NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS

Endorsed Program For: Professional Liability Insurance

STANDARD APPLICATION FORM

CLAIMS MADE NOTICE: THIS IS AN APPLICATION FOR A CLAIMS-MADE POLICY WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER DURING THE POLICY PERIOD, A RENEWAL THEREOF OR ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER TERMINATION OF COVERAGE AND THE AUTOMATIC EXTENDED REPORTING PERIOD UNLESS, AND TO THE EXTENT, THE OPTIONAL EXTENDED REPORTING PERIOD APPLIES. THERE IS NO COVERAGE FOR WRONGFUL ACTS PRIOR TO THE RETROACTIVE DATE.

AT TERMINATION OF COVERAGE, A SIXTY (60) DAY AUTOMATIC EXTENDED REPORTING PERIOD WILL APPLY. AS PROVIDED IN THIS POLICY, OPTIONAL EXTENDED REPORTING PERIOD OPTIONS OF ONE, TWO, THREE, FOUR AND FIVE YEARS AS WELL AS AN UNLIMITED OPTION ARE OFFERED FOR PURCHASE AT AN ADDITIONAL PREMIUM.

UPON EXPIRATION OF THE AUTOMATIC EXTENDED REPORTING PERIOD OR, IF PURCHASED, THE OPTIONAL EXTENDED REPORTING PERIOD, A POTENTIAL COVERAGE GAP MAY OCCUR. DURING THE FIRST SEVERAL YEARS OF A CLAIMS-MADE RELATIONSHIP, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES, AND THE INSURED CAN EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF OVERALL RATE INCREASES UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY.

Please submit application by mail to: **NAIFA PROGRAM**, P.O. Box 7048, Orange, CA 92863-7048; or
Fax: (866)-893-1198
Phone: (888) 833-2304 • www.naifaeo.com
Insurer: **Aspen American Insurance Company, 175 Capital Blvd., Rocky Hill, CT 06067; Phone Toll Free: (877) 245-3510**

Answer All Questions.

If the answer is none, state "none". If an explanation is requested or space provided is insufficient, please attach a separate sheet to explain. Application must be completed in ink, signed and dated by the named applicant.

YOUR INFORMATION (PLEASE PRINT CLEARLY)

Name _____ Agency Name _____

Street Address _____

City _____ State _____ Zip _____

Email: _____

Daytime Phone _____ Fax _____

NAIFA Membership Number (Required to bind coverage.) _____ Name of your NAIFA Chapter _____

Have you taken a NAIFA approved Risk Management course in the last three (3) years? ❒ Yes ❒ No
Location _____ Date _____ (Month/Year)

Is your business operating as a corporation? ❒ Yes ❒ No Desired Effective Date _____

ELIGIBILITY INFORMATION

1. Do you produce **less** than 50% of your revenue from life, annuities, accident and health insurance products? ❒ Yes ❒ No
2. Are you or is anyone in your agency an employee of a/an insurance company, automobile dealership or NASD broker dealer? ❒ Yes ❒ No
3. Do you operate as an independent marketing organization, Brokering General Agent or similar entity? ❒ Yes ❒ No

4. Do you or does anyone in your agency have the authority to perform activities which would customarily be performed by an insurance company, such as underwriting or claims administration? ❒ **Yes** ❒ **No**

5. Do you or anyone in your agency have ownership interest in a broker/dealer organization? ❒ **Yes** ❒ **No**

6. Are you, the agency or anyone in the agency operating under any chapter of Federal bankruptcy Laws? ❒ **Yes** ❒ **No**

7. Have you or any past or present owner, officer, partner, employee or solicitor been the subject of disciplinary action by any insurance or other regulatory authority? ❒ **Yes** ❒ **No**

If any of the above questions are answered **"YES",** you are **NOT** eligible for this program.

8. In the last five years have you or your agency had any contracts cancelled for reasons other than lack of production? If **YES**, attach an explanation. **NOT APPLICABLE IN MISSOURI** ❒ **Yes** ❒ **No**

INDIVIDUAL AGENT APPLICATION

Complete this section only if you are applying as an Individual Agent.

Agency Applicants skip to Page 3

Individual Agent: Coverage You are the "named insured" and coverage includes your non-producing clerical staff.
(If your gross commission income is in excess of $500,000 you **must** apply as an agency.)

1. Have you been established for 3 or more years? ❒ **Yes** ❒ **No**

2. Date of Inception? _____ (Month/Day/Year)

3. Your current year revenue **$** _____
(If new, estimated revenue for this year)

4. Number of Staff _____

5. List all States where you are licensed to do business:

_____ _____

_____ _____

6. List the top three (3) companies in which you place business (by revenue).

_____ _____

_____

PROFESSIONAL SERVICES AND REVENUE

Identify percentages of total revenue that was earned last year from all professional activities:

a. Life	%	h. Products in a structured settlement arrangements	%	n. Insurance Consulting	%
b. Corporate Owned Life Insurance Products (COLI)	%	i. Mutual Funds	%	o. Tax Consulting	%
c. Health	%	j. Other Financial Products (Do not include variable products or mutual funds)	%	p. Estate Planning	%
d. Multiple Employer Trusts/Multiple Employee Welfare Arrangements	%	k. Property/Casualty Products	%	q. RIA/Financial Planning on a Fee basis	%
e. Long Term Care	%	l. Benefit/Pension Consulting	%	r. Sale of Viatical Investments	%
f. Self Insured Health Products	%	m. Pension, Claims or Third Party Administration	%	s. Sale of Life Settlements	%
g. Annuities	%			t. Other (Specify)	%
				Total (Items a through t)	%

COVERAGE DESIRED

COVERAGE LIMITS (Check One)

❒ $500,000 / $1,000,000
❒ $1,000,000 / $2,000,000
❒ $2,000,000 / $2,000,000
**The highest limit available in Alabama, Louisiana and Texas is $1,000,000/$2,000,000.*

DEDUCTIBLE (Check One)

❒ $1,000
❒ $2,500

COVERAGE ENHANCEMENTS – SELECT ENDORSEMENTS REQUIRED

❒ Mutual Funds Only*
❒ Financial Products (Stocks, Bonds, Unit Investment Trusts, Limited Partnerships and Mutual Funds)*
❒ P&C Coverage **(Complete Supplemental Page 6)**
*Coverage will be sublimited to policy limit, but never greater than $2 million per claim/aggregate.

(Please go to page 7 to complete your application.)

AGENCY APPLICATION

(Individual Agent Applicants may skip Page 3-6)

Your Agency is the "Named Insured" and coverage includes owners, officers and employees of the Named Insured. Non-employee agents are not covered unless approved and added to the policy by endorsement.

1. Has your agency been established for three (3) or more years? ❒ **Yes** ❒ **No**
If Agency has not been established for three (3) years all agents must apply as individuals. Please fill out the Individual Agent Application for each agent – Page 2.

2. Date Agency established? _____ (Month/Year)

3. Within the past five (5) years, has there been a change in name, ownership, merger with/or a purchase of another agency? ❒ **Yes** ❒ **No**

4. Does the agency have additional business locations or is the agency doing business under a name other than listed on this application? If **YES**, please attach full details. ❒ **Yes** ❒ **No**

5. List all states where licenses are held by your or anyone in your agency.

_____ _____

_____ _____

6. Please indicate the number of personnel in your agency. Designate each person under one category only.

Owners, Officers, Partners _____
Employee Producers, Brokers, Agents _____
Other Employees (including clerical) _____
Total Staff (Including clerical) _____
Total Number of Sub-Agents / Non-Employee Producers _____

7. Please provide information for you or for members of your agency including all owners, officers, licensed employee producers. (Please use the enclosed "Breakdown of Agency Staff" Supplemental Form.)

SUB-AGENTS

1. Is coverage desired for sub-agents/non-employee producers of the applicant for business placed only through the applicant? ❒ **Yes** ❒ **No**
If YES, list sub-agents who are to be covered for either acts in the sales and servicing of business written through your agency. Also indicate their Errors & Omissions coverage for the past three (3) years and attach a separate sheet if needed.

Name	Annual Commission from Sub-Agent	Name of Carrier	Policy Period	Policy Number (if available)

2. Do you require evidence that all your sub-agents carry Errors & Omissions coverage each year? ❒ **Yes** ❒ **No**

PROFESSIONAL SERVICES AND REVENUE

Please provide the following information for you or your agency based on the previous year's activities and revenue. ***If you have been licensed for less than 3 years, please estimate activities and revenue for the next year and use the projected total revenue when providing the following information.***

1. Provide the gross annual income commission and fee revenue from life and health products for the following:
If YES, list sub-agents who are to be covered for either acts in the sales and servicing of business written through your agency. Also indicate their Errors & Omissions coverage for the past three (3) years and attach a separate sheet if needed.

	Gross Agency Commissions*	Fee (Provide explanation of fees, if any)	Total Revenue
Last 12 months			
Estimated (next 12 months)			

*Includes commission earned through subagents.

2. Identify percentages of total revenue that was received last year as:

a. Agent _____ %
b. General Agent _____ %
c. Managing or Master General Agent _____ %
d. Brokerage General Agent _____ %
e. Other (Explain) _____ %

_____

_____

TOTAL 100%

3. Identify by percentage your sources of total revenue:

a. Personal production _____ %
b. From your sub-agents _____ %
c. From other agents _____ %

TOTAL 100%

4. Identify percentages of total revenue that was earned last year from all professional activities:

a. Life _____ %
b. Corporate Owned Life Insurance Products (COLI) _____ %
c. Health _____ %
d. Multiple Employer Trusts/Multiple Employee Welfare Arrangements _____ %
e. Long Term Care _____ %
f. Self Insured Health Products _____ %
g. Annuities _____ %
h. Products in a structured settlement arrangements _____ %
i. Mutual Funds _____ %
j. Other Financial Products (Do not include variable products or mutual funds) _____ %
k. Property/Casualty Products _____ %
l. Benefit/Pension Consulting _____ %
m. Pension, Claims or Third Party Administration _____ %
n. Insurance Consulting _____ %
o. Tax Consulting _____ %
p. Estate Planning _____ %
q. RIA/Financial Planning on a Fee basis _____ %
r. Sale of Viatical Investments _____ %
s. Sale of Life Settlements _____ %
t. Other (Specify) _____ %

Total (Items a through t) _____ %

5. Do you or does anyone in your agency have the authority to perform activities which would customarily be performed by an insurance company, such as underwriting or claims administration? ❒ **Yes** ❒ **No**

6. Regarding your office procedures, please answer the following questions:

a. Is there a procedure for documenting client and carrier telephone conversations? ❒ **Yes** ❒ **No**
b. Are all applications, policies and riders checked for accuracy? ❒ **Yes** ❒ **No**
c. Do you or does your agency have a system for client / carrier follow-up? ❒ **Yes** ❒ **No**

7. List the top five companies with which you place business (based upon total revenue):

NAME OF COMPANY	TYPE OF POLICY	ANNUAL COMMISSION

COVERAGE DESIRED

Please check the coverage limits and desired deductible:

Coverage Limits	Deductible
❒ $500,000/$1,000,000	❒ $1,000
❒ $1,000,000/$2,000,000	❒ $2,500
❒ $2,000,000/$2,000,000	❒ $5,000
❒ $3,000,000/$3,000,000**	❒ $7,500
❒ $4,000,000/$4,000,000**	❒ $10,000
❒ $5,000,000/$5,000,000**	❒ $ _____ (Up to $25,000 - AGENCIES only.)

Requested Effective Date

_____/_____/_____

Note: Limits and deductible selected are subject to underwriting approval.
* The highest limit available in the states of Alabama, Louisiana and Texas is $1,000,000/$2,000,000.
** These higher limits are available for agency coverage only.

Please see the "Supplemental Coverage Application" for additional coverage options.

NAIFA

CalSurance® E&O Program Specialists

BREAKDOWN OF AGENCY STAFF

Principals, Owners, Officers and Managers:

Name	Title	Producing Yes/No	Years of Insurance Experience	Licenses Held & Year License Obtained (CHECK ALL THAT APPLY AND INCLUDE YEAR LICENSED FOR EACH)			
				❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
				❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
				❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
				❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
				❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______

Licensed Producers*:

Name	Title	Years of Insurance Experience	Licenses Held & Year License Obtained (CHECK ALL THAT APPLY AND INCLUDE YEAR LICENSED FOR EACH)			
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______
			❒ P&C: ________	❒ Life: ________	❒ Series VI: ______	❒ Series VII: ______

*Sub-Agents to be listed on page 3.

ATTACH ADDITIONAL SHEETS AS NEEDED

SUPPLEMENTAL
COVERAGE APPLICATION

List Agent and Affiliated Broker Dealer for each agent requiring coverage:

I. MUTUAL FUNDS (AGENCY APPLICANTS ONLY)

Name	Broker Dealer

II. FINANCIAL PRODUCTS (AGENCY APPLICANTS ONLY)

Name	Broker Dealer

III. PROPERY & CASUALTY

Total P&C Revenue Commission	$

Please indicate the percentage of commission or fees derived from each line of business listed below.

Personal Lines	%	Other Lines:	%
Commercial Lines	%	(List Other Lines)	
Business Owners Policies	%		
Property	%		
General Liability	%		
Commercial Auto	%		

List of top three (3) P&C insurance carriers business is placed with and the revenues (commission) derived from placement.

Insurance Carrier	Revenue

CURRENT COVERAGE AND CLAIMS/LOSS HISTORY

1. Indicate your Errors & Omissions coverage for the past three years and attach a copy of your last Declarations Page. If you are applying for agency coverage, indicate Your Agency's Errors and Omissions coverage for the past three years and attach a copy of your last Declarations Page. If no agency coverage previously existed, please list the Errors and Omissions coverage for each agent under their individual Errors and Omissions policies. If none, state "none".

Name of Carrier	Limits	Policy Term Effective Date	Expiration Date	Did Coverage include all Products & Carriers?
				□ Yes □ No
				□ Yes □ No
				□ Yes □ No

2. Have you or any past or present owner, officer, partner, employee or solicitor been the subject of disciplinary action by an insurance or other regulatory authority? If Yes, attach an explanation. ..... ❒ **Yes** ❒ **No**

3. Has any policy or application for Errors and Omissions insurance on behalf of the applicant or any of its past or present owners, officers, partners, employees or solicitors, or to the knowledge of the applicant, on behalf of its predecessors in business, ever been declined, canceled or renewal refused within the past 7 years? If Yes, attach an explanation. **NOT APPLICABLE IN MISSOURI** ❒ **Yes** ❒ **No**

4. Have any Errors and Omissions claims been made against the applicant or any of its past or present owners, officers, partners, employees or solicitors, or to the knowledge of the applicant, on behalf of its predecessors in business, within the past 7 years? (If Yes, please use the "Claim Information – Supplemental" form to provide details for each claim) ❒ **Yes** ❒ **No**

5. Are there any circumstances which may reasonably be expected to give rise to an Errors and Omissions claims being made against the applicant, past or present owners, officers, partners, employees or solicitors, or its predecessor in business? If **YES**, attach an explanation. ❒ **Yes** ❒ **No**

AUTHORIZATION AND DECLARATION

All claims will be excluded that result from any circumstances or situations known prior to the inception of coverage being applied for that could reasonably be expected to give rise to a claim. Applicant hereby represents that the statements and answers to questions made above and attachments hereto are true and applicant has not omitted or misrepresented any information. Applicant understands and agrees that the completion of this application does not bind the insurance carrier to issue an insurance policy. Further, the applicant understands and agrees that she or he is obligated to report any changes in the information provided in this application that occur after the date of the application. Applicant understands that this policy can be issued only to agents/agencies that meet NAIFA membership requirements. Applicant understands and agrees that, if not currently qualified for coverage due to the lack of local life underwriter association membership, you and/or the necessary producers must so join before any policy is issued. In such cases, forms will accompany the offer of coverage on which the applicant will be required to verify local life underwriter association membership and return the proof with acceptance of the offer.

This Policy is underwritten by Aspen American Insurance Company.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

Signature: _____ **Date:** _____
(Must be signed by Owner, Partners or Senior Officer) (Month/Day/Year)

Title: _____

1.	Is every question answered?	❒ **Yes**	❒ **No**
2.	Have you attached copies of your errors and omission certificates?	❒ **Yes**	❒ **No**
3.	Have you provided an explanation of the questions where required?	❒ **Yes**	❒ **No**
4.	Have you signed and dated the application?	❒ **Yes**	❒ **No**
5.	Is every question answered?	❒ **Yes**	❒ **No**

Please submit application by mail to: P.O. Box 7048, Orange, CA 92863-7048; or
Fax: (866) 893-1198
Phone: (888) 833-2304 ♦ www.naifaeo.com

CLAIM INFORMATION - SUPPLEMENTAL

(To be competed if you have had prior claims. One form should be completed for each claim.)

1. Name of Applicant: _____

2. Name of Person Involved in Claim: _____

3. Name of Claimant: _____

4. Date of Error: _____

5. Date of Claim: _____

6. Name(s) of Additional Defendant(s):

7. Name of E&O Carrier: _____

8. Claim Status: ❒ Open ❒ In Suit ❒ Closed

9. If Paid:
   a. Amount of Damages Paid: _____
   b. Amount of Expenses Paid: _____

10. If Open or in Suit:
    a. Claimant's Settlement Demand: _____
    b. Defendant's Offer for Settlement: _____
    c. E&O Carrier Loss Reserve: _____

11. Act, error or omission alleged by claimant:

_____

_____

_____

12. Description of claim and events:

_____

_____

_____

13. What steps have been taken to reduce the likelihood of a reoccurrence of this type of claim?

_____

_____

_____

MUST BE SIGNED AND DATED BY OWNER, PARTNER OR SENIOR PARTNER.

Name: _____ **Title:** _____
(Print Name) (Print Title)

Signature: _____ **Date:** _____
(Must be signed by Owner, Partners or Senior Officer) (Month/Day/Year)