

NOTICE:

THIS IS A CLAIMS-MADE AND REPORTED POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST AN INSURED AND REPORTED TO THE INSURER DURING THE POLCY PERIOD (OR REPORTED TO THE INSURER WITHIN 30 DAYS THEREAFTER AS ALLOWED UNDER THE TERMS OF THE POLICY). NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION.

PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

POLICYHOLDER AND ADDRESS		PRODUCER
Item 1.(a)	American Family Life Assurance Company of Columbus 1932 Wynnton Road Columbus, GA 31909	MGA Insurance Services 9024 Town Center Parkway, Suite 200 Bradenton, FL 34302
Item 1.(b) Attn:	Insurance companies represented:	Attention: NAPA
CUSTOMER NUMBER	INSURER	
233477	Continental Casualty Company	
POLICY NUMBER		
169947227		

Item 2. **Broker/Dealer** Represented:

Item 3. **Policy Period:** 01/01/2009 to 01/01/2010
12:01 a.m. local time at the address stated in Item 1.

Item 4. Notice to Insurer:
 Claims Notices: Life Agent Intake Notice Administrator
 All other notices: Life Agent Underwriting Unit

CNA Global Specialty
 40 Wall Street, 8th Floor
 New York, New York 10005

Item 5. Optional Extended Reporting Period:
 a. Period: 365 days
 b. Premium: 200 % of Policy Premium

Item 6. Limits of Liability and Retention:

- a. Policy Aggregate Limit of Liability: \$25,000,000
- b. Coverage Schedule:

This Policy includes only those coverages designated with a "Yes" as "Included" in the Coverage Schedule set forth below. If neither "Yes" nor "No" is designated for a Coverage Part, such Coverage Part is not included:

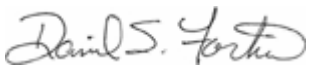
COVERAGE PART	① INCLUDED (YES OR NO)	② SCHEDULED LIMITS OF LIABILITY	③ RETENTIONS
A. Agents, General Agents and Registered Representative	Yes	Agents, General Agents or those Registered Representatives who are not also covered under Coverage Part B	Insurance products sponsored by Company(s) identified in Item 1: Each Claim \$ 0
B. Registered Representatives and Registered Investment Advisers of Broker/Dealer	No	<p>Option 1: Each Claim \$1,000,000 In the Aggregate \$2,000,000</p> <p>Option 2: Each Claim \$2,000,000 In the Aggregate \$2,000,000</p> <p>Option 3: Each Claim \$3,000,000 In the Aggregate \$3,000,000</p> <p>Registered Representatives who are covered under Coverage Part B Each Claim \$ NA In the Aggregate \$ NA</p> <p>The Limits of Liability shall apply separately to each Insured and shall be the Insurer's maximum Limit of Liability for such Insured regardless of whether such Insured is covered under one or more such Coverage Parts.</p>	<p>Products approved by Broker/Dealer identified in Item 2: Each Claim \$ NA</p> <p>All Outside Business: Each Claim \$ 1,500</p> <p>The Retention shall apply separately to each Insured. If more than one Retention is applicable to a single Claim, the maximum aggregate Retention for such Claim shall be the largest of such Retentions.</p>
C. Broker/ Dealer - Corporate Registered Investment Adviser	No	<p>Each Claim \$ NA In the Aggregate \$ NA</p> <p>The Limits of Liability shall apply separately to each Insured and shall be the Insurer's maximum Limit of Liability for such Insured.</p>	Each Claim \$ NA
D. Insurance Company- Vicarious Liability	Yes		

ITEM 7. Coverage Part C Prior Acts Date: Not Applicable

ITEM 8. Endorsements forming a part of this Policy at issuance:

1. GSL4222XX Insolvency Defense
2. GSL4266XX Wrongful Termination Coverage
3. GSL4216XX Class Action Exclusion
4. GSL4061XX New York Amendatory—General Terms and Conditions
5. GSL4062XX New York Amendatory—Coverage Part A
6. GSL4064XX New York Amendatory—Coverage Part D
7. GSL4066XX Insolvency Exclusion—NY Agents Only
8. GSL8156CA State Amendatory Endorsement for California

These Declarations, along with the completed and signed **Application**, the Policy, and any written endorsements attached thereto shall constitute the contract between the **Insureds** and the Insurer.

Authorized Representative: 

Date: 1/29/09

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PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

The Insurer and the **Insureds** agree as follows, in consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the "Insurer".

I. TERMS AND CONDITIONS

Except for the General Terms & Conditions or unless stated to the contrary in any Coverage Part, the terms and conditions of each Coverage Part of this Policy apply only to that Coverage Part and shall not apply to any other Coverage Part of this Policy. Any defined term referenced in the General Terms & Conditions but defined in a Coverage Part shall, for purposes of coverage under that Coverage Part, have the meaning set forth in that Coverage Part. If any provision in the General Terms & Conditions is inconsistent or in conflict with the terms of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part.

II. DEFINITIONS

For purposes of this Policy:

1. **Agent or General Agent**, whether used separately or together, means a natural person:
 - a. who maintains a life agent contract with the **Policyholder** (if a life insurance company), or with a life insurance company subsidiary of the **Policyholder**; and
 - b. who has elected to enroll for coverage under this Policy; and
 - c. whose enrollment is on file with the **Policyholder**.

Agent or General Agent also includes:

- i. any corporation, partnership, or other business entity owned or controlled by such natural person, but only with respect to the liability of such entity as it arises out of such natural person rendering or failing to render **Professional Services**;
 - ii. any natural person who is a life insurance producer for any insurance company provided such natural person also qualifies under paragraph 1 of this definition or qualifies for coverage as a **Registered Representative** under this Policy
 - iii. any **Agent Emeritus**; and
 - iv. any **Retired or Disabled Agent or General Agent**.
2. **Agent Emeritus** shall mean a natural person who:
 - a. has **Retired** as an **Agent** of the **Policyholder**,

- b. maintains a sales contract with the **Policyholder**,
 - c. has paid all applicable premium,
 - d. is on record with the **Policyholder** as an **Agent Emeritus**.
3. **Application** means all signed applications for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Policy is a renewal or replacement. An "affiliate of the Insurer" means an insurer controlling, controlled by or under common control with the Insurer.
4. **Broker/Dealer** means any securities broker or dealer as those terms are defined in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, as amended.
5. **Claim** means:
- a. a written demand for monetary damages, or
 - b. a civil adjudicatory or arbitration proceeding for monetary damages,
- against an **Insured** for a **Wrongful Act**, including any appeal therefrom brought by or on behalf of or for the benefit of any **Client**.
6. **Client** means a natural person for whom, or entity for which, **Professional Services** are rendered by an **Insured**.
7. **Defense Costs** means reasonable and necessary fees and expenses incurred by or at the direction of the Insurer in defense of any **Claim**, and costs of appeal, attachment or similar bonds. The Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers and employees of the **Insured**, or fees and expenses of independent adjusters.
8. **Fungi** means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxin, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of fungi.
9. **Interrelated Wrongful Acts** means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
10. **Investment Advisory Services** means advisory services provided by a **Registered Investment Adviser** pursuant to the Investment Advisers Act of 1940 with respect to securities approved by the **Broker/Dealer** named in Item 2 of the Declarations, provided that, prior to providing such services, the **Registered Investment Adviser** gave written notice of such services to the **Broker/ Dealer** named in Item 2 of the Declarations and received written approval from such **Broker/Dealer** to conduct such transactions. However, **Investment Advisory Services** does not include the sale or attempted sale or servicing of securities.
11. **Loss** means monetary settlements or monetary judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which the **Insured** is legally obligated to pay on account of a covered **Claim**. **Loss** shall not include (i) criminal or civil fines or penalties imposed by law; (ii) taxes; (iii) any amounts for which there is no legal

recourse against the **Insureds**; (iv) punitive or exemplary damages and the amount of any multiplied damage award which is in excess of the damage award so multiplied; (v) costs incurred as a result of any injunctive relief; (vi) the return of commissions, fees or charges for services rendered by an **Insured**; or (vii) matters which are uninsurable under the law pursuant to which this Policy shall be construed. However, **Loss** shall include any taxes, fines, and penalties incurred by a third party and included in such third party's **Claims** against the **Insured**.

12. **Microbe** means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxin, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.
13. **Outside Business** means insurance products placed by an **Insured** with any insurance company not specified in Item 1 of the Declarations.
14. **Personal Injury** means injury or damage sustained by any person or organization caused by or arising out of:
 - a. false arrest, detention or imprisonment, or malicious prosecution;
 - b. libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; or
 - c. wrongful entry or eviction, or other invasion of the right of private occupancy.
15. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date specified in Item 3 of the Declarations, or its earlier cancellation date.
16. **Policyholder** means the natural person or organization specified in Item 1 of the Declarations.
17. **Pollutants** mean any substance exhibiting hazardous characteristics as or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.
18. **Registered Investment Adviser** means a **Registered Representative**, or any corporation, partnership or other business entity owned or controlled by a **Registered Representative**, providing **Investment Advisory Services** in its capacity as an investment adviser registered as such under the Investment Advisers Act of 1940, as amended.
19. **Registered Representative** means:
 - a. a natural person who is registered with the National Association of Securities Dealers as a registered representative or registered principal, who maintains a contract with a **Broker/Dealer**, as specified in the applicable Coverage Part, who has elected to enroll for coverage under this Policy, and whose enrollment is on file with the **Policyholder**;
 - b. any corporation, partnership or other business entity that is owned or controlled by such natural person, but solely with respect to the liability of such organization

arising out of such natural person rendering or failing to render **Professional Services**.

Registered Representative also includes any **Retired or Disabled Registered Representative**.

20. **Retired or Disabled**, whether used either separately or together, means:
- (i) retired or disabled in conformance with the written practices and procedures of the **Policyholder** which are in effect at the inception of the **Policy Period**; and
 - (ii) no longer providing **Professional Services** on behalf of the **Policyholder** or any other insurance company or broker/dealer;

Retired or Disabled Agents, General Agents or Registered Representatives, whether used either separately or together, means **Agents, General Agents or Registered Representatives** who are **Retired or Disabled**.

Retired or Disabled Agents, General Agents or Registered Representatives do not include **Agents or General Agents or Registered Representatives** whose relationship as such was terminated by the **Policyholder** or by the **Broker/Dealer** specified in Item 2 of the Declarations for disciplinary reasons in conformance with the written practices and procedures in effect at the time of the termination of the relationship).

21. **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator** mean a **General Agent** who is an experienced product specialist, responsible for advising other **Agents**.
22. **Wrongful Act** means any negligent act, error or omission of, or **Personal Injury** caused by, the **Insureds** in rendering or failing to render **Professional Services**.

III. POLICYHOLDER OPTIONAL EXTENDED REPORTING PERIOD

1. If the Insurer cancels or non-renews this Policy, other than for nonpayment of Premium, the **Policyholder** shall have the right to purchase, upon payment of an additional premium determined as described in Item 5b of the Declarations, an extension of this Policy for the period described in Item 5a of the Declarations immediately following the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed after the **Prior Acts Date** but before the end of the **Policy Period**. This period shall be referred to as the Optional Extended Reporting Period.
2. As a condition precedent to the right to purchase the Optional Extended Reporting Period, the total premium for this Policy must have been paid. The right to purchase the Optional Extended Reporting Period shall end unless the Insurer receives written notice and full payment of the premium for such period within 10 days after the end of the **Policy Period**.
3. If the Optional Extended Reporting Period is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the Insurer to return any portion thereof.
4. If, during the Policy Period an **Agent, General Agent, Registered Representative or Registered Investment Advisor** is entitled to the one year Automatic Extended Reporting Period as set forth under Coverage A or B, then there is no coverage provided to such **Agent, General Agent, Registered Representative or Registered Investment Advisor** under this Optional Extended Reporting Period.

5. The Optional Extended Reporting Period does not create a separate or additional Limit of Liability or Policy Aggregate Limit of Liability.
6. Insured Optional Extended Reporting Period
 - i. In the event an **Insured**, during the **Policy Period**, ceases to be an independent contractor **Agent** by reason of becoming a management employee of the **Policyholder**, such **Insured** shall have the option to purchase an extension of their coverage under this Policy for the period of time set forth below, but only with respect to **Claims** arising out of **Wrongful Acts** in connection with American Family Life Assurance Company of Columbus (AFLAC) products only and provided such **Wrongful Act** is committed after the **Prior Acts Date** but before the end of the **Policy Period**. Such extension ("the individual Optional Extended Reporting Period"), if purchased, shall incept immediately following the end of the **Policy Period** provided the premium for the individual optional extended reporting period has been paid in full.
 - ii. As a condition precedent to the right to purchase the individual Optional Extended Reporting Period, the total premium for this Policy must have been paid. The right to purchase the individual optional extended reporting period shall end unless the Insurer receives written notice and full payment of the premium for such period within 10 days after the end of the **Policy Period**.
 - iii. If the individual optional extended reporting period is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the Insurer to return any portion thereof.
 - iv. The individual Optional Extended Reporting Period does not create a separate or additional Limit of Liability or Policy Aggregate Limit of Liability.

Option 1:

3 Year Optional Extended Reporting Period Premium per **Insured Agent**: 100 % of expiring premium

Option 2:

5 Year Optional Extended Reporting Period Premium per **Insured Agent**: 125% of expiring premium

IV. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns and spouses of **Insureds** shall be considered **Insureds** under this Policy; provided however, that coverage is afforded to such estates, heirs, legal representatives, assigns and spouses only for a **Claim** arising solely out of their status as such and, in the case of a spouse, where such **Claim** seeks damages from marital community property, jointly-held property or property transferred from the **Insured** to the spouse. No coverage is provided for any **Wrongful Act** of an estate, heir, legal representative, assign or spouse. All terms and conditions of this Policy, including without limitation the retention applicable to **Loss** incurred by the **Insured** shall also apply to **Loss** incurred by such estates, heirs, legal representatives, assigns and spouses.

V. LIMIT OF LIABILITY, RETENTION AND ALLOCATION

1. Policy Aggregate:

The amount set forth as the Policy Aggregate Limit of Liability in Item 6a of the Declarations shall be the maximum aggregate Limit of Liability of the Insurer for all **Loss** under this Policy, regardless of the number of Coverage Parts purchased or **Claims** made against the **Insureds**. The Scheduled Limits of Liability set forth in the Coverage Schedule in Item 6b of the Declarations are sub-limits which further limit and do not increase the Insurer's limit of liability under this Policy Aggregate Limit.

2. Coverage Parts A and B (where included)

a. If and to the extent that either Coverage Part A or Coverage Part B is included, the Scheduled Limits of Liability for such Coverage Parts, as set forth in the Declarations at column ② of Item 6b of the Coverage Schedule shall apply separately to each **Insured** covered under such Coverage Parts as follows:

i. Each **Claim**

Subject to paragraph 2.a. ii. below, the Limit of Liability of the Insurer for **Loss** for each Claim first made against an **Insured** and reported to the Insurer during the **Policy Period** shall not exceed the amount stated in the Declarations for each **Claim**.

ii. In the aggregate

The Limit of Liability of the Insurer for **Loss** for all **Claims** first made against an **Insured** and reported to the Insurer during the **Policy Period** shall not exceed the amount stated in the Declarations for all **Claims** in the aggregate.

b. If the Scheduled Limits of Liability for Coverage Parts A and B (where included), as set forth in the Declarations at column ② of Item 6b of the Coverage Schedule include more than one option, only one Limit of Liability option shall be available to each **Insured** and such option shall be the option identified in the written records of the **Policyholder**, subject to the maximum aggregate Limit of Liability of the Insurer as set forth in this Section V.

3. Coverage Part C (where included)

a. If Coverage Part C is included, the Scheduled Limits of Liability for such Coverage Part, as set forth in the Declarations at column ② of Item 6b of the Coverage Schedule shall apply separately to each **Insured** covered under such Coverage Part as follows:

i. Each **Claim**

Subject to paragraph 3.a.ii. below, the Limit of Liability of the Insurer for **Loss** for each **Claim** first made against an **Insured** and reported to the Insurer during the **Policy Period** shall not exceed the amount stated in the Declarations for each **Claim**.

ii. In the aggregate

The Limit of Liability of the Insurer for **Loss** for all **Claims** first made against an **Insured** and reported to the Insurer during the **Policy Period** shall not exceed the amount stated in the Declarations for all **Claims** in the aggregate.

4. Coverage Part D

No additional Limit of Liability is afforded under Coverage Part D. Rather, the Limit of Liability applicable to **Claims** under Coverage Part D shall be the Limit of Liability under Coverage Part A applicable to the **Agent** or **General Agent** named as a co-defendant with the **Policyholder** in the **Claim** under Coverage Part D.

5. Multiple Insureds and Multiple Coverage Parts

Each **Insured's** applicable Limits of Liability, as set forth above, shall be the Insurer's maximum Limit of Liability for such **Insured** regardless of whether such **Insured** is covered under one or more Coverage Parts. Further, where two or more **Insureds** are involved in a **Claim**, the maximum aggregate Limit of Liability of the Insurer for all such **Insureds** shall be the largest single Limit of Liability applicable to any one of such **Insureds**.

6. Exhaustion of Limit of Liability

The Insurer's obligations under this Policy shall be deemed completely fulfilled and extinguished if the applicable Limit of Liability is exhausted by payment of **Loss**.

7. Retention

Subject to the applicable Limit of Liability, the Insurer shall pay all covered **Loss** excess of the applicable Retention, if any, set forth in the Coverage Schedule in Item 6 of the Declarations. The Retention shall apply separately to each **Insured** as follows:

A single and separate Retention shall apply to all **Loss** resulting from each **Claim**. If more than one Retention is applicable to a single **Claim**, the maximum aggregate Retention for such **Claim** shall be the largest of such Retentions.

8. Interrelated Wrongful Acts

More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Claim** which shall be deemed to have been made on the earlier of:

- a. the date on which the earliest such **Claim** was first made; or
- b. the first date valid notice was given by an **Insured** and received by the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.

9. Allocation

If a **Claim** made against the **Insureds** includes both covered and uncovered matters or if a **Claim** is made against **Insureds** who are extended coverage under this Policy and others who are not extended coverage therefore under this Policy, the **Insureds** agree that there must be an allocation between insured and uninsured **Loss** (other than that part of **Loss** attributable to **Defense Costs**). The **Insureds** and the Insurer shall exert their best efforts to agree upon a fair and proper allocation between such insured and uninsured **Loss** based upon the relative legal exposures of the parties to such matters.

VI. DEFENSE

1. Defense of **Claims**

- a. If a **Claim** is made against the **Insured** within the United States of America, its territories or possessions or Canada, the Insurer shall have the right and duty to defend such **Claim**, even if any of the allegations of the **Claim** are groundless, false or fraudulent. The Insurer may make such investigation and, negotiate settlement of any **Claim** it deems expedient, but the Insurer shall not be obligated to pay any **Loss** to defend or continue to defend any **Claim** after the applicable limit of the Insurer's liability has been exhausted by payment of **Loss**.
- b. If a **Claim** is made against the **Insured** outside of the United States of America, its territories or possessions or Canada, the Insurer shall indemnify the **Insured** pursuant to the terms, conditions, provisions and exclusions of the Policy, but shall not have the duty to defend the **Insured**. The Insurer shall instead reimburse **Defense Costs** incurred by the **Insured** in defending such **Claims**. In connection with such **Claims**, the **Insured** shall obtain the Insurer's consent to the selection of counsel and ensure that counsel complies with CNA's *Defense Counsel Guidelines*.

2. Insurer's Consent

The **Insured** shall not admit liability, consent to any judgment, agree to any settlement, make any settlement offer, assume any obligation or incur any expenses without the Insurer's prior consent, which consent shall not be unreasonably withheld. The Insurer shall not be liable for any **Loss** incurred by the **Insured** to the extent the **Loss** results from such **Insured** admitting liability, consenting to any judgment, agreeing to any settlement, making any settlement offer or incurring expenses without the Insurer's prior consent. The **Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy resulting from any **Claim**.

3. Arbitration

The **Insured** shall not demand or agree to arbitration of any **Claim** made against the **Insured** without the written consent of the Insurer, except with respect to arbitration between an **Insured** and a **Client**. In the event any **Claim** is submitted to arbitration, the Insurer or its appointed counsel shall, as soon as practicable, notify the **Insured** of the date of the arbitration hearing. The Insurer shall be entitled to exercise all of the **Insureds'** rights in the choice of arbitrators and in the conduct of any arbitration proceeding involving a **Claim** covered by this Policy.

VII. NOTICE

1. If a **Claim** is made against any **Insured**, the **Insured** shall, as soon as practicable, notify the Insurer during the **Policy Period** or any applicable Extended Reporting Period and forward to the Insurer every demand, notice, summons, or other process received. Notwithstanding the requirement that the **Claim** must be first made and reported to the Insurer during the **Policy Period**, if continuous coverage is in effect pursuant to consecutive policies issued by the Insurer, a **Claim** may be first made against the **Insured** during one **Policy Period** and may be reported to the Insurer in writing during the consecutive, immediately following **Policy Period** without constituting a violation of this provision. The **Policy Period** in effect on the date the **Claim** is reported to the Insurer shall apply.

In addition, notwithstanding the requirement that the **Claim** must be first made against the **Insured** and reported to the Insurer during the **Policy Period**, **Policyholder** shall have an extension of this Policy for a period of 30 days immediately following the end of the **Policy**

Period, but only with respect to providing notice to the insurer of a **Claim** first made against any **Insured** during the **Policy Period** and prior to the date of termination of the Policy.

In no event, however, shall the Insurer be responsible to pay any **Loss** in connection with any default judgment entered against an **Insured** prior to notice to the Insurer or as a result of untimely notice to the Insurer nor shall the Insurer be responsible to pay any **Loss** in connection with any **Claim** in which the Insurer's interests have been prejudiced because of the **Insured's** failure to supply timely notice to the Insurer.

2. If, during the **Policy Period** the **Insureds** first become aware of specific **Wrongful Acts** which may reasonably give rise to a future **Claim** and during such period give written notice to the Insurer of:
 - a. the names of the potential claimants and a description of the specific **Wrongful Act** which forms the basis of their potential **Claim**,
 - b. the identity of the specific **Insureds** allegedly responsible for such specific **Wrongful Act**,
 - c. the consequences which have resulted or may result from such specific **Wrongful Act**,
 - d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**, and
 - e. the circumstances by which the **Insureds** first became aware of such specific **Wrongful Act**,

then any **Claim** otherwise covered under this Policy which is subsequently made against the **Insureds** and which arises out of such **Wrongful Act** shall be deemed to have been first made at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Claim**.

3. Except as provided in subsection 2 above, a **Claim** shall be deemed to be made
 - a. in the case of a civil proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Insured** of a complaint or similar document against the **Insured** in such proceeding or arbitration; or
 - b. in the case of a written demand for monetary damages, on the **Insured's** receipt of notice of such demand.
4. The **Insureds** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations, which shall be effective upon receipt.
5. The **Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers and such other information, assistance and cooperation as the Insurer may reasonably request. The **Insureds** agree to cooperate with the Insurer, and provide all assistance and information reasonably requested by the Insurer. When requested by the Insurer, the **Insureds** shall submit to examination by a representative of the Insurer, under oath if required, and shall attend hearings, depositions, and trials and shall assist in the conduct of **Claims** including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the Insurer's representatives and meeting with such representatives for the purpose of investigation or defense, all of the above without charge to the Insurer.

VIII. CANCELLATION

1. The Insurer may cancel this Policy:

- a. for non-payment of any premium when due, by providing to **Policyholder** written notice stating when, not less than 30 days thereafter, such cancellation shall be effective. Failure to pay the initial policy premium will be deemed a rejection of our offer to insure, and no coverage under this policy shall be effective.
 - b. for any other reason by providing to **Policyholder** written notice stating when, not less than 60 days thereafter, such cancellation shall be effective.
2. The **Insureds** grant the exclusive authority to cancel this Policy to **Policyholder**. This Policy may be canceled by the **Policyholder** by surrender of this Policy to the Insurer or by giving written notice to the Insurer stating when thereafter such cancellation shall be effective. The making of such notice by registered, certified or other first class mail, to the Insurer at the address shown in the Declarations, shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.
 3. If the **Policyholder** cancels, earned premium will be computed in accordance with the customary short rate table and procedures. If the Insurer cancels, earned premium shall be computed pro-rata.

IX. OTHER INSURANCE

1. If any **Loss** resulting from any **Claim** is insured under any other policies, this Policy shall apply only to the extent the **Loss** exceeds the Limit of Liability under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.
2. If any **Loss** resulting from any **Claim** is insured under any other life insurance agent, registered representative, financial planner, registered investment adviser, securities broker/dealer or any other professional liability policy issued by the Insurer or one of its affiliates, the maximum amount payable under this Policy and such other policy, combined, for **Loss** resulting from such **Claim** shall be the largest applicable Limit of Liability under this Policy and such other policy.

X. PREMIUM

- A. The **Policyholder** or the insured **Broker Dealer** agrees to provide the Insurer with any documentation and information that the Insurer may reasonably request during the **Policy Period** in order that the Insurer may determine the number of **Agents, General Agents, Registered Representatives** or **Registered Investments Advisors** with the **Policyholder** or the insured **Broker Dealer**;
- B. In the event that the **Policyholder** or the insured **Broker Dealer** refuses or fails to comply with the Insurer's reasonable request for documentation and information within sixty (60) days of the Insurer's written requests, the **Insureds** acknowledge that the Insurer may terminate this **Policy** upon sixty (60) days written notice and that the full premium for this **Policy** shall be retained by the Insurer and be deemed non-refundable.

XI. CHANGE OF STATUS OF POLICYHOLDER OR BROKER/DEALER

1. Takeover of first named **Policyholder**

In the event that, during the **Policy Period**, the **Policyholder** specified in Item 1 (a) of the Declarations shall consolidate with or merge into, or shall sell substantially all of its assets to, any other person or entity or group of persons or entities acting in concert, or if any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than 50% of the voting power for the election of directors of such corporation, this Policy shall continue until it is otherwise terminated, but only with respect to **Claims for Wrongful Acts** occurring before the effective date of such consolidation, merger, sale or acquisition.

2. Cessation or Takeover of Subsidiaries or Affiliates

If any entity named in Item 1 (b) or Item 2 ceases to be a subsidiary or affiliate of the first named **Policyholder** there shall be no coverage afforded to such subsidiary or affiliate or its **Agents, General Agents, Registered Representatives** or **Registered Investment Advisors** under the this Policy for any **Wrongful Act** by such **Agents, General Agents** or **Registered Representatives** occurring after the date such organization ceased to be a subsidiary or affiliate.

XII. COVERAGE WITH RESPECT TO NEW ACQUISITIONS

1. If Coverage Part C of this Policy is purchased, and if, on or after the inception date of this Policy, a **Broker/Dealer** specified in Item 2 of the Declarations acquires voting stock of another Broker/Dealer representing more than 50% of the voting power for the election of the board of directors of such Broker/Dealer, or acquires all or substantially all of the assets of another Broker/Dealer, any of the foregoing being an "acquisition," coverage for such newly acquired **Broker/Dealer** under Coverage Part C of this Policy shall be provided as follows:
 - a. If such acquisition will result in an increase of the consolidated sales force or consolidated gross assets of the **Broker/Dealer** named in Item 2 by less than 10%, coverage under Coverage Part C shall be automatically extended (subject to all other terms and conditions of this Policy) to include **Claims** made against such newly acquired **Broker/Dealer** for any **Wrongful Acts** occurring subsequent to the date of acquisition, but only for a period of 30 days from the date of acquisition, or until the termination of the **Policy Period**, whichever is earlier. No coverage shall be afforded by this Policy to any **Insured** with respect to activities or liabilities of such newly acquired **Broker/Dealer** occurring or incurred prior to the acquisition, unless and until an endorsement to this Policy, or written confirmation, is issued/received by the Insurer expressly granting such coverage. Issuance of any such endorsement shall be at the Insurer's absolute discretion. No coverage shall be afforded after the period of 30 days unless an endorsement to this Policy is issued by the Insurer expressly granting such coverage.
 - b. If such acquisition will result in an increase of the consolidated sales force or consolidated gross assets of the **Broker/Dealer** named in Item 2 by 10% or more, no coverage under Coverage Part C shall be afforded to such newly acquired **Broker/Dealer** unless and until an endorsement to this Policy, or written confirmation, is issued/received by the Insurer expressly granting such coverage.
2. If Coverage Part D of this Policy is purchased, and if, on or after the inception date of this Policy, the **Policyholder** specified in Item 1 (a) of the Declarations acquires voting stock of another life insurer representing more than 50% of the voting power for the election of the board of directors of such life insurer, or acquires all or substantially all of the assets of another life insurer, any of the foregoing being an "acquisition," coverage for such newly acquired **Policyholder** under Coverage Part D of this Policy shall be provided as follows:
 - a. If such acquisition will result in an increase of the consolidated sales force or consolidated gross assets of the **Policyholder** named in Item 1 (a) by less than 10%, coverage under Coverage Part D shall be automatically extended (subject to all other terms and conditions

of this Policy) to include **Claims** made against such newly acquired **Policyholder** for any **Wrongful Acts** of an **Agent** or **General Agent** occurring subsequent to the date of acquisition, but only for a period of 30 days from the date of acquisition, or until the termination of the **Policy Period**, whichever is earlier. No coverage shall be afforded by this Policy to any **Insured** with respect to activities or liabilities of such newly acquired life insurer occurring or incurred prior to the acquisition, unless and until an endorsement to this Policy, or written confirmation, is issued/received by the Insurer expressly granting such coverage. Issuance of any such endorsement shall be at the Insurer's absolute discretion. No coverage shall be afforded after the period of 30 days unless an endorsement to this Policy is issued by the Insurer expressly granting such coverage.

- b. If such acquisition will result in an increase of the consolidated sales force or consolidated gross assets of the **Policyholder** named in Item 1(a) by 10% or more, no coverage under Coverage Part D shall be afforded to such newly acquired life insurer unless and until an endorsement to this Policy, or written confirmation, is issued/received by the Insurer expressly granting such coverage.
3. If Coverage Part A or B of this Policy is purchased, and if, on or after the inception date of this Policy, a corporation specified in Item 1 or 2 of the Declarations acquires voting stock or assets of another entity resulting in an increase of the consolidated sales force by 10% or more, no coverage under Coverage Part A or B shall be afforded to those **Agents, General Agents, Registered Representatives** or **Registered Investment Advisors**, that were previously associated with the other entity, unless an endorsement to this Policy is issued or written confirmation is issued/received by the Insurer expressly granting such coverage.

XIII. SUBROGATION AND RECOVERY

In the event of any payment under this Policy, the Insurer shall be subrogated to all the **Insured's** rights of recovery therefor against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. Any amount recovered in excess of the Insurer's total payment shall be restored to the **Insured**, less the cost to the Insurer of recovery.

XIV. CHANGES

Notice to any agent or knowledge possessed by an agent or by any other person shall not affect a waiver or a change in any part of this Policy, or stop the Insurer from asserting any right under the provisions of this Policy. The provisions of this Policy shall not be waived, changed or modified except by endorsement issued to form a part of this Policy.

XV. NO ACTION AGAINST INSURER

No action shall be taken against the Insurer unless, as a condition precedent thereto, the **Insured** shall have fully complied with all terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Insurer. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained in this Policy shall give any person or organization any right to join the Insurer in any action against the **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by the **Insured** or their legal representative in any such **Claim**.

XVI. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

XVII. TERRITORY

This Policy applies to **Wrongful Acts** which happen anywhere in the world, but only with respect to **Claims** made or suits brought against the Insured in the United States of America, its territories or possessions, or Canada.

XVIII. ENTIRE AGREEMENT

The **Policyholder** agrees that this Policy, including the **Application**, any materials submitted or required to be submitted therewith, and any written endorsements attached, constitute the entire contract existing between **Insureds** and the Insurer or any of its agents relating to this insurance.

XIX. EXCLUSIONS

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

1. based upon, directly or indirectly arising out of, or in any way involving:
 - a. any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any notice given under any prior policy, in whole or in part, regardless of whether or not such prior policy affords coverage; or
 - b. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in paragraph a. immediately above, would constitute **Interrelated Wrongful Acts**;
2. based upon, directly or indirectly arising out of or in any way involving **Wrongful Acts** committed prior to the date the **Insured's** became an **Agent** or **General Agent** for the **Policyholder** or Insurance Companies Represented in Item 1 of the Declarations. However, this exclusion shall not apply if:
 - a. The **Insured** had continuously in force life, accident and health insurance agents professional liability coverage for at least three years immediately preceding the **Insured's** inception date of this policy; and
 - b. The **Insured**, when providing notice of a **Claim** to the Insurer, also provides proof of such prior life, accident and health insurance agents professional liability insurance to the Insurer showing continuously in force coverage for at least three (3) years immediately preceding the **Insured's** inception date of coverage under this program; and
 - c. The **Insured** has been continuously covered under this Policy from the date of the **Insured's** initial enrollment until the date of **Claims** first made against the **Insured** and reported to the Insurer.
 - d. The **Insured** has not had continuously in force prior life, accident and health insurance agents professional liability coverage for at least three years immediately preceding coverage under this Policy, this exclusion shall also not apply if:
 - i. such prior acts were committed while the **Insured** was covered by life, accident and health insurance agents professional liability insurance which

- was continuously in force from the date of the prior acts until the date of “claims first made against the **Insured** and reported to the Insurer;
- ii. the **Insured** provides to the Insurer a copy of the continuously in force prior life, accident and health insurance agents professional liability or other proof of such insurance acceptable to the Insurer;
 - iii. the **Insured** had no knowledge of a **Claim** arising out of any prior acts as of the inception date of coverage for the **Insured** provided by this Policy; and
 - iv. there is no other valid and collectible professional liability coverage in effect at the time that the **Claim** is made against the **Insured**.
3. by or on behalf of, or for the benefit of, whether directly or indirectly, any parent, spouse, child of the **Insured**, or any individual with whom the **Insured** has or had been involved in a live-in arrangement at the time the **Wrongful Act** occurred;
 4. by or on behalf of, or for the benefit of, whether directly or indirectly of the following:
 - a. an entity in which one or more **Insured's** have, or did have at the time of the **Wrongful Act**, a total of ten percent (10%) or more equity interest, or the **Insured** operates, controls, or manages the entity; or
 - b. an individual or entity which has, or did have at the time of the **Wrongful Act**, a total of ten percent (10%) or more equity interest in an **Insured** or operates, controls or manages the **Insured**;
 5. by, on behalf of, or for the benefit of any past or present **Insured**, whether it be an individual, class or derivative action, except and to the extent that such **Claim** is by an **Insured** in his or her capacity as a **Client**;
 6. by, on behalf of, or for the benefit of any of the following persons or entities, in any capacity:
 - a. any governmental or quasi-governmental official or agency including but not limited to any state or federal securities or insurance commission or agency; or
 - b. any self-regulatory organization including, but not limited to, the Securities and Exchange Commission, National Association of Securities Dealers, the Securities Investor Protection Corporationprovided, however, that this exclusion shall not apply to any **Claim** by an official of such agency or organization if such official is bringing the claim in his or her capacity as a direct **Client** of an **Insured** and not as an official of such agency or organization;
 7. based upon, directly or indirectly arising out of, or in any way involving, in fact, any actual or alleged dishonest, fraudulent, criminal, malicious, purposeful or intentional act, error or omission, or any actual or alleged knowing or willful violation of any statute or law;
 8. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish or death of any person, or damage to or destruction of any tangible property, including loss of use thereof;
 9. based upon, directly or indirectly arising out of, or in any way involving actual or alleged liability of others assumed by an **Insured** under any contract or agreement; provided,

- however, that this exclusion shall not apply to the extent that the liability would attach to an **Insured** in the absence of such contract or agreement;
10. based upon, directly or indirectly arising out of, or in any way involving actual or alleged **Professional Services** performed by the **Insured** as an actuary, accountant, attorney, property or casualty agent, real estate agent, or third party claims administrator; however this exclusion shall not apply to property and casualty agents if property and casualty agents' coverage has been purchased and has been endorsed onto the policy.
 11. based upon, directly or indirectly arising out of, or in any way involving the **Insured's** inability or refusal to pay or collect premium, claim or tax monies;
 12. based upon, directly or indirectly arising out of, or in any way involving actual or alleged tax advice provided by the **Insured** except to the extent that such tax advice is accompanied by a written disclaimer advising the **Client** to seek the advice of a tax professional;
 13. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged commingling or use of **Client** funds;
 14. based upon, directly or indirectly arising out of, or in any way involving , in fact, any actual or alleged profit, remuneration or pecuniary advantage gained by any **Insured**, to which the **Insured** was not legally entitled;
 15. based upon, directly or indirectly arising out of, or in any way involving the insolvency, receivership, conservatorship, liquidation, bankruptcy or inability to pay of a natural person, entity, benefit plan, insurance company, managed health care organization, reinsurer, risk retention group or captive (or any self insurance plan or trust by whatsoever name), or limited partnership in which the **Insured** has placed business or obtained insurance coverage, or placed or recommended placement of the funds of a **Client**;
 16. based upon, directly or indirectly arising out of, or in any way involving the **Insured** actual or alleged making or stating any promises or guarantees as to interest rates or fluctuations in interest rates, the market value of any investment or insurance product, or future premium payments;
 17. based upon, directly or indirectly arising out of, or in any way involving a dispute over fees, commissions or charges, including without limitation the structure of fees or excessive fees; however, this exclusion shall not apply to surrender charges;
 18. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged pension, profit sharing, health and welfare or other employee benefit plan or trust sponsored by the **Insured** or any entity owned or controlled by the **Insured** or in which the **Insured** is a participant, trustee or named fiduciary, as defined under the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law;
 19. based upon, directly or indirectly arising out of, or in any way involving the actual or alleged sale, attempted sale or servicing of any coverage, alleged coverage or plan placed with any form of Multiple Employer Welfare Arrangement as defined by the Employee Retirement Income Security Act of 1974, as amended, or any employee benefits plan involving self funding in whole or in part, by any employer;
 20. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged activities in connection with the exercise of discretionary authority whether granted or not

granted to the **Insured** with regard to the management or disposition of assets (whether for individuals, groups, employee benefit plans, or other entities of whatever legal form or character); however, this exclusion shall not apply to the activities of the **Insured** when exercising discretionary authority as a **Registered Investment Adviser** with respect to mutual funds, variable annuities or variable life products;

21. based upon, directly or indirectly arising out of, or in any way involving the actual or alleged design or implementation of any employee benefit plan;
22. based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to the **Insureds**, their security holders, or their creditors resulting from any of the aforementioned matters;
23. based upon, directly or indirectly arising out of, or in any way involving actual or alleged price fixing, price discrimination, predatory pricing, restraint of trade, antitrust, monopolization, unfair trade, or unfair anti-competitive conduct;
24. based upon, directly or indirectly arising out of or in any way involving the use of confidential information by an **Insured**, including but not limited to such use for the purpose of replacement of coverage;
25. based upon, directly or indirectly, arising out of or in any way involving the placement of a **Client's** coverage or funds directly or indirectly with any organization, entity or vehicle of any kind, nature or structure which is not licensed to do business in the state or jurisdiction with authority to regulate such business; however, this Exclusion shall not apply to any **Claim** arising from or contributed to by the placement of a client's coverage or funds directly or indirectly with such organization, entity or vehicle which is an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;
26. based upon, directly or indirectly arising out of, or in any way involving:
 - a. viatical settlements, viatical insurance benefits, viatical investment pools or any security backed by viatical settlements;
 - b. ETS pay phones or pay phone investments;
 - c. Structured settlements;
 - d. Life Settlements;
 - e. Reverse mortgages or similar transactions in which the present value of a conditional contract is exchanged or sold;
 - f. Promissory notes;
27. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged use or disclosure by any **Insured** of, or aiding and abetting by any **Insured** in the use of, or actual or alleged participating after the fact by any **Insured** in the use of, non-public information in a manner prohibited by the laws of the United States, including, but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 hereunder, any similar laws of any other jurisdiction, or any rules or regulations promulgated under any of the foregoing, all as amended;

28. based upon, directly or indirectly arising out of or attributable to the insured **Broker Dealer** acting as a successor in interest to another entity including but not limited to another securities broker-dealer;
29. based upon, directly or indirectly arising out of, or in any way involving any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **Fungi** or **Microbes**; or the actual, alleged or threatened failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, disposal of or in any way respond to, assess the effects of or advise of the existence of any **Fungi** or **Microbes**. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Loss** claimed.
30. based upon, directly or indirectly arising out of or in any way involving any prior or pending proceeding as of the effective date of such enrollment as provided by the **Policyholder** to the Insurer.
31. based upon, directly or indirectly arising out of, or in any way involving the **Insured's** providing or participating, in fact, in a fictitious or collusive bid;
32. based upon, directly or indirectly arising out of, or in any way involving the Insured's failure to disclose, in fact, to a **Client**, as may be required by the law of any applicable jurisdiction, any compensation the Insured (as such term is defined in Coverage Parts A, B, and C) receives from any third party in connection with the Professional Services provided to such **Client**

XX. TRADE EMBARGOES AND SANCTIONS

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

- a. Any **Insured**, or any person or entity claiming the benefits of an **Insured**, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
- b. Any **Claim** that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such **Claim** is prohibited by U.S. economic or trade sanctions;
- c. Any **Claim** that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
- d. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
- e. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this policy a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this policy a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed by its Chairman and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman

Secretary



I. INSURING AGREEMENT

The Insurer shall pay on behalf of the **Insured** all **Loss** which the **Insured** shall become legally obligated to pay resulting from a **Claim** first made against them and reported to the Insurer during the **Policy Period** (or reported within 30 days thereafter) or the Extended Reporting Period, if applicable, for a **Wrongful Act** taking place on or after the **Prior Acts Date** solely in rendering or failing to render **Professional Services**.

II. DEFINITIONS

For purposes of coverage under this Coverage Part A:

1. **Administration of Employee Benefit Plans** means consultation with participants in an employee benefit plan in order to explain the provisions of such plan and handling day-to-day ministerial functions required by such plan, including without limitation enrollment, record keeping and filing reports with government agencies. **Administration of Employee Benefit** does not include third party administration claims administration.
2. **Insured** means:
 - a. an **Agent or General Agent**;
 - b. any **Registered Representative** of a **Broker/Dealer**, who, at the time of rendering the **Professional Services** in dispute, was a member of the National Association of Securities Dealer.
 - c. a natural person who is a former or current secretarial, clerical or administrative employee of the **Agent, General Agent or Registered Representative**, but solely for services performed within their capacity as such and on behalf of an **Agent, General Agent or Registered Representative**, provided such natural person did not receive any commission income pursuant to an agent, broker or registered representative contract with any insurance company or broker/dealer as a result of providing **Professional Services** offered by the **Agent, General Agent or Registered Representative**.

Insured does not include the **Policyholder, Broker/Dealer** or any subsidiary or any affiliate thereof.
3. **Prior Acts Date** means:
 - a. with respect to an **Agent or General Agent**, the date the **Agent and/or General Agent** became continuously insured without interruption under any claims made professional liability policy (subject to written proof of such coverage at the time the **Insured** gives written notice to the Insurer of a **Claim** under this Policy).
 - b. with respect to a **Registered Representative**, the date the **Registered Representative or Registered Investment Advisor** contracted with the **Broker/Dealer** specified in Item 2 of the Declarations for **Claims** otherwise covered under this Coverage Part.
4. **Professional Services** means:
 - a. with respect to an **Agent or General Agent**, only the following services to the extent they are provided in the course and scope of the **Insured's** business as an

Agent or General Agent and such **Agent or General Agent** has the appropriate license in both the **Client's** resident state or jurisdiction and the state or jurisdiction in which the business is conducted:

- i. services as a notary public;
 - ii. sale, attempted sale or servicing of employee benefit plans, individual retirement plans and KEOGH retirement plans;
 - iii. **Administration of Employee Benefit Plans**
 - iv. sale, attempted sale or servicing of life insurance, accident and health insurance, managed health care organization contracts, disability income insurance, fixed annuities, and 24 hour care coverage (as defined by statutory law);
 - v. financial planning activities in conjunction with services described in paragraphs i. thru iv. of this definition, whether or not a separate fee is charged;
 - vi. supervision, management and training of an **Agent** by a **General Agent** with respect to activities otherwise covered by this Coverage Part A. Provided, however, any such coverage shall not apply to any **Claim** alleging any employment practices of any kind.
- b. with respect to **Registered Representative**,
- i. only the sale, attempted sale or servicing of variable annuities, variable life insurance and mutual funds that are registered with the Securities Exchange Commission, if required, through a **Broker/Dealer** is a member of the National Association of Securities Dealers and only to the extent they are provided in the course and scope of the **Insured's** business as a **Registered Representative** and such **Registered Representative** has the appropriate license in both the **Client's** resident state or jurisdiction and the state or jurisdiction in which the business is conducted.
 - ii. financial planning activities in conjunction with the services described in paragraph i. above whether or not a separate fee is charged.

III. EXCLUSIONS

In addition to the Exclusions contained in the General Terms and Conditions, the Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

1. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged sale, attempted sale or servicing of products or services other than:
 - a. employee benefit plans, individual retirement arrangements and KEOGH retirement plans;
 - b. life insurance, accident and health insurance, managed health care organization contracts, disability income insurance, fixed annuities, and 24 hour care coverage

(as defined by statutory law); or

- c. variable annuities, variable life insurance and mutual funds that are registered with the Securities Exchange Commission, if required, through a **Broker/Dealer** that is a member of the National Association of Securities Dealers.
2. brought by or on behalf of any **Broker/Dealer** other than one which buys, sells or trades in securities exclusively as a principal for its own account;
3. based upon, directly or indirectly arising out of or in any way involving the use of or investment in any hedging investment vehicle whether it is registered or not with the Securities and Exchange Commission;

IV. AUTOMATIC EXTENDED REPORTING PERIOD

1. If, during the Policy Period an **Agent, General Agent or Registered Representative** ceases their status as such with the **Policyholder**, such **Agent, General Agent or Registered Representative** shall have a one year Automatic Extended Reporting Period, beginning on his or her date of termination and terminating 12 months thereafter, during which coverage for such **Agent or General Agent or Registered Representative** shall continue under this Coverage Part, but only with respect to **Wrongful Acts** (i) committed after the **Prior Acts Date** as defined in Coverage Part A; (ii) committed before his or her termination date; and (iii) which are **Wrongful Acts** otherwise covered under the terms and conditions of this Policy.
2. An **Agent, General Agent or Registered Representative** shall not be entitled to such Automatic Extended Reporting Period if he or she is currently enrolled in any broker, dealer, life agent, registered representative, registered investment adviser, financial planning or professional liability policy, other than this Policy, whether or not that policy actually affords coverage for the **Claim** in question.
3. An **Agent, General Agent or Registered Representative** shall not be entitled to such Automatic Extended Reporting Period if the **Policyholder** terminated its relationship with such **Agent, General Agent or Registered Representative** for disciplinary reasons.
4. An **Agent, General Agent or Registered Representative** who was **Retired or Disabled** on the inception date of this Policy, shall not be entitled to such Automatic Extended Reporting Period.
5. The Automatic Extended Reporting Period does not create a separate or additional Limit of Liability or Policy Aggregate Limit of Liability.

LIFE AGENT/BROKER DEALER SOLUTIONS

Insurance Company Vicarious Liability Coverage Part D

I. INSURING AGREEMENT

If and to the extent an **Insured** is named as a co-defendant with an **Agent or General Agent** in a **Claim** otherwise covered under Coverage Part A, the Insurer shall pay on behalf of the **Insured** all **Loss** which the **Insureds** shall become legally obligated to pay resulting from a **Claim** first made against them and reported to the Insurer during the **Policy Period** (or reported within 30 days thereafter) or the Extended Reporting Period, if applicable, for a **Wrongful Act** by an **Agent or General Agent** where such **Wrongful Act** took place on or after the **Prior Acts Date**.

II. DEFINITIONS

For purposes of coverage under this Coverage Part D:

1. **Agent or General Agent** means a natural person or entity defined as such in the General Terms and Conditions.
2. **Insured** means the **Policyholder**.

III. EXCLUSION

In addition to the Exclusions contained in the General Terms and Conditions, the Insurer shall not be liable to pay any **Loss** in connection with any **Claim** containing any allegations of negligence or bad faith of the **Insured**, including but not limited to negligent hiring, training, management or supervision.



INSOLVENCY DEFENSE EXTENSION

For use with General Terms & Conditions G-133049-A (Ed. 4/04)

In consideration of the premium charged, it is hereby understood and agreed that under the General Terms & Conditions, Section XIX. Exclusions, Exclusion 15 is deleted in its entirety and replaced with the following:

- 15. based upon, directly or indirectly arising out of, or in any way involving the insolvency, receivership, conservatorship, liquidation, bankruptcy or inability to pay of a benefit plan, insurance company, entity, managed health care organization, reinsurer, risk retention group or captive (or any self insurance plan or trust by whatsoever name), or limited partnership in which the **Insured** has placed business or obtained insurance coverage, or placed and/or recommended placement of the funds of a **Client**; however, notwithstanding the foregoing, the Insurer shall have the right and duty to defend the **Insured** in any suit alleging acts described above, provided:
 - a. the **Claim** arises from the **Insured's** placement of coverage with an admitted Insurer with an A.M. Best rating of "A-" or better rating at the time of placement;
 - b. the Insurer's liability for such **Defense Costs** shall be limited to \$250,000 per **Claim**/\$250,000 Aggregate per **Insured**/ \$500,000 Total Policy Aggregate; and
 - c. under no circumstances shall the Insurer have any responsibility to pay for **Loss** of any kind or to defend or continue to defend once the aforementioned limits have been exhausted through payment of **Defense Costs**.

All other terms, conditions and exclusions of this Policy shall remain the same.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**STATE SALES COORDINATOR, REGIONAL SALES COORDINATOR AND
DISTRICT SALES COORDINATOR
WRONGFUL TERMINATION COVERAGE**
For use with Coverage Part A G-133051-A (Ed. 4/04)

In consideration of the premium charged, it is understood and agreed as follows:

1. For purposes of this Endorsement only, the Definition of **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator** is amended as follows:
 - **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator** means a **General Agent**, as that term is defined in the General Terms & Conditions, who:
 - is an experienced product specialist;
 - has an **Agent** contract with the **Policyholder**; and
 - is responsible for advising other **Agents** on the sale, attempted sale or servicing of life products approved by the **Policyholder**.
2. Coverage Part A, Section II. DEFINITIONS, is amended to include the following new Definitions:
 - **Wrongful Termination Claim** means any **Claim** arising out of an actual or alleged **Wrongful Termination** by the **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator** of an **Agent's** contract with the **Policyholder**.
 - **Wrongful Termination** means a **Wrongful Act** constituting or relating to
 - a. wrongful dismissal or discharge or termination of **Employment**, whether actual or constructive;
 - b. breach of an implied agreement to continue **Employment**.
 - **Employment** means the contractual relationship between an **Agent** and the **Policyholder** whether as an employee or independent contractor.
 - **Discrimination** means the termination of an **Agent's** contract or a demotion or refusal to hire or promote or otherwise take any action against an **Agent** with respect to his or her compensation, terms, conditions, privileges or opportunities of **Employment** because of race, color, religion, age, sex, disability, pregnancy, national origin, sexual orientation or other protected category or characteristics established pursuant to any applicable United States federal, state, or local statute or ordinance.
 - **Sexual Harassment** means unwelcome sexual advances and/or requests for sexual favors and/or other verbal or physical conduct of a sexual nature that (i) are made a condition of **Employment** and/or (ii) are used as a basis for **Employment** decisions and/or (iii) create a work environment that interferes with performance or creates an intimidating, hostile or offensive work environment.
3. Coverage Part A, Section III, **EXCLUSIONS**, is amended to add the following new Exclusions:
 - The Insurer shall not be liable to pay any **Loss** in connection with any **Wrongful Termination Claim** based upon, directly or indirectly arising out of, or in any way involving:
 - a) **Discrimination** by a **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator** against any **Agent** of the **Policyholder**;
 - b) **Sexual Harassment** by a **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator** against any **Agent** of the **Policyholder**;
 - c) Liability imposed under the Employee Retirement Income Security Act of 1974, as amended;



- d) Contractual liability assumed by the **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator**;
- e) An Equal Employment Opportunity Commission (EEOC) (or similar state agency) proceeding or investigation;
- f) Any labor or grievance proceeding which is subject to a collective bargaining agreement; or
- g) Damages determined to owed under an express contract of **Employment** or an express obligation to make payments in the event of the termination of **Employment** practices.

4. Solely with respect to **Wrongful Termination Claims** Coverage Part A, Section II, DEFINITIONS, the Definition of **Professional Services**, sub-paragraph a.vi. is deleted in its entirety and replaced with the following:

vi. supervision, management and training of an **Agent** by a **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator** of the **Policyholder**, but solely while acting within the scope of his or her duties as a **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator**, with respect to activities otherwise covered by this Coverage Part A.

5. The General Terms & Conditions, Section V. LIMIT OF LIABILITY, RETENTION AND ALLOCATION, is amended to add a new section as follows:

- It is understood and agreed that, notwithstanding the Limits of Liability set forth on Item 6 of the Declarations, the maximum Limits of Liability available for **Loss** and **Defense Costs** arising from a **Wrongful Termination Claim** shall be:

\$250,000 per **Wrongful Termination Claim**

\$250,000 annual aggregate per **State Sales Coordinator, Regional Sales Coordinator or District Sales Coordinator**.

All other terms, conditions and exclusions of this policy remain the same.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



CLASS ACTION EXCLUSION
(For use with form G-133049-A ed. 4/04)

In consideration of the premium charged, it is hereby understood and agreed that in the event that the **Interrelated Wrongful Acts** and the Policy Aggregate Limit of Liability is not applicable, the General Terms & Conditions is amended as follows:

1. Section II. DEFINITIONS, is amended to add the following new Definition:
 - **Class Action Claim** means a **Claim** under which one party, or a group of parties, sue as representatives of a larger class. **Claims** brought in federal court are governed by Federal Rule of Civil Procedure 23.
2. Section XIX, EXCLUSIONS, is amended to add the following new Exclusion:
 - The Insurer shall not be liable to pay any **Loss** in connection with any **Class Action Claim** but only in the event that any legislative or regulatory body or any court of law in any jurisdiction determines that this Policy's provisions concerning the Policy Aggregate or **Interrelated Wrongful Acts** are against the laws, regulations or public policy of such jurisdiction;

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



NEW YORK AMENDATORY GENERAL TERMS & CONDITIONS

This endorsement effective at 12:01 a.m. 01/01/2009 forms a part of Policy Number 169947227 issued to **Policyholder** by the Insurer.

In consideration of the premium charged, it is hereby understood and agreed that solely with respect to those **Agents, General Agents, Registered Representatives** and **Registered Investment Advisers** insured under this Policy, who are resident of or practice in New York State the General Terms & Conditions are amended as follows:

- A. The Notice and introductory paragraph on page 1 is deleted in its entirety and replaced as follows:

NOTICE: THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST AN INSURED/POLICYHOLDER AND REPORTED TO THE INSURER DURING THE COVERAGE RELATIONSHIP. NO COVERAGE EXISTS FOR CLAIMS FIRST REPORTED AFTER THE END OF THE COVERAGE RELATIONSHIP UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES.

DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. THIS COULD RESULT IN THE LIMIT OF LIABILITY BECOMING COMPLETELY EXHAUSTED BY THE PAYMENT OF DEFENSE COSTS, IN WHICH CASE, NO FURTHER COVERAGE IS PROVIDED BY THIS POLICY. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

The Insurer, the **Policyholder** and the **Insureds** agree as follows, in consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the **Policyholder's** Declarations and the **Insured's Certificate of Insurance**, a stock insurance corporation, hereafter called the "Insurer".

- B. Section II, DEFINITIONS are amended to add the following new definitions:

- **Certificate of Insurance** means the document issued to each **Insured** evidencing the terms, limits, premium and endorsements provided to the **Insured**.
- **Certificate Period** means the period of time between the inception date shown on the **Certificate of Insurance** and the effective date of termination, expiration or cancellation of the **Certificate of Insurance** issued to **Insured**
- **Class Action Claim** means a **Claim** under which one party, or a group of parties, sue as representatives of a larger class. **Claims** brought in federal court are governed by Federal Rule of Civil Procedure 23.
- **Coverage Relationship** means that period of time between the effective date of the first claims-made **Certificate of Insurance** issued by the insurer to the **Insured** and the cancellation or nonrenewal of the last consecutive claims-made **Certificate of Insurance** issued by the Insurer to the **Insured**, where there has been no gap in coverage, but does not include any period covered by **Extended Reporting Period** coverage.
- **Extended Reporting Period** means the period of time after the **Coverage Relationship** for reporting **Claims** due to a **Wrongful Act**. The **Wrongful Act** must happen on or after the prior acts date and before the end of the **Coverage Relationship**.
- **Insured**, as used in these General Terms and Conditions, has the meaning set forth in Coverage Parts A and B and does not include the **Policyholder**.

- C. Section II, DEFINITIONS is amended to delete the definition of **Policy Period, Policyholder, Pollutants** and **Registered Representative** and replace them as follows:



15. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 3 of the **Policyholder's Declarations**, or its earlier cancellation date.
16. **Policyholder** means the person or organization named in Item 1 of the **Policyholder's Declarations**.
17. **Pollutants** means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed).
19. **Registered Representative** means:
 - a. an individual who maintains an agent contract with the **Policyholder** and who has elected to enroll for coverage under this **Policy** and to whom the Insurer has issued a **Certificate of Insurance**; and
 - b. any corporation, partnership or other business entity that is owned or controlled by such natural person, but solely with respect to the liability of such organization arising out of such natural person rendering or failing to render **Professional Services**.

Registered Representative also includes any **Retired** or **Disabled Registered Representative**.

Section II DEFINITIONS is further amended to delete the Definition of **Agent** and **General Agent**, paragraphs 1.a. b and c in their entirety and replace as follows:

1. **Agent or General Agent**, whether used separately or together, means a natural person:
 - a. who maintains a life agent contract with the **Policyholder** (if a life insurance company), or with a life insurance company subsidiary of the **Policyholder**; and
 - b. who has elected to enroll for coverage under this Policy; and
 - c. to whom the Insurer has issued a **Certificate of Insurance**.

- D. Section III, POLICYHOLDER OPTIONAL EXTENDED REPORTING PERIOD is deleted in its entirety.
- E. Section V. LIMIT OF LIABILITY, RETENTION AND ALLOCATION is deleted in its entirety and replaces as follows:

1. Coverage Parts A and B (where included)
 - a. If and to the extent that either Coverage Part A or Coverage Part B is included, the Scheduled Limits of Liability for such Coverage Parts, as set forth in the Declarations at column ② of Item 6b of the Coverage Schedule shall apply separately to each **Certificate of Insurance** as follows:
 - i. **Each Claim**

Subject to paragraph 2.ii. below, the Limit of Liability of the Insurer for **Loss** for each Claim first made against an **Insured** and reported to the Insurer during the **policy period** shall not exceed the amount stated in the **Insured's Certificate of Insurance** for each **Claim**.



ii. In the aggregate

The Limit of Liability of the of the Insurer for **Loss** for all **Claims** first made against an **Insured** and reported to the Insurer during the **policy period** shall not exceed the amount stated in the **Insured's Certificate of Insurance** for all **Claims** in the aggregate.

2. There is no additional Limit of Liability is afforded under Coverage Part D. Rather, the Limit of Liability applicable to **Claims** under Coverage Part D shall be the Limit of Liability under Coverage Part A applicable to the **Agent** or **General Agent** named as a co-defendant with the **Policyholder** in the **Claim** under Coverage Part D.
3. Subject to the applicable Limit of Liability, the Insurer shall pay all covered **Loss** and **Defense Costs** excess of the applicable Retention, if any, set forth in the Coverage Schedule in Item 6 of the **Insured's Certificate of Insurance**. A single and separate Retention shall apply to all **Loss** and **Defense Costs** resulting from each **Claim**. If more than one Retention is applicable to a single **Claim**, the maximum aggregate Retention for such **Claim** shall be the largest of such Retentions.
4. More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Claim** which shall be deemed to have been made on the earlier of:
 - a. the date on which the earliest such **Claim** was first made; or
 - b. the first date valid notice was given by an **Insured** to the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.
5. If a **Claim** made against the **Insureds** includes both covered and uncovered matters or if a **Claim** is made against **Insureds** who are extended coverage under this Policy and others who are not extended coverage therefore under this Policy, the **Insureds** agree that there must be an allocation between insured and uninsured loss. The **Insureds** and the Insurer shall exert their best efforts to agree upon a fair and proper allocation between insured and uninsured loss.

F. Section VI, DEFENSE is amended as follows:

Paragraph 1 is deleted in its entirety and replaced as follows:

1.
A. Duty to Defend

The Insurer shall have the right and duty to defend any **Claim** against the **Insureds** seeking sums payable under this Policy, even if any of the allegations of the **Claim** are groundless, false or fraudulent.

The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Claim** as it deems necessary. The **Insureds** or **Policyholder**, as applicable, shall:

- a. have the right to consent to the Insurer's choice of defense attorney, which consent shall not be unreasonably withheld;
- b. participate in and assist in the direction of the defense of any **Claim**; and
- c. consent to any settlement, which consent shall not be unreasonably withheld.

Subject to paragraph 2. below, the Insurer's obligation to defend any **Claim** or pay any **Loss** or **Defense Costs**, shall be completely fulfilled and extinguished if the Limit of Liability has been exhausted by payment of **Loss** or **Defense Costs**.

B. Limitation on the Insurer's Duty to Defend



If the Insurer concludes that the Limit of Liability applicable to a **Claim** may become exhausted prior to the conclusion of any **Claim**, we will notify the **Insured**, in writing, to that effect.

When the Limit of Liability applicable to a **Claim** has actually been exhausted prior to the conclusion of the **Claim**, the Insurer will notify the **Insured**, in writing, as soon as practicable, that such limit has been exhausted and that the Insurer's duty to defend such **Claim** and any other **Claim** has ended.

The Insurer will initiate, and cooperate in, the transfer of control to the **Insured**, of any **Claims** which were subject to that Limit of Liability and which were reported to the Insurer prior to the exhaustion of such limit. The **Insured** must cooperate in the transfer of control of such **Claims**.

The Insurer agrees to take the necessary steps as the Insurer deems appropriate to avoid a default in, or continue the defense of, such **Claims** until such transfer has been completed, provided that **Insureds** are cooperating in completing such transfer.

The **Insured** must reimburse the Insurer for expenses the Insurer incurs in taking those steps the Insurer deems appropriate to avoid a default in, or continuing the defense of, any **Claim**.

The Insurer will not take any action with respect to any **Claim** that would have been subject to such Limit of Liability, had it not been exhausted, if the **Claim** is reported to the Insurer after that limit has been exhausted.

The exhaustion of any limit by payment of any **Claim**, and the resulting end of the Insurer's duty to defend, will not be affected by the Insurer's failure to comply with any of the terms and conditions of this provision.

G. Section VII, NOTICE is amended as follows:

1. The first sentence of paragraph 1 is deleted in its entirety and replaced as follows:

If a **Claim** is made against any **Insured** or the **Policyholder**, the **Insured** or the **Policyholder**, as applicable, shall give written notice to the Insurer or any of the Insurer's licensed agents, of such a **Claim** as soon as practicable during the **Coverage Relationship** and forward to the Insurer every demand, notice, summons or other process received.

2. The first sentence of paragraph 2 up to the colon is deleted in its entirety and replaced as follows:

If, during the **Insured's Certificate Period**, or the Extended Reporting Period, if applicable, an **Insured** first becomes aware of any **Wrongful Act** which may reasonably give rise to a future **Claim** and during such period give written notice to the Insurer or any of the Insurer's licensed agents, of:

3. Paragraph 4 is deleted in its entirety and replaced as follows:

The **Insureds** shall give written notice under this Policy to the Insurer or any of the Insurer's licensed agents as specified in the **Certificate of Insurance**, which shall be effective upon receipt.

Failure to give any notice required to be given by paragraphs 1,2 and 3 above, within the time prescribed therein shall not invalidate any **Claim** made by the **Insured** or by any other claimant if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible.



H. Section VIII CANCELLATION is renamed CANCELLATION/NONRENEWAL OF POLICY and is amended to delete paragraph 3 and add a new paragraph as follows:

- Nonrenewal/Conditional Renewal
 - a. If the Insurer elects not to renew this Policy, the Insurer shall send notice as provided in paragraph c. below along with the reason for nonrenewal.
 - b. If the Insurer condition renewal of this Policy upon:
 - i. change of limits;
 - ii. change in type of coverage;
 - iii. reduction of coverage;
 - iv. increased deductible;
 - v. addition of exclusion;
 - vi. increased premiums in excess of 10%, exclusive of any premium increased due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

the Insurer shall send notice as provided in paragraph c. below.

c. Notice of nonrenewal and conditional renewal will be provided as follows:

If the Insurer decides not to renew this Policy or to conditionally renew this Policy as provided in paragraphs a. and b. above, the Insurer shall mail or deliver written notice to the **Policyholder** at least 60 but not more than 120 days before the expiration date

- d. Notice will be mailed or delivered to the **Policyholder** at the address shown in the Policy and its authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- e. the Insurer will not send the **Policyholder** notice of non-renewal or conditional renewal if the **Policyholder** or its authorized agent or broker or another insurer of the **Policyholder** mails or delivers notice that this Policy has been replaced or no longer desired.

I. A new section is added as follows:

CANCELLATION/NONRENEWAL/CONDITIONAL RENEWAL OF CERTIFICATE OF INSURANCE

1. Cancellation of Certificate of Insurance

- a. The **Insured** has the right to cancel their **Certificate of Insurance** at any time by giving notice to the Insurer stating when thereafter the cancellation shall be effective. If the **Certificate of Insurance** is so canceled, earned premium shall be computed pro rata.
- b. If the **Certificate of Insurance** has been in effect for 60 days or less, the **Certificate of Insurance** may be canceled by the Insurer by mailing or delivering to the **Insured** written notice stating the reason for cancellation at the mailing address shown on the **Certificate of Insurance**, and to the **Insured's** authorized agent or broker at least:
 - i. 20 days before the effective date of cancellation if the **Certificate of Insurance** is canceled for any reason not included in paragraph (ii) below.
 - ii. 15 days before the effective date of cancellation if the **Certificate of Insurance** is canceled for any of the following reasons:
 - 1) nonpayment of premium;



- 2) conviction of a crime;
- 3) discovery of fraud or material misrepresentation in the obtaining of the **Certificate of Insurance** or in the presentation of a **Claim**;
- 4) after issuance of the **Certificate of Insurance** or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current **Certificate Period**;
- 5) material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the **Certificate of Insurance**, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the **Certificate of Insurance** was issued or last renewed;
- 6) required pursuant to a determination by the New York State Superintendent of Insurance that continuation of the Insurer's present premium volume would jeopardize the Insurer's solvency or be hazardous to the interest of the Insurer's policyholders, creditors or the public;
- 7) a determination by such Superintendent that the continuation of the **Certificate of Insurance** would violate, or would place the insurer in violation of, any provision of the New York Insurance Code; or
- 8) revocation or suspension of the **Insured's** license to provide **Professional Services**.

c. If the **Certificate of Insurance** has been in effect for more than 60 days, or if this **Certificate of Insurance** is a renewal or continuation of a **Certificate of Insurance** issued by the insurer, this **Certificate of Insurance** may be canceled by the **Insurer** only for any of the reasons listed in paragraph 1.b.(ii) above provided a written notice stating the reason for cancellation is mailed or delivered to the **Insured** at the address shown in the **Certificate of Insurance**, and his or her authorized agent or broker at least 15 days before the effective date of cancellation.

- i. Notice of cancellation will state the effective date of cancellation. The notice of cancellation for nonpayment of premium will include the amount of premium due. The **Certificate Period** will end on this date. If notice is mailed, proof of mailing will be sufficient proof of notice.
- ii. If the **Insured** cancels, earned premium will be computed in accordance with the customary short rate table and procedure. If the Insurer cancels, earned premium shall be computed pro rata. However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, the Insurer will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- iii. If one of the reasons for cancellation set forth in Paragraph 1.b. (ii) exists, the Insurer may cancel this entire **Certificate of Insurance**, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this **Certificate of Insurance**.

2. Nonrenewal



- a. If the Insurer elects not to renew this **Certificate of Insurance**, the Insurer shall send notice as provided in paragraph c. below along with the reason for nonrenewal.
 - b. Notice of nonrenewal and conditional renewal will be provided as follows:
 - i. If the Insurer decides not to renew this **Certificate of Insurance** as provided in paragraph a. above, the Insurer shall mail or deliver written notice to each **Insured** at least 60 but not more than 120 days before:
 - 1) the expiration date; or
 - 2) the anniversary date if this is a continuous **Certificate of Insurance**.
 - ii. Notice will be mailed or delivered to each **Insured** at the address shown in the **Certificate of Insurance** and his or her authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
 - iii. the Insurer will not send the **Insured** notice of non-renewal if the **Insured** or its authorized agent or broker or another insurer of the **Insured** mails or delivers notice that this **Certificate of Insurance** has been replaced or no longer desired.
 3. If we violate any of the provisions of the paragraphs above by sending the **Insured** an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - a. Coverage will remain in effect at the same terms and conditions of this **Certificate of Insurance** at the lower of the current rates or the prior **Certificate Period's** rates until 60 days after such notice is mailed or delivered, unless the **Insured**, during this 60 day period, has replaced the coverage or elects to cancel.
 - b. On or after the expiration date of this **Certificate Period's**, coverage will remain in effect at the same terms and conditions of this **Certificate Period's** for another **Certificate Period's** at the lower of the current rates or the prior period's rates, unless the **Insured**, during this **Certificate Period's**, has replaced the coverage or elects to cancel.
- J. Section XIX EXCLUSIONS, is amended as follows:
1. Paragraph 22 is amended to remove the phrase "nuclear reaction, radiation or contamination," from the exclusion.
 2. The following new exclusion is added:
 - This Policy does not apply to any **Class Action Claim**.
- K. Section IX, OTHER INSURANCE, is deleted in its entirety and replaced with the following:
- If any **Loss** resulting from any **Claim** is insured under any other valid and collectible policies, this Policy shall apply only to the extent the **Loss** or **Defense Costs** exceeds the amount paid under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.
- L. Section XV. NO ACTION AGAINST THE INSURER is deleted in its entirety and replaced with the following:
- No action shall be taken against the Insurer unless, as a condition precedent thereto, the **Insured** shall have fully complied with all terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** or by written agreement of the



Insured, the claimant and the Insurer. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained in this Policy shall give any person or organization any right to join the Insurer in any action against the **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by the **Insured** or their legal representative in any such **Claim**.

M. The following new Section is added:

Bankruptcy

Bankruptcy or insolvency of any **Insured** or of the **Insured's** estate will not relieve us of our obligations under this policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



NEW YORK AMENDATORY - COVERAGE PART A

This endorsement effective at 12:01 a.m. 01/01/2009 forms a part of Policy Number 169947227 issued to **Policyholder** by the Insurer.

In consideration of the premium charged, it is hereby understood and agreed that solely with respect to those **Agents** and **General Agents** insured under this Policy, who are resident of or practice in New York State, Coverage Part A is amended as follows:

A. Section I, INSURING AGREEMENT is deleted in its entirety and replaced as follows:

The Insurer shall pay on behalf of the **Insured** all **Loss** which the **Insured** shall become legally obligated to pay resulting from a **Claim** made against the **Insured** during the **Certificate Period** and reported to the Insurer during the **Coverage Relationship**, or the Extended Reporting Period, if applicable, for a **Wrongful Act** taking place on or after the **Prior Acts Date** by the **Insured**, or by any one for whose acts the **Insured** is legally responsible, solely in rendering or failing to render **Professional Services** as an **Agent** or **General Agent** of a **Policyholder**.

B. Section IV, AUTOMATIC EXTENDED REPORTING PERIOD is deleted in its entirety and replaced as follows:

1. In the event of termination of an **Insured's Certificate of Insurance** due to cancellation or nonrenewal; or due to a decrease in limits, reduction in coverage, new exclusion or any other change in coverage less favorable to the **Insured** than those contained in the preceding **Certificate of Insurance**, a one year automatic **Extended Reporting Period** will be granted to such **Insured** at no charge in which any **Claim** reported under their **Certificate of Insurance** will be considered as having been made before the termination date of the **Certificate of Insurance**. The **Extended Reporting Period** does not create any separate or additional Limit of Liability.
2. Within thirty days after termination of the **Certificate of Insurance**, the Insurer will notify the **Insured**, in writing, of the automatic one year **Extended Reporting Period**. The Insurer will also notify the **Insured** of the availability of, the premium for, and the importance of purchasing an additional **Extended Reporting Period**. The **Extended Reporting Period** noted in Item 5.a. of the Declarations shall be three years, inclusive of the one year period specified in paragraph 1 above and the premium shall be computed in accordance with the rates in effect when the **Certificate of Insurance** was last issued or renewed. The additional premium for the additional **Extended Reporting Period** shall be based upon the rates for such coverage in effect on the date this **Certificate of Insurance** was issued or last renewed and shall be for three years at 200% of such premium.
3. The **Insured** shall have the greater of 60 days from the effective date of termination of coverage or 30 days from the date of mailing or delivery of the advice of the availability to purchase additional **Extended Reporting Period** coverage, to submit written acceptance of the **Extended Reporting Period** coverage. The premium for such additional **Extended Reporting Period** must be paid promptly when due. The premium shall be fully earned at the inception of this endorsement.
4. Upon termination of this **Certificate of Insurance**:
 - a. any return premium due the **Insured** shall be credited toward the premium for the additional **Extended Reporting Period** coverage if the **Insured** elects such coverage.
 - b. where premium is due to the Insurer for coverage during the **Coverage Relationship**, any monies received by the Insurer from the **Insured** as payment for the **Extended Reporting Period** coverage shall first be applied to such premium owing for this **Certificate of Insurance**.
5. As a condition precedent to the right to purchase the **Extended Reporting Period**, the total premium for the **Insured's Certificate of Insurance** must have been paid. The right to purchase the **Extended Reporting Period** shall end unless the Insurer receives written notice and full payment of the premium for such period within 60 days after the end of the **Certificate Period** or 30 days from the date of mailing or delivery of the advice of the availability to purchase additional **Extended Reporting Period** coverage.



6. If the **Extended Reporting Period** is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the Insurer to return any portion thereof.

7. Limits of liability for such additional **Extended Reporting Period** shall be:
 - a. at least equal to 100 percent of the **Certificate of Insurance's** applicable annual aggregate limit where a **Coverage Relationship** has continued for three years or more; or
 - b. if the **Coverage Relationship** has continued for less than three years, the limit of liability shall be at least equal to the greater of:
 - (i). the amount of coverage remaining in such **Certificate of Insurance's** applicable annual aggregate liability limit, or
 - (ii). 50 percent of such **Certificate of Insurance's** annual aggregate liability limit.

All other terms and conditions of the Policy remain the same.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



NEW YORK AMENDATORY - COVERAGE PART D

This endorsement effective at 12:01 a.m. 01/01/2009 forms a part of Policy Number 169947227 issued to **Insured** by the Insurer.

In consideration of the premium charged, it is hereby understood and agreed that Coverage Part D, Section I, INSURING AGREEMENT, is deleted in its entirety and replaced as follows:

I. INSURING AGREEMENT

If and to the extent an **Insured** is named as a co-defendant with an **Agent** or **General Agent** in a **Claim** otherwise covered under Coverage Part A, the Insurer shall pay on behalf of the **Insured** all **Loss** which the **Insureds** shall become legally obligated to pay resulting from a **Claim** first made against them and reported to the Insurer during the **Policy Period** (or reported within 30 days thereafter), any subsequent renewal or the **Extended Reporting Period** or any subsequent renewal, if applicable, for a **Wrongful Act** by an **Agent** or **General Agent** where such **Wrongful Act** took place on or after the **Prior Acts Date**.

All other terms, conditions, and exclusions of the Policy remain the same.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



INSOLVENCY EXCLUSION - NY AGENTS ONLY

This endorsement effective at 12:01 a.m. 01/01/2009 forms a part of Policy Number 169947227 issued to **Policyholder** by the Insurer.

In consideration of the premium charged, it is hereby understood and agreed that under the General Terms and Conditions, Section XIX. Exclusions, Exclusion 15 is deleted in its entirety and replaced with the following:

- 15. **Claim** based upon, arising out of, due to or involving directly or indirectly the insolvency, receivership, liquidation or inability to pay, of any insurance carrier, broker/dealer, trust or investment vehicle in which the **Insured** has placed or obtained coverage for a client or an account; however, notwithstanding the foregoing, the Insurer shall have the right and duty to defend the **Insured** in any suit alleging described above, provided:
 - a. the **Claim** arises from the **Insured's** placement of coverage with an admitted Insurer with an A.M. Best rating of "A-" or better rating at the time of placement;
 - b. the Insurer's liability for such **Defense Costs** shall be limited to the lesser of :
 - i. \$250,000 per **Claim**/\$250,000 Aggregate per **Insured**, or
 - ii. 25% of the per **Claim** or Aggregate limit as applicable as set forth on the **Insured's Certificate of Insurance**
 - c. under no circumstances shall the Insurer have any responsibility to pay for **Loss** of any kind or to defend or continue to defend once the aforementioned limits have been exhausted through payment of **Defense Costs**.

All other terms and conditions of this Policy shall remain the same.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



CALIFORNIA AMENDATORY ENDORSEMENT

In consideration for the premium charged, it is agreed that the Cancellation and/or Nonrenewal provisions of the Policy are amended to add the following new language:

- This Policy cannot be nonrenewed, canceled, or terminated, without providing written notice to the commissioner within 10 days.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**AMEND DEFINITION OF AGENT OR GENERAL AGENT
TO INCLUDE OREGON INSURANCE CONSULTANT**

In consideration of the premium paid for this Policy, it is understood and agreed that the General Terms and Conditions, Section II Definitions, the definition of **Agent or General Agent** is amended to add the following new language:

Agent or General Agent includes those **Insured Agents or General Agents** who are designated as Insurance Consultants by the state of Oregon.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative _____
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)