice situations which apply to you:

- "Solo" Chiropractor
- Employed by another chiropractor
- "Solo" Professional Corporation
- Employs another chiropractor
- Professional Corp. with more than one chiropractic shareholder
- Limited Liability Partnership
- Chiropractic partnership
- Limited Liability Company
- Independent Contractor/Contractee
- MSO/MDDC arrangements
- Use of assumed name (DBA)

If you check any boxes above **other than** "Solo" chiropractor or "Solo" Professional Corporation, list below the name(s) of the applicable entity (ies) and/or the names of any chiropractors who are part of these organizations. **Please attach copies of your letterhead(s) to this application.**

Name of Entity(ies)	Name of Chiropractor Employer/Employee	Professional Liability Insurance Carrier
_____	_____	_____
_____	_____	_____
_____	_____	_____

b. Do you desire coverage for any of the above entities? Yes No
If yes, which one(s):

Do you wish to purchase coverage for any of the above entities under a medical entity policy? If yes, please contact underwriting or marketing for an application and pricing.

23. Other Chiropractors

Do you practice with other chiropractors not listed above? Yes No

If yes, list the name(s) of the chiropractor(s) with whom you practice and describe the association.

Chiropractor(s)	Nature of Association
-----------------	-----------------------

24. Other Professional Personnel

a. List number of professional classification of any chiropractic assistants or other ancillary staff you employ or lease:

Number	Classification
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b. Is coverage desired for these staff? Yes No

If yes, submit proof of training and list duties.

c. Do your chiropractic assistants provide any patient care without a chiropractor being present in the office? Yes No

If yes, please describe.

H. ADMINISTRATIVE AND TEACHING RESPONSIBILITIES

25. Additional Responsibilities

Do you have any administrative or teaching responsibilities outside of your practice?

Yes No

If yes, complete questions a - d. Attach additional pages if necessary.

a. Name and address of entity:

b. Your title: _____

c. Describe your responsibilities:

d. Does the entity provide you with coverage for:

- i) Your administrative responsibilities? Yes No
- ii) Your direct patient care? Yes No

NOTE: Please be advised that coverage is not provided for any liability assumed solely as a result of your role as medical director of any facility. However, coverage is provided for direct patient care.

I. PRACTICE & PROCEDURES

26. Do you desire coverage for acupuncture? Yes No

If yes, provide copy of state certificate.

27. Which of the following techniques do you use in your practice? (Check all that apply.)

- Upper cervical specific
- Instrumental adjusting
- Applied kinesiology
- Direct non-force
- Sacro – occipital
- Diversified adjusting
- Logan Basic Technique
- Flexion Distraction
- Stressology
- Reflexology
- Surrogate
- Gonstead
- Manipulation under anesthesia

Other (please list)

28. Do you provide any of the following treatments or use any of the following diagnostic methods?

- a. Use of magnets Yes No
- b. Use of crystals Yes No
- c. Treatment of animals Yes No If yes, % of practice: _____
- d. Use of iridology Yes No

29. Use of X-Rays

- a. Do you take diagnostic x-rays in your office? Yes No
- If yes, do you provide this service for outside practices? Yes No
- Are follow-up x-rays taken? Yes No
- b. Do you refer patients for x-rays, MRIs, CT scans? Yes No

30. Do you sell vitamins, herbs, homeopathic remedies or any other products?

If yes, please describe: Yes No

31. Do you make a differential diagnosis? Yes No

32. Referrals

- a. Do you refer patients to other health care providers? Yes No
- b. Do you send patients for blood tests? Yes No

33. List name(s) of all chiropractic association(s) of which you are a member:

34. Does your practice advertise? Yes No

Please provide copies of all advertisements.

35. Fees/Discounts

a. Do you charge case fees? Yes No

If yes, please describe the circumstances under which you do.

b. Do you offer cash discounts? Yes No

36. No Remarks

Question #	Remarks
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37. You may appoint a policy administrator authorized to receive all communications, make requests and give instructions on your behalf with regards to your policy, except for consenting to settlement of a claim if such consent is required by the policy. Please identify the policy administrator by completing the below:

Name: _____

Title: _____

Address (mailing) _____

Phone: _____

Fax: _____

E-mail: _____

I understand that in order to underwrite professional liability insurance, the COMPANY must have access to all possible information concerning my personal and professional life. I hereby authorize and direct any medical society, medical doctor, hospital, residency program, insurance company, underwriter, and insurance agent to furnish any information concerning me or my medical practice which the company may request.

Since I understand that free exchange of information is essential, I agree that any person or organization furnishing information to the COMPANY pursuant to this consent and direction, together with the agents, employees, or officers of such person or organization will not be liable to me in any way for furnishing such information, even though the information may be wrong.

I understand and agree that, if I am approved as a policyholder of the COMPANY and a policy is issued to me, there is a continuing obligation on my part to update and keep current all of the information furnished by me as part of this application.

The application form duly completed, together with any supplementary information, must be signed in ink by the applicant. Signature of the form does not bind the applicant or the COMPANY to issue coverage.

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

My signature on this application shall be deemed to be a concurrent execution of the attached Subscriber's Agreement of Physicians' Reciprocal Insurers ("PRI"). I understand that in order to maintain my status as a policyholder of EmPRO Insurance Company, I must maintain my status as a subscriber of PRI. Termination of either contract shall result in the automatic termination of the other.

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 VIOLATION.

(Applicant's Signature):

Date:

PRINT

Please check box if you are submitting electronically only.

I fully understand that by checking this box I am accepting the terms and conditions stated above.

CLAIM INFORMATION

Be Sure to Answer All Questions Fully. Leave No Blanks

- A. Name of claimant or plaintiff: _____
- B. Date of alleged incident: _____
- C. Name of Defense Counsel: _____
- D. Name of Plaintiff's Counsel: _____
- E. Location of Incident (County and State): _____
- F. Date of Incident: _____
- G. Report Date: _____

H. Issue or type of injury claimed - What was the objective issue contested in this Claim?

- Injury: Emotional Only Cosmetic Temporary Disability
 Permanent Disability Death Injury with Economic Impact

Treatment Involved: _____

Please state allegations filed against you by patient: _____

At what point in the treatment provided could this incident have been avoided either by a different action on your part or help from another treating chiropractor? Please be candid. _____

- I. Were other Chiropractors involved as co-defendants: Yes No
If yes, please list their names: _____

If you were one of many defendants in this legal action and your treatment was criticized by any of the chiropractors involved, what were the allegations against you? _____

- J. Name of the insurance company defending you: _____
- K. Was claim or suit actually brought against you, merely threatened, or limited to claimant's attorney contact? _____

L. If suit was filed, include the court docket number, if known: _____

M. Disposition of Claim: What happened to the claim?

* OPEN Current Status: _____

How much has the insurance company set aside in reserve for this claim? (if known) _____

* CLOSED Date Closed: _____

- Won by defense
 Judgment Verdict

Won by claimant

Amount paid on your behalf? _____

Reason for payment on your behalf: _____

PHOTOCOPY THIS FORM AND SUPPLY US WITH A SEPARATE SHEET FOR EACH CLAIM, SUIT OR INCIDENT.

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 VIOLATION.

Signature

Date

SCHEDULE RATING QUESTIONNAIRE

Medical Equipment

1. Please list each piece of equipment utilized in your practice, including date of purchase, employees who operate them, and condition/quality(excellent, good, average, below average)

<u>Equipment</u>	<u>Date of Purchase</u>	<u>Operators</u>	<u>Condition</u>
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- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____

2. Is your equipment industry approved by medical governing boards? Yes No
3. Is your equipment regularly maintained and serviced? Yes No

4. **Employees**

For each of the support personnel employed or contracted by you, or the group, please indicate the following:

<u>Employee name</u>	<u>Date of hire</u>	<u>Years of experience</u>	<u>Education Background</u>
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4. Do each of the employees listed above participate in continuing education? Yes No
5. Do you provide training and/or supervision guidelines or manuals? Yes No

Record Keeping

- 6. Do you take a complete medical history prior to initial treatment? Yes No
- 7. Are the patients files documented every visit? Yes No
- 8. Do you currently use an EMR system? Yes No

Emergency Backup

- 9. Is each of your staff members trained in first aid procedures? Yes No
- 10. Are procedures in place to provide aid to injured parties in the event of emergency? Yes No
- 11. Do you have arrangements in place with Emergency Medical Facilities? Yes No
- 12. Is your office within 10 miles from a hospital? Yes No

Signature

Date

NOTICE REQUIRED BY THE NEW YORK INSURANCE LAW

THIS POLICY PROVIDES INSURANCE ON A CLAIMS-MADE BASIS.

This policy does not provide coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated on the declarations page. The policy covers only claims or incidents reported to the COMPANY while the policy remains in effect and all coverage under the policy, except for the 60-day extended reporting period, ceases upon the termination of the policy unless the Named Insured purchases optional extended reporting endorsement coverage. The length of such optional extended reporting endorsement coverage under this policy shall be for an unlimited time period.

During the first several years of claims-made insurance, claims-made rates are comparatively lower than occurrence rates for the same coverage. However, the annual premium for claims-made insurance is subject to increases independent of overall rate level increases until the claims-made exposure reaches maturity.

Claims-made rates are computed by applying the following factors approved by the New York State Department of Financial Services to the corresponding occurrence rate, depending upon your year in the claims-made program: First 35.0%; Second 65.5; Third 90.0%; Fourth 97.5%; Fifth and later 100.0%

Rates for optional extended reporting coverage are computed by applying the following factors to the corresponding occurrence rate, depending upon years completed in the claims-made program: One 32.2%; Two 60.3%; Three 82.8 %; Four 89.7 %; Five or more: 92.0%

EmPRO Insurance Company
1800 Northern Boulevard
Roslyn, NY 11576
Toll Free (833) 774-6625
www.myempro.com

CHIRO-CM-ADD-2020

SUBSCRIBER'S AGREEMENT

By these presents, we, the undersigned "Subscribers", holders of an insurance policy issued by Physicians' Reciprocal Insurers ("PRI" or the "Exchange") or by a wholly owned subsidiary of the Exchange hereby appoint PRIMMA LLC as our Attorney-in-Fact for the Exchange.

POLICIES OF INSURANCE

The Attorney-in-Fact shall have power to:

1. Sign non-assessable policies of medical liability insurance in its name on our behalf, insuring against liability for claims arising from alleged incidents of medical malpractice.
2. Sign any other papers by one signature of its own name as acting for all Subscribers interested therein.
3. Issue policies of medical liability insurance to Subscribers only and make any such policies subject to such terms as it shall deem proper, change or modify such terms, and cancel all or any portion of any such policy.
4. Reinsure any portion of any policies of medical liability insurance issued by the Exchange as permitted by law, provided that the terms of all collective reinsurance shall be subject to approval by the Board of Governors.

FURTHER POWERS AND DUTIES OF THE ATTORNEY-IN-FACT

Further Powers. The Attorney-in-Fact shall have full power to:

5. Defend, institute or prosecute any suit or other legal proceedings taken upon, or in relation to, any transaction in which we may be liable, or make by it in virtue hereof or by direction of the Board of Governors and compromise and settle with same in accordance with the terms of the policy of liability insurance.
6. Bring suit, in its own name or otherwise, to enforce payment of any premium due at the Exchange should we fail to immediately comply with its request to make good on any such payment.
7. Accept, or appoint itself or any other person, including officials of state or provincial insurance departments, to accept service of process in any action, suit or proceeding arising as a result of any policy, agreement or transaction to the Exchange.
8. Charge against our account and pay therefrom our proportion of all losses sustained and of all taxes, fees, expenses, and other operating costs incurred.
9. Deduct from moneys received by it, its compensation.
10. Do and execute, for us in our name, every other act and thing by virtue hereof which we could do or execute personally.
11. Determine what constitutes a single risk, and adjust and settle losses in all respects in accordance with the terms of the policy of liability insurance.

Duties. The Attorney-in-Fact shall:

12. Keep a separate account in our name of all financial transactions in which we are involved in pursuance hereof.
13. In April of each year render to us a statement showing a summary of collective transactions of the Exchange during the preceding calendar year, and also a statement of our separate account made up as of the end of said calendar year.
14. Deliver to the Board of Governors, its bond in such form and amount as shall be approved by said Board.
15. Keep a record of active Subscribers which, during office hours, shall be available for inspection by Subscribers.
16. Before resigning, give to the Board of Governors at least 180 days written notice of its intention to do so.

BOARD OF GOVERNORS

17. There shall be a Board of Governors consisting 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.

18. A majority of the members of the Board of Governors shall constitute a quorum for the transaction of business.
19. In case the Exchange shall for any reason cease to grant insurance to a member of its Board of Governors, or his firm or corporation, such person shall thereupon cease to be a member of said Board.
20. 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 his own malfeasance.

POWERS AND DUTIES OF THE BOARD OF GOVERNORS

Powers. The Board of Governors shall have full power and authority to:

21. Adopt such rules and regulations for the Exchange and the Attorney-in-Fact, not inconsistent herewith, as it shall see fit.
22. Fix the compensation for the Attorney-in-Fact as provided in the Management Agreement.
23. Direct the Attorney-in-Fact in the safeguarding of all moneys and other assets and in making and changing of investments.
24. Suspend, remove and terminate the Attorney-in-Fact for good cause per the Management Agreement.
25. Establish and maintain a reserve for contingencies, to be accumulated out of current income and used at its discretion for the benefit of all Subscribers.
26. Fill for the unexpired term any vacancy which may occur for any reason in the Board of Governors.
27. Fix its own fees from time to time within such limits as hereinafter may be provided in the regulations adopted by it.
28. 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.
29. Fix the time and places of its own meetings.

Duties. The Board of Governors shall:

30. Elect officers, which shall include a Chairman.
31. Take into its own charge and keeping all securities owned by the Exchange and all moneys received by the Attorney-in-Fact for accounts of said Exchange, after deduction therefrom by said Attorney-in-Fact of its compensation and such other funds as it may retain to meet fees, taxes, losses, expense, and liquidation of Subscribers' accounts, together with any other funds which the Board of Governors may direct it to retain.
32. Select auditors who shall examine the books and accounts of the Exchange and report thereon to said Board.
33. Call annual meetings, and may call 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.
34. 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 our name and on our behalf 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 us to the aforesaid PRIMMA, LLC. without any further action on our part; and the Board of Governors shall mail to us timely notice of each and every such change made.
35. Determine what acts, incapacity or failure to act shall constitute a disqualification of any Subscriber to act further as such, and adopt regulations concerning the closing or liquidation of the account of any Subscriber so disqualified.

GENERAL PROVISIONS

36. The Exchange herein designated shall maintain at all times such minimum surplus and such guaranty surplus and other funds as are required by law.
37. No person, firm or corporation may become a Subscriber of the Exchange without the approval of a majority of the Board of Governors of the said Exchange.

38. There shall be an Annual Meeting of Subscribers at which each Subscriber shall have one vote, either in person or by proxy. Said Meeting shall be held at the place in the State of New York and at that time designated in the Notice of Meeting on the second Monday in June each year.
- A. Every Subscriber will be sent a proxy by first class mail on or before the 30th of April of each year which will contain therein the names and addresses of the Board of Governors' (Board) nominees.
 - B. The Board of Governors' nominations shall be made by a majority of the Board adopting a resolution nominating qualified candidates for election to the Board to fill a vacancy or vacancies that shall have occurred or which may occur in the year of the election. The said resolution shall be made on or before the 15th of March of the year of the election.
 - C. Any group of 5% or more of the Subscribers who are in good standing may nominate a proposed director or directors for election to fill a vacancy or vacancies at the annual meeting of the Subscribers to challenge the Board's nominations.
 - D. Additional nominations may take place only under the following rules and regulations:
 - a) All petitions for membership to the Board shall be filed on or before the 10th of May of the year in which the election of Board Members is to take place.
 - b) The petition shall be sent by certified mail, return receipt requested, addressed to the Chairman of the Board at the offices of the Exchange and shall contain a postmark that will contain a date that is prior to the 10th of May of the year in which the election is to take place.
 - c) The petition shall be in the following form:
 - i) The petition shall state the name or names and addresses of the proposed candidates for election, the candidate's PRI policy number and the dates of the policy's inception and expiration.
 - ii) The petition shall have an affirmation under oath by at least five percent (5%) of PRI's Subscribers, not including the nominee, affirming that they are insureds of PRI, their policy numbers, the date of their policy's inception and expiration and that they are Subscribers in good standing for the remainder of the term of their policy. The candidate or candidates shall make a similar affirmation under oath.
 - d) The Chairman shall examine the petition and if he finds that the petition does not comply with the requirements stated herein, then he must reject the petition no later than five days after receipt thereof, in writing, stating the specific objections to the petition. The said objections shall be sent to the address of the candidates by certified mail, return receipt requested. Failure to send such objection by the Chairman shall be deemed an acceptance of the petition and the nomination. Nothing contained herein shall waive any statutory requirement for serving on the Board.
 - e) Objection by the Chairman as above shall disqualify the nomination and the petition.
 - f) If the petitioners dispute the objection they may petition the Board in writing, stating their reason and requesting a review of the objection. This request shall be sent by certified mail, return receipt requested, within five days of the receipt of the Chairman's objection. The Board shall grant the petitioners a hearing to take place within five days of the receipt of the said request. The Board shall make a determination and notify the nominees named in the petition or their designees by certified mail, return receipt requested, within two days of the hearing and the decision of the Board shall be final.
 - g) If the Board finds that the objections are proper, then the petition shall be a nullity.
 - E. If the petition is not objected to, or the Board overrules the objection of the Chairman, then the election of the members of the Board shall take place and as a requisite for the election, a quorum of no fewer than 1,500 subscribers voting in person or by proxy shall be required.

If no quorum is present then the election shall be adjourned by the Chairman for an alternative date no more than 30 days from the scheduled date of the election. If at the adjourned date there is still no quorum present, then the Chairman shall adjourn the date of the election for a period at his discretion, which period shall not be longer than 60 days.

All proxies that were valid at the date scheduled for the election shall be considered valid for the adjourned date.

The Board of Governors shall appoint two proctors to examine and declare that there is or is not a quorum present and if a quorum is present, to tally the proxies and make a report as to the tally and the election results. The proctors shall not be members of the Board nor employees or Board Members of PRI's Attorney-in-Fact, and as a condition to acting as

proctors they shall take an oath to act and report the tally fairly and objectively. If the Board shall fail to appoint proctors on or before the date of election, then the Chairman may appoint such proctors.

- F. If there are no nominating petitions or a petition is declared a nullity then the election of the Board shall take place and all proxies not returned shall be deemed to designate the Chairman as the proxy holder of the non-responding Subscribers. The Chairman will then conduct the uncontested election and certify the election of the Subscribers nominated by management.
39. A policy or policies of liability insurance shall be granted by the Exchange to each Subscriber upon application, but not such Subscriber shall assume any liability as an insurer in any policy so granted to him.
 40. Each Subscriber shall insure each and every other Subscriber at said Exchange. Therefore, in each policy of liability insurance granted by the Exchange, and in force as of any date, each Subscriber of record on such date shall underwrite for an amount which shall be that proportion of the total amount of said policy of liability insurance, which his own annual premium bears to the total annual premiums of all such underwriting Subscribers at said Exchange in force as of such date.
 41. We hereby assume our proportionate share of all outstanding or future underwriting liability on policies of liability insurance which the Exchange has granted, or may in the future grant, but it is understood that such liability, and any other the Attorney-in-Fact is authorized to incur on our behalf, shall in every case be several, and not joint with any other Subscriber.
 42. No Subscriber shall be or become liable for any default, failure or neglect on the part of any other Subscriber.
 43. The Subscriber reserves the right to revoke this Agreement and the Power of Attorney herein contained as of the end of any calendar quarter upon written notice to the Attorney-in-Fact. As of such date, such Subscriber shall cease to assume any liability as an insurer in any policy of insurance thereafter issued by the Exchange and the Subscriber's liability as an insurer in all policies of insurance issued prior thereto shall terminate with respect to claims filed after such date. It is expressly understood that such Subscriber remains liable as an insurer on all policies issued prior to the date of revocation with respect to claims filed prior to such date, such liability being discharged by the surrender charge set forth in Paragraph 44. The Subscriber's revocation of this Agreement shall be construed as simultaneously ordering cancellation of all outstanding policies of insurance granted to him/her. The provisions of this paragraph shall be applicable in the case of any withdrawal whether voluntary or at the direction of the Exchange.
 44. Within one year after receipt of notice of revocation by the Attorney-in-Fact, one-half of the amount in the Subscriber's separate account, representing such Subscriber's share of the earnings of the Exchange during his term as a Subscriber, less surrender charges of twenty-five percent, shall be paid to the Subscriber. The remainder of such earnings shall be paid to such Subscriber not later than two years after the revocation of the Agreement by the Subscriber.
 45. It is understood that the license of the Exchange and all other papers, books and records used in conducting the business of such Exchange are and shall remain the property of the Subscribers.
 46. This Agreement and the Power of Attorney herein contained shall supersede all previous Agreements and Powers of Attorney, if any, executed by us but any and all outstanding policies of liability insurance written under powers so superseded shall continue in full force and effect.
 47. Any personal pronoun used herein to refer to the Attorney-in-Fact shall apply regardless of whether the Attorney-in-Fact is a firm, corporation or one or more individuals. The personal pronouns, we, our, us, when used herein refer to the Subscriber.
 48. 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.
 49. In consideration of the premises, we do hereby covenant and agree that we will fully and faithfully carry out, execute and perform everything in which the Attorney-in-Fact shall by virtue hereof bind us, and in the same manner we hereby ratify and confirm all that he may lawfully do or cause to be done by virtue hereof.
 50. 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 said 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.