



EmPRO INSURANCE COMPANY

*Nursing Home Facility*

Professional Liability Insurance Application

**IMPORTANT:** Processing of this application will be delayed if it is not completed in its entirety and the requisite attachments are not included.

1800 Northern Blvd  
Roslyn, New York 11576  
Telephone: (516) 365-6345 Fax: (516) 684-2365

**EmPRO INSURANCE COMPANY  
NURSING HOME FACILITY  
PROFESSIONAL LIABILITY INSURANCE APPLICATION**

**PART I - APPLICANT**

1. Name of Facility: \_\_\_\_\_

2. D/B/A: \_\_\_\_\_

3. Main Location: \_\_\_\_\_  
(Provide list of any additional locations, if applicable)

4. Number of years in business: \_\_\_\_\_ 5. Number of years under current management: \_\_\_\_\_

6. Facility Tax I.D. Number: \_\_\_\_\_

7. Are there plans to add on to the present location (increase in licensed bed) or add other locations within the next 3 years? If "Yes", please describe:  
\_\_\_\_\_

8. Type of Ownership/Facility:

<p><b>For Profit</b></p> <p>Certified by Medicare _____</p> <p>Certified by Medicaid _____</p> <p>JCAHO Accredited _____</p> <p>Licensed by the State of New York _____</p> <p>A member of a State or National Association _____</p> <p>If yes, please identify: _____</p>	<p><b>Not For Profit</b></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No      % of Residents: _____</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No      % of Residents: _____</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No      Accreditation Year: _____</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
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9. Is the facility affiliated with a hospital or any other type of organization?  Yes  No  
If yes, please identify: \_\_\_\_\_

10. Named Insureds: List all subsidiaries, date acquired, description of operation, ownership in percentage and if coverage is desired.

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

11. Has the applicant been the subject of investigatory or disciplinary proceedings or the reprimands by an administrative of governmental agency or professional agency?  Yes  No      If yes, please describe:  
\_\_\_\_\_

12. Has any insurance company ever cancelled, non-renewed or declined to accept your professional or general liability insurance?  Yes  No If yes, please describe:

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13. Has the Applicant's license ever been revoked/suspended/refused/cancelled/voluntarily surrendered or subject to enforcement action?  Yes  No If yes, please explain:

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14. Have you ever filed for protection under Chapter 11 or Chapter 7 of Bankruptcy code?  Yes  No

15. Is your financial statements indicates going concern?  Yes  No

**PART II – REQUESTED LIABILITY LIMIT AND DEDUCTIBLE OPTIONS**

1.  Primary  
 Excess

2. Claims-Made Coverage Period: \_\_\_\_\_ Retroactive Date: \_\_\_\_\_

Occurrence Coverage Period: \_\_\_\_\_

3. REQUESTED LIABILITY LIMITS

Per Occurrence : \_\_\_\_\_ Aggregate: \_\_\_\_\_

4. REQUESTED DEDUCTIBLE (Check only one):

No deductible.  
 \$10,000  \$ 25,000  Other \$ \_\_\_\_\_  
 \$50,000  \$100,000

**PART II A - INSURANCE PROFILE (FIVE YEARS)**

1. Primary Professional Liability Coverage **Failure to complete will delay the process of the application**

Policy Period	Carrier	Limits of Liability	Deductible/SIR		Claims Made or Occurrence		Retro Date, if applicable	Are ALAE included in Limits of Liability		Premium
			Ded	SIR	CM	Occ		Yes	No	
			Ded	SIR	CM	Occ		Yes	No	\$
			Ded	SIR	CM	Occ		Yes	No	\$
			Ded	SIR	CM	Occ		Yes	No	\$
			Ded	SIR	CM	Occ		Yes	No	\$
			Ded	SIR	CM	Occ		Yes	No	\$
			Ded	SIR	CM	Occ		Yes	No	\$

2. Excess Professional Liability Coverage

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

**PART III – FACILITY CLASSIFICATION AND BED CENSUS**

Estimated Gross Revenue: \$ \_\_\_\_\_

RESIDENT SERVICES PROVIDED	# of Licensed Beds	# of Occupied Beds
<b>Skilled Care Services</b>		
Professional nursing care – 24 hours by licensed nurses. Registered nurse coverage during the day shift. LPN coverage required during other shifts. Skilled care services usually include some or all of the following : medical administration      catheterizations ordered by physician tube feedings                      other procedures injections		
<b>Intermediate Care Services</b>		
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 or daily living (i.e., walking, bathing, dressing, eating). Some assistance with medical administration		
<b>Personal Care/Assisted Living services</b>		
Some nursing and/or health-related care to residents who do not require the degree of care and treatment described as skilled or intermediate. Residents may require some minor nursing care or help in activities such as washing, eating, bathing, dressing, walking, taking of medication, and preparation of special diets.		
<b>Residential Care Services</b>		
Residents are provided with protective environments (meals and planned programs for social and/or spiritual needs). Residents responsible for their own medication.		
<b>Independent Living Services</b>		
Retirement communities where residents live in apartments. Nursing or personal care is provided an incidental or emergency basis only. More than 75% of the residents are over the age of 65.		

**PART III A– NON RESIDENT SERVICES**

Please indicate if the following services are offered:

- |                         |                              |                             |                                  |
|-------------------------|------------------------------|-----------------------------|----------------------------------|
| Adult Day Care          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | # of average participants: _____ |
| Child Day Care          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | # of average participants: _____ |
| Hospice Care            | <input type="checkbox"/> Yes | <input type="checkbox"/> No | # of annual visits: _____        |
| Home Health Care        | <input type="checkbox"/> Yes | <input type="checkbox"/> No | # of annual visits: _____        |
| Respite Care            | <input type="checkbox"/> Yes | <input type="checkbox"/> No | # of annual visits: _____        |
| Rehabilitation Services | <input type="checkbox"/> Yes | <input type="checkbox"/> No | # of annual visits: _____        |

Other (please explain and include visits/# of participants/ gross receipts, as applicable):

**Visits** – Use a threshold count. For home care, count each patient each time you visit.

**Gross Revenue** – This figure can be found on your financial statement. Do not adjust this figure for items such as profit, uncollectible accounts or amounts billed but not paid by third party payers. This number must represent the annual gross figure.

**PART IV - ADMINISTRATIVE/PROFESSIONAL STAFF**

Title	Name	Employed or Contracted	License #	Years of Experience	Years at Facility
Administrator					
Director of Nursing (DON)					
Medical Director					

1. Please list Professional/Support Staff:

Title	1st Shift		2nd Shift		3rd Shift	
	Employees	Contracted	Employees	Contracted	Employees	Contracted
Physicians including						
Medical Director						
Director of Nursing						
Nursing Supervisor						
Administrative Personnel						
Registered Nurses						
Nurse Practitioners						
Licensed Practical Nurses						
Physical Therapists						
Respiratory Therapist						
Speech Therapists						
Occupational Therapists						
Rehabilitation Therapists						
Dieticians						
Social Workers						
Pharmacists						
Podiatrists						
Dentists						
Students (Nursing, Aids)						
Maintenance/Security Personnel						
Nursing Assistants						

3. Is coverage being requested for any employed physicians?  Yes  No

4. Is a Certificate of Insurance obtained on all physicians annually?  Yes  No

5. Is a Certificate of Insurance obtained from all independent contractors?  Yes  No

6. Does the Medical Director also act as the attending physician for any residents?  Yes  No

If yes, please complete and list all physicians to be covered under the policy:

Name	Specialty	Full or Part time	Date of Hire

7. Volunteers:

- a. Total number of volunteers: \_\_\_\_\_
- b. Is there a formal screening and selection process?  Yes  No
- c. Do volunteers receive formal orientation to the facility?  Yes  No
- d. Are written instructions for duties and responsibilities furnished to each volunteer?  Yes  No

8. Has the Applicant entered into any indemnification agreements with third parties holding the applicant harmless?  Yes  No If yes, please list third parties and submit copies of contracts.

**PART V - PROFESSIONAL STAFF HIRING/SCREENING AND EMPLOYMENT PROCEDURES**

Type	Pre-hire Criminal Background Check	Educational Background or Residency	License Verification Suspension Revocation	OPMC/ OPD	OIG	Previous Employers And/or References	Sexual Offender Registry
Employees							
Contractors							
Volunteers							

**PART VI - QUALITY ASSURANCE/RISK MANAGEMENT**

<b>1. Risk Management</b>			
a. Who coordinates the facility's risk management program:			
Name:		Title:	
Telephone #:		Email:	
Years of experience:		Reports to:	
b. Is there a formal written risk management plan?			<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Is there a formal written performance improvement/QA plan?			<input type="checkbox"/> Yes <input type="checkbox"/> No
d. Are the national patient safety goals addressed in the RM or QA plans? If no provide details on separate sheet.			<input type="checkbox"/> Yes <input type="checkbox"/> No
e. Is there a formal, documented peer review and credentialing process in place?			<input type="checkbox"/> Yes <input type="checkbox"/> No
f. Is the risk manager solely accountable and responsible for risk management?			<input type="checkbox"/> Yes <input type="checkbox"/> No
If <b>no</b> , explain other responsibilities:			
g. Does the risk manager have access to legal counsel to discuss risk issues not directly related to a claim?			<input type="checkbox"/> Yes <input type="checkbox"/> No
h. Does the risk manager participate in or maintain the following:			
Claims Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	IRB Committee	<input type="checkbox"/> Yes <input type="checkbox"/> No
Contract Review and Evaluation	<input type="checkbox"/> Yes <input type="checkbox"/> No	Patient Satisfaction Results	<input type="checkbox"/> Yes <input type="checkbox"/> No
Disclosure	<input type="checkbox"/> Yes <input type="checkbox"/> No	Policy and Procedure Development/Review	<input type="checkbox"/> Yes <input type="checkbox"/> No

Staff Education	<input type="checkbox"/> Yes <input type="checkbox"/> No	Risk Management Committee	<input type="checkbox"/> Yes <input type="checkbox"/> No
Formal link to quality management	<input type="checkbox"/> Yes <input type="checkbox"/> No	Patient Safety Program and Committee	<input type="checkbox"/> Yes <input type="checkbox"/> No
Incident/Occurrence reporting	<input type="checkbox"/> Yes <input type="checkbox"/> No	Sentinel Event Investigation	<input type="checkbox"/> Yes <input type="checkbox"/> No
Infection Control Committee	<input type="checkbox"/> Yes <input type="checkbox"/> No		

**PART VII – CONTACT INFORMATION**

Please provide contact information for the following:

	Risk Manager	Claims Contact	Billing Contact
<b>Name:</b>			
<b>Title:</b>			
<b>Telephone Number:</b>			
<b>Email Address:</b>			
<b>Mailing Address:</b>			

**PART VIII - ADDITIONAL INFORMATION AND DOCUMENTS TO ACCOMPANY APPLICATION**

1. Copy of the most recent Department of Health survey, including the Plan of Correction.
2. Complete copy of the most recent JCAHO report with recommendations.
3. Most recent audited annual financial statements.
4. Copy of current state license and registration.
5. Copy of Administrator’s current license.
4. Copies of Certificates of Insurance for physicians covered under individual policies.
6. Copies of any contracts with independent physician groups.
8. Public relations materials, brochures, etc.
9. Copies of all hold harmless agreements.
10. Copy of Certificate of Incorporation (Articles of Organization).
11. Copy of loss runs for the last ten (10) years.

**APPLICATION IS NOT ACCEPTED WITHOUT SIGNATURE ON THE NEXT PAGE**

**NOTICE**

Applicants considering claims-made coverage must take note of the following:

A claims-made policy 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 policy.

The policy covers claims actually made against the insured and incidents reported while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the mandatory automatic extended reporting period of sixty (60) days, unless the insured purchases additional extended reporting period coverage which will provide coverage for an unlimited time period without any gap in coverage.

The rates for extended reporting period coverage will be based on the rates in effect at the time of termination of coverage and such rate may be subject to substantial increase over the rates currently in effect. The average statewide percentage changes, and the effective dates, of each rate revision which EmPRO has implemented in this State during the five (5) year period immediately preceding the effective date of the policy will be provided upon the written request of the insured. Such past changes may or may not be indicative of future rate changes.

Unless the insured purchases extended reporting period coverage in addition to the mandated automatic extended reporting period of sixty (60) days, there will be no coverage provided for claims-made or incidents reported after such period of sixty (60) days.

During the first few years of coverage on a claims-made basis, the annual rate is comparatively lower than occurrence rates, however, such annual rate increases significantly, independent of overall rate level increases, until the claims-made relationship reaches maturity.

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 SUCH VIOLATION.**

The answers to the foregoing questions are complete and correct to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## **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 30<sup>th</sup> 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 15<sup>th</sup> 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 10<sup>th</sup> 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 10<sup>th</sup> 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.