

URGENT NOTICE: IMMEDIATE ACTION REQUIRED

Date: [Insert Date]

To: [Insert Name of Director/Officer]
[Insert Company Name]

Subject: WARNING REGARDING LAPSE IN DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE

Dear [Insert Name],

This letter serves as an urgent notification that the Directors and Officers (D&O) Liability Insurance policy for [Insert Company Name] is set to expire on [Insert Expiration Date] and has not yet been renewed.

A lapse in this coverage presents a critical risk to the organization and its leadership. Without an active D&O policy:

- Directors and Officers may be held personally liable for legal costs and damages resulting from lawsuits.
- Personal assets (including savings and property) could be at risk in the event of claims alleging wrongful acts, errors, or omissions.
- The company may be unable to attract or retain qualified board members and executives.
- The organization faces significant financial exposure regarding defense costs for federal or regulatory investigations.

Please be advised that if a new policy is not bound by [Insert Time] on [Insert Date], there will be a "gap" in coverage. This gap may result in a loss of coverage for any prior acts and could make obtaining future insurance significantly more expensive or difficult.

Required Actions:

1. Review the attached renewal quote/application immediately.
2. Provide authorization to bind coverage no later than [Insert Deadline Date/Time].
3. Confirm receipt of this warning by replying to this email.

Failure to act immediately will result in the total cessation of liability protection for the board and management team.

Sincerely,

[Your Name]
[Your Title/Role]
[Contact Information]