

LIFE INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY INSURANCE APPLICATION

THIS IS A CLAIMS-MADE POLICY. CLAIMS MUST BE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE INSURER DURING THE POLICY PERIOD OR DURING ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

NOTICE: THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS DEFENSE COSTS. FURTHER NOTE THAT AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

1. Full Legal Agency Name:

Agency Address:

City:

State:

Zip:

Primary Contact Name:

Phone:

Email:

Secondary Contact Name:

Phone:

Email:

Website:

2. **Is the Applicant Agency a member of NAILBA?**

Yes

No

National Association of Independent Life Brokerage Agencies

For membership information visit the NAILBA web site at www.nailba.org

3. Is the Applicant Agency a subsidiary, parent company or affiliate (through common ownership), of any broker/dealer, registered investment advisor, bank, insurance company or private equity company?

Yes

No

4. In the past 12 months (or in the next 12 months), has the Applicant experienced (or is the Applicant contemplating) any actual, negotiated, or attempted mergers, acquisitions, or divestments? If "Yes," please attach a full description.

Yes

No

5. Please describe ownership structure.

Shareholder	Ownership	Board Representation?
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
	%	<input type="checkbox"/> Yes <input type="checkbox"/> No

6. In the past 12 months (or in the next 12 months), has the Applicant experienced (or is the Applicant contemplating) any of the following:

- a. Public or private offering of securities? Yes No
- b. Changes to its Board of Directors or to its Key Executives? Yes No
- c. Reorganization or bankruptcy filing? Yes No

If "Yes," please attach a full description.

7. Date Applicant Agency was Established: _____

Does the Applicant Agency have current E&O coverage? Yes No

If yes, please answer the following questions.

Number of years continuous E&O coverage: _____

Name of current E&O carrier: _____

Premium of current policy: _____ \$

Policy Effective Date: _____ Policy Retroactive Date: _____

Limits and deductible currently carried: _____ / _____ / _____
Per Claim Limit Policy Aggregate Limit Deductible

8. **Please provide the following based on the last *12 months* of operation.**
 Total Staff Size (including Owners, Officers, Partners and CSRs)

Full-Time Staff:	Part-Time Staff:	
Non-Employee Producers (1099 producers):	Full Time:	Part Time:
Employee Producers:	Full Time:	Part Time:
Sub-Agents/Sub-Producers:		

9. **Retail Agency Insurance Services** – Complete only if Retail Agency Insurance Services are provided.

Is there a written policy and procedures manual for insurance services addressing the following areas?

a. Confirm all verbal binders promptly, and in writing, to both client and carrier?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Maintain a policy expiration list (including direct bill) and make certain all policies are renewed and all binders issued on time?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. Check all policies and endorsements for accuracy and completeness before mailing/ emailing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d. Maintain a written procedure for all licensed personnel to read all policy forms prior to using?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e. Maintain a system to immediately notify the insurance carrier of all claims and incidents reported to the agency by Insured or third party claimants?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f. Maintain a suspense system for following up on receipt of requested items?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
g. Conduct internal audits to monitor compliance with errors and omissions procedures?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
h. Require annual attendance of brokers and agents at errors and omissions training?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i. A policy that prohibits the placement of insurance with carriers rated lower than A- by A.M. Best Company, or that are not rated?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

10. **Please list the Applicant Agency's gross commission income and fees, including bonuses paid by carriers or fund companies for the following products (project if new). We will ask about series 6 and 7 products later in this application.**

Life, Accident & Health, Long-Term Care, Disability Insurance and Fixed Annuities:	\$
Property, Auto and other Causality Insurance Products:	\$
Total:	\$ 0.00

Please list the Applicant Agency's gross written premium across all applicable lines of business. Includes all new & renewal business:

Life, Accident & Health, Long-Term Care, Disability Insurance and Fixed Annuities:	\$
Property, Auto and other Causality Insurance Products:	\$
Total:	\$ 0.00

11. What percentage of the Applicant Agency’s total income is derived from the following business activities?

Third Party Administration Services such as, employee benefit consulting, financial planning, consulting for a fee, or placement of pre-paid legal services memberships %

Retail Agency:

A retail agency deals directly with the general public/insured. A retail Agent can place coverage directly with a carrier or use the service of a wholesaling agency for placement. %

Wholesale Broker/Agency:

A wholesale insurance broker/agency acts as an intermediary between a retail broker and an insurance carrier. The wholesaler has the appointment with the carrier(s). %

Managing General Agency (MGA) or Managing General Underwriter (MGU) –

A MGA/MGU “holds the pen.” This type of entity has been granted authority to quote, bind and service brokers and agents on behalf of a carrier. %

12. Products Sold and Serviced

Please list the percentage of the Applicant Agency’s total premium volume that is derived from the sale and service of the following products.

Please also list the gross commission dollars derived from the sale of each of the following products.

	Percent of the total	Commission income <i>not</i> premium
Individual Life Insurance	%	\$
Individual Accident & Health, Long Term Care and Disability Insurance	%	\$
Group Life Insurance	%	\$
Group Accident & Health, Long Term Care and Disability Insurance	%	\$
Fixed Annuities	%	\$
Series 6 Products – Variable Annuities & Mutual Funds	%	\$
Series 7 Products – products listed on the US Stock Exchange	%	\$
Viaticals/Life Settlements*	%	\$
Premium Financing	%	\$
Consulting/Fees – <i>please attach a description</i>	%	\$
Property & Casualty Insurance (including auto)	%	\$
Alternative Investment Products - products NOT listed on the US Stock Exchange (BDCs, Private Placements, Inverse or Leveraged ETFs)	%	\$
Other – <i>please attach a description</i>	%	\$

Total 100%

*If Viaticals/Life Settlements are sold, please list all of your providers below.

13. Securities Business

Do you want coverage under this policy for your securities business?

Yes No

If you want coverage for your securities business, please answer the following questions:

Please provide the name of your Broker Dealer:

Please list the number of your firm's owners, officers, partners and employees with a Series 6 license.

What is your firm's annual commission revenue from the sale of series 6 products?

\$

Please list the names of those who are Series 6 licensed.

Please list the number of your firm's owners, officers, partners and employees with a Series 7 license.

What is your firm's annual commission revenue from the sale of series 7 products?

\$

Please list the names of those who are Series 7 licensed.

14. Additional Coverage Requests – OPTIONAL

Please mark the additional coverages that you would like to include in your quote.
Additional premium may be charged.

- Deductible Not Applicable to Defense Costs, Charges & Expenses
- Defense Costs Outside the Limit of Liability
- Additional Limit of Liability for Defense Costs (Capped at \$250,000)
- Life Settlements Coverage
- Independent Marketing Organization for Vicarious Liability Coverage

Name of Entity:

- Additional Entity Insured(s) – Please list entities that need to be included as additional insureds.
 (Include DBAs)

Entity Name:	Relationship to Agency	Is the ownership structure the same as the entity listed under #1 above?	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No

Limit and Deductible (Retention) Options for Quote – Limits quoted will be determined by carrier underwriter

Please mark the limit and deductible options that you would like quoted.

Limits of Liability:

<input type="checkbox"/> \$1M per claim/\$2M policy aggregate		<input type="checkbox"/> \$2M per claim/\$3M policy aggregate	
<input type="checkbox"/> \$2M per claim/\$4M policy aggregate		<input type="checkbox"/> \$3M per claim/\$4M policy aggregate	
<input type="checkbox"/> \$3M per claim/\$5M policy aggregate		<input type="checkbox"/> \$5M per claim/\$5M policy aggregate	

Deductible – Each Claim:

- \$5,000
- \$7,500
- \$10,000
- \$15,000
- \$20,000
- \$25,000

15. **Claim/Loss History** – *If the answer to any of the questions below is “yes,” please attach a detailed explanation.*

a. In the past 5 years, how many E&O claims has the agency experienced?	
b. Has the Applicant been the subject of disciplinary action or investigation as a result of professional activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Does the Applicant have any knowledge or information of any act, error or omission which might give rise to a claim(s), suit(s), or action(s) under such proposed policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No
d. Has any policy of or application for similar insurance on the applicant’s behalf or any of its partners, officers, directors, salespersons, employees, or on behalf of any predecessors in business ever been declined, cancelled, or renewal refused?	<input type="checkbox"/> Yes <input type="checkbox"/> No
e. Does any proposed Insured have any Criminal, Regulatory Action, Civil Judicial, Customer Complaint/Arbitration/Civil Litigation, Termination or Financial disclosures reported on a Form U4 or Form U5 (Uniform Application For Securities Industry Registration Or Transfer, or Uniform Termination Notice For Securities Industry Registration)?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Fraud & Legal Notice(s), Warning(s) and Disclosure(s)

SHOULD THE INSURER ISSUE A POLICY, APPLICANT AGREES THAT SUCH POLICY IS ISSUED IN RELIANCE UPON THE TRUTH OF THE STATEMENTS AND REPRESENTATIONS IN THE APPLICATION OR INCORPORATED BY REFERENCE HEREIN, ANY MISREPRESENTATION, OMISSION, CONCEALMENT OR OTHERWISE, SHALL BE GROUNDS FOR THE RESCISSION OF ANY POLICY ISSUED.

ALL WRITTEN STATEMENTS, MATERIALS OR DOCUMENTS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF, INCLUDING WITHOUT LIMITATION, ANY SUPPLEMENTAL APPLICATIONS OR QUESTIONNAIRES, ANY SECURITY ASSESSMENT, AND ALL REPRESENTATIONS MADE WITH RESPECT TO ANY OF THE FOREGOING.

THIS APPLICATION DOES NOT BIND THE APPLICANT TO BUY, OR THE COMPANY TO ISSUE THE INSURANCE, BUT IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND MADE A PART OF THE POLICY. THE UNDERSIGNED APPLICANT DECLARES THAT THE STATEMENTS SET FORTH IN THIS APPLICATION ARE TRUE. THE APPLICANT FURTHER DECLARES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE TIME WHEN THE POLICY IS ISSUED, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATION OR AGREEMENT TO BIND THE INSURANCE.

FRAUD WARNING

Any person who knowingly and with intent to defraud any insurance company or another 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 may subject the person to criminal and civil penalties.

STATE FRAUD WARNINGS

NOTICE TO ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, LOUISIANA, NEW MEXICO, RHODE ISLAND AND WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS:

For your protection, California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO KANSAS APPLICANTS: Any person who, knowingly and with intent to defraud, presents, causes to be

presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW YORK APPLICANTS: 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.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO OREGON APPLICANTS: 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, for the purpose of misleading, conceals information concerning any fact material thereto, commits a fraudulent insurance act which may be a crime and may subject such person to criminal and civil penalties.

NOTICE TO PENNSYLVANIA APPLICANTS: 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 subjects such person to criminal and civil penalties.

NOTICE TO VERMONT APPLICANTS: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

APPLICANT'S SIGNATURE:
DATE:
TITLE:
ADDRESS:

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED, THIS SIGNED STATEMENT WILL BE ATTACHED TO THE POLICY.

The Insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The Insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

Insured:	By:
Title:	Date:

