

URGENT: NOTICE OF CRITICAL INSURANCE LAPSE

Date: [Insert Date]

To: [Insert Name of Director/Officer]

Position: [Insert Job Title]

Subject: Formal Warning Regarding Potential Lapse in Directors and Officers (D&O) Liability Coverage

Dear [Insert Name],

This letter serves as a formal notification regarding a critical status update for your Directors and Officers (D&O) Liability Insurance policy, Policy Number: [Insert Policy Number].

Our records indicate that the aforementioned coverage is scheduled to expire on **[Insert Expiration Date]**. As of this date, the requirements for renewal have not been finalized due to: [Insert Reason, e.g., Unpaid Premium/Outstanding Application Forms].

Impact of Coverage Lapse:

A lapse in D&O coverage exposes you to significant personal financial risk. Without an active policy, there is no protection against legal costs, settlements, or judgments arising from claims alleging "wrongful acts" in your capacity as a leader of the company. Please be aware that D&O policies are typically "claims-made" instruments; if coverage lapses, claims filed after the expiration date for past actions may not be covered.

Required Action:

To maintain your liability protection, the following actions must be completed by [Insert Deadline Time/Date]:

- [Insert Action 1, e.g., Remit payment of \$0.00]
- [Insert Action 2, e.g., Submit signed renewal application]

Failure to rectify this situation immediately will result in the termination of coverage, leaving your personal assets vulnerable to professional litigation.

Please contact [Insert Department/Name] at [Insert Phone Number/Email] immediately to confirm receipt of this warning and provide the necessary documentation.

Sincerely,

[Your Name]

[Your Title]

[Company Name]