

Memorandum

Date: October 1, 2009
To: Neighborhood Leaders and Neighborhood Staff
From: Robert D. Miller, NRP Director
Subject: Director's & Officer's Insurance

NRP has been informed by the insurance company carrying our Director's & Officer's (D & O) Insurance that they will not be renewing our coverage when the current policy year ends in March 2010.

The company has indicated that they are concerned that the coverage they provided was too broad, the management and employee controls used by neighborhood organizations are too varied, and the risks are disproportionate to the premium. As a result, we are now trying to find another insurance company to underwrite and issue a master D & O Policy that will cover all of our neighborhoods. If we cannot find a carrier willing to underwrite such a policy, each neighborhood will have to determine its need for coverage, find a carrier for their own organization, and pay for the premium from their operating funds.

Each neighborhood organization is required to have a General Liability Insurance policy and you may want to check with your insurance agent to see if they have access to a D & O Insurance provider and the coverage and premiums that would be available to you. If you identify a possible source for your D & O coverage, please let me know so that NRP can pursue the possibility of a master contract with your carrier.

The one good thing about this cancellation is that the carrier has given us a good amount of lead-time to try and find another option. As the first step in pursuing another underwriter, we need to update the material that you have previously submitted to us and have you complete a new questionnaire that is widely used as a preliminary step in the underwriting process. Your previously submitted information and the new questionnaire are attached. Please give this your prompt attention and **return the updated material** for your neighborhood organization and the completed questionnaire **by Friday, November 6. Only organizations that provide the updated information and completed questionnaires will be considered for coverage under any new policy.**

We have scheduled a **working session with our insurance agents (R.J. Ahman) for Thursday, October 29** for organizations that may want help with completing the questionnaire. The session will be held at 7 p.m. in CPED Conference Room 3 on the 2nd floor of the Crown Roller Mill building. Please bring with you financial reports and organizational policies that will help you and our advisors complete the forms at the meeting.

Thank you for your prompt attention to this important matter.