



CHANGES TO YOUR DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Serving on a not-for-profit board of directors can be a gratifying experience. Changes in the economic and regulatory environment mean that we are reviewing our coverage to help protect your personal assets and those of the organization while you serve on a board.

Unless otherwise indicated by specific endorsement, key changes and enhancements that affect your policy are summarized below. Please speak to your broker if you have any questions or concerns regarding the changes and enhancements we've made to your policy. We recommend that you review your insurance policy carefully in conjunction with this notice.

POLICY The following have expired	TITLE AND FORM NUMBER CHANGES ... and are replaced by:
CFE 002 0102 Non-Profit Management Assurance Policy	CFE 002 0610 Not-For-Profit Entity Management Assurance Policy
CNE 002 0102 Non-Profit Directors' and Officers' Liability Policy	CNE 002 0610 Not-For-Profit Non-Entity Directors' and Officers' Liability Policy
POLICY SECTION	CHANGES / ENHANCEMENTS AT NO COST TO YOU
Section II. Extensions of Coverage	<ul style="list-style-type: none"> • Automatic Coverage For Outside Directors • Additional Time To Elect Discovery Period <hr/> <ul style="list-style-type: none"> • Outside Directorship Liability coverage is now automatically included <ul style="list-style-type: none"> – Provides coverage for Insured Persons who at the request of the Insured Organization, have been asked to serve as directors, officers or trustees on boards of other not-for-profit organizations • Number of days notice to elect a Discovery Period has been increased from 45 to 60 <ul style="list-style-type: none"> – You are provided additional time to purchase a (1) year Discovery Period for the reporting of claims in the event that we refuse to renew or you decide to terminate or non-renew your policy. Incidents resulting in the claims must occur during the time you had the policy with RSA.
Section III. Defence, Settlement and Cooperation	<ul style="list-style-type: none"> • Expanded Defence Costs coverage • Improved Provision For Rejected Settlement <hr/> <ul style="list-style-type: none"> • Coverage for Defence Costs is now provided in addition to the Limit of Liability. • Settlement provision has been enhanced to provide you with coverage for 75 percent of Loss, including Defence Costs in excess of a settlement offer that you reject.
Section IV. Exclusions	<ul style="list-style-type: none"> • Bodily Injury and Property Damage not absolute • New exceptions included under Insured versus Insured • Some exclusions deleted • Limited Defence Costs coverage under illegal profits <hr/> <ul style="list-style-type: none"> • Bodily Injury and Property damage exclusion is no longer absolute <ul style="list-style-type: none"> – “For language” has been used • Insured versus Insured exclusion has been expanded to include exceptions for whistleblowers; a liquidator; receiver or trustee in bankruptcy; and claims brought by directors, officers, or trustees who have not served in past 4 years • Limited Defence Costs coverage is now provided under the illegal profit, remuneration or financial advantage exclusion <ul style="list-style-type: none"> – Defence Costs are to be reimbursed if a final and non-appealable judgment or adjudication is rendered against any Insured who engaged in conduct involving the gaining of illegal profits, remuneration or financial advantage • Pension, health insurance, and disability exclusion is no longer absolute <ul style="list-style-type: none"> – “For language” has been used

(table continued on reverse)

POLICY SECTION	ENHANCEMENTS AT NO COST TO YOU
Section IV. Exclusions	<ul style="list-style-type: none"> Deleted exclusions for violation of laws involving workers' compensation, employment insurance, social or old age security; occupational health and safety; pay equity; employment equity; and collective bargaining agreements Full severability of exclusions is now provided <ul style="list-style-type: none"> Each insured will be treated separately in terms of the application of exclusions Nuclear and War exclusions were added <ul style="list-style-type: none"> Standard exclusions found in most liability policies
Section V. General Conditions and Limitations	<ul style="list-style-type: none"> Enhanced Defence For Greater Coverage More time to provide notice of claim <hr/> <p>Limit of Liability and Retention</p> <ul style="list-style-type: none"> Defence Costs are now in addition to the Limit of Liability. Retentions will apply to Loss excluding Defence Costs. A retention will not apply to Loss involving Insured Persons who are not indemnified by the Insured Organization. <p>Allocation</p> <ul style="list-style-type: none"> Now provides 100 percent Defence Costs to covered parties when a claim involves both covered Loss and non-covered loss. <p>Notice</p> <ul style="list-style-type: none"> Number of days written notice of any claim following termination of your policy has been increased from 30 to 60. <p>Application, Representations and Severability</p> <ul style="list-style-type: none"> Deleted reference to Executive Officer and replaced with "the person who signed the Application". <p>Termination of Policy</p> <ul style="list-style-type: none"> Number of days written notice of termination in the event of non-payment of premium has been increased from 10 to 15.
Section VI. Definitions	<ul style="list-style-type: none"> Additional circumstances covered by a Claim and under Employment Wrongful Acts Non-monetary relief included <hr/> <p>Claim</p> <ul style="list-style-type: none"> Expanded to include an arbitration, mediation or similar alternative dispute resolution proceeding; and a written demand for non-monetary relief. <p>Employment Wrongful Act</p> <ul style="list-style-type: none"> Volunteers included with past, present, or prospective employees. Expanded list of items defined as Employment Wrongful Acts to include wrongful failure to train; denial or deprivation of seniority; and negligent supervision. <p>Loss</p> <ul style="list-style-type: none"> Deleted exclusion for the cost of complying with any injunctive or other non-monetary relief.