

GENERAL TERMS AND CONDITIONS

Integrated policy format affords coverage for life agents, registered representatives, individual registered investment advisers, corporate registered investment advisers, broker/dealer entities and insurance company vicarious liability coverage, or any combination of those coverages

- Declarations page contains useful matrix of purchased coverages and their respective limits, retentions and prior acts dates
- Broad definition of “claim” includes written demands and civil or arbitration proceedings for monetary damages
- Insurer has duty to defend claims under all Coverage Parts
- Covered “loss” includes taxes, fines and penalties incurred by a third party and included in third party’s claim against insured
- Coverage includes personal injury (e.g. defamation, violation of right of privacy, malicious prosecution, false arrest, wrongful entry or eviction)
- “Best efforts” allocation provision
- Bilateral extended reporting period (i.e. policyholder can purchase extended reporting period if policy is non-renewed by the insurer or the policyholder or canceled by the policyholder)
 - Insureds can give notice during extended reporting period of either actual or potential claims
- Spousal liability coverage
- Policy is non-cancelable by the insurer except for non-payment of premium
- If the policyholder is acquired, claims arising from wrongful acts occurring prior to acquisition have automatic run-off coverage for remainder of policy period
- Pending and prior litigation exclusion is limited to prior demands or proceedings actually in “litigation”
- Tax advice exclusion not applicable if the tax advice is an incidental part of professional services and is accompanied by a written disclaimer
- Automatic 30 day window to report claims - insureds have up to 30 days after the policy period to report claims made during policy period

This Highlight is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the policy described. Only the insurance policy can give actual terms, coverages, amounts, conditions and exclusions. All coverage not available in all states.

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**AGENTS AND GENERAL AGENTS
COVERAGE PART A**

Covers claims for wrongful acts by insured and by anyone for whose acts insured is legally responsible solely in rendering or failing to render professional services as an agent or general agent of the policyholder

- Broad definition of "insureds" includes
 - agents and general agents, (i.e. persons with an agent contract with policyholder who elect to enroll for coverage), as well as the person's business entity for liability arising out of the person's professional services
 - retired agents and general agents (unless relationship with the policyholder is terminated for disciplinary reasons)
- Broad definition of "professional services"
 - financial planning
 - service as notary public
 - sale of individual retirement plans and employee benefit plans
 - administration of employee benefit plans
 - sale or servicing of insurance products and fixed annuities
 - supervision, management and training of agents by general Agents
- Automatic one year extended reporting period for inside products for terminated agents or general agents (unless terminated for disciplinary reasons)

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**REGISTERED REPRESENTATIVES/REGISTERED INVESTMENT ADVISERS
COVERAGE PART B**

Covers claims for wrongful acts by insured and anyone for whose acts insured is legally responsible solely in rendering or failing to render professional services for others for compensation as a registered representative or registered investment adviser of a scheduled broker/dealer

- Broad definition of “insured” includes
 - registered representatives, (i.e. persons registered with the NASD as such who provide services pursuant to a contract with a broker/dealer and who are enrolled for coverage), as well as such person’s business entity for liability arising out of the person’s professional services
 - registered investment advisers (i.e. registered representatives who provide advisory services--other than the sale or servicing of securities--pursuant to the Investment Advisors Act of 1940 if the scheduled broker/dealer approves of the securities and the service)
 - retired registered representatives and registered investment advisers (unless the relationship is terminated for disciplinary reasons)
- Broad definition of “professional services”
 - financial planning
 - investment advisory services
 - sale or servicing of securities approved by a scheduled broker/dealer and incidental advice
 - supervision, management and training of registered representatives by registered principals
- Discretionary authority exclusion not applicable to registered investment advisers with respect to mutual funds, variable annuities and variable life products.
- Automatic one year extended reporting period for approved products for terminated registered representatives or registered investment advisers (unless terminated for disciplinary reasons)

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**BROKER/DEALER - CORPORATE REGISTERED INVESTMENT ADVISERS
COVERAGE PART C**

Covers claims for wrongful acts by insured and anyone for whose acts insured is legally responsible solely in rendering or failing to render professional services for others for compensation as a scheduled broker/dealer

- Broad definition of “professional services” includes
 - investment advisory services
 - supervisory services with respect to covered activities
 - due diligence services
- If the scheduled broker/dealer acquires new subsidiary, the Policy provides up to 90 days of automatic coverage to the broker/dealer for claims against the broker/dealer for wrongful acts of the acquired entity which occurred after the acquisition

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**INSURANCE COMPANY VICARIOUS LIABILITY
COVERAGE PART D**

Covers the vicarious liability of the policyholder in claims against both the policyholder and an agent or general agent for wrongful acts committed solely by the agent or general agent, if the claim against the agent or general agent is covered under Coverage Part A

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