

# THE FINANCIAL SERVICES INSURANCE PROGRAM

## APPLICATION FOR "CLAIMS-MADE AND REPORTED" PROFESSIONAL LIABILITY INSURANCE INVESTMENT ADVISERS, FINANCIAL PLANNERS, LIFE INSURANCE AGENTS AND REGISTERED REPRESENTATIVES

Administered by:  
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Mountain View, California 94043  
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License # 0B53955

Underwritten by one of the following insurance companies:  
Scottsdale Insurance Company, Ohio  
Scottsdale Indemnity Company, Ohio  
Scottsdale Surplus Lines Insurance Company, Arizona

### GENERAL INSTRUCTIONS AND INFORMATION

IMPORTANT: Please carefully read the information and follow the instructions set forth below. **Please type all answers or print answers legibly in ink.**

The following words have the meanings set forth below when used in this Application for Insurance and any Supplemental Application or Exhibit made a part hereof:

**Applicant** refers, individually and collectively, to the individual(s) / entity(ies) named in 1a., below, the **Applicant's** officers, directors, partners, employees and any affiliated business organizations for which insurance coverage is sought under this **Application** pursuant to paragraph 1h., below.

**Application** refers, individually and collectively, to this Application for Insurance and any Supplement attached hereto.

Each question or information request on this **Application** and any attached Supplement must be fully and accurately answered on behalf of **Applicant**; all blanks must be appropriately filled in, and all additional required information supplied. You may not provide all of the services covered by this **Application**. Your answer to some questions may be "none" or "not applicable"; if that is the case, state "none" or "NA". Use the Supplemental Information Form ("S.I.F.") where additional space is required to provide requested information, or explanations and any additional information which is material to this **Application**. An incomplete **Application** cannot be considered.

The policy for which **Applicant** is applying covers only written professional liability claims first made against an insured and reported to the Company during the policy period while said insured is covered under the policy, and which arise from the performance of professional services after the said insured's applicable retroactive date shown in the Declarations or an amendment to the policy. If **Applicant** has any questions concerning this coverage, please contact **Applicant's** insurance professional.

### QUESTION 2d. PRIOR ACTS COVERAGE

The Company offers "prior acts" coverage which applies to professional liability claims (1) arising out of wrongful acts or incidents occurring prior to the policy inception date, while an insured was insured by another carrier, but on or after the applicable "retroactive date" for said insured under the policy, and (2) which are first reported in writing to the Company during the policy period while the insured is covered by the policy.

"Prior acts" coverage does not apply to the following:

- wrongful acts or incidents occurring prior to the insured's applicable "retroactive date" under the policy;
- claims or suits made against an insured prior to the effective date of the insured's coverage under the policy;
- claims or suits growing out of wrongful acts, incidents or fact situations occurring during a time when the insured was uninsured; or
- claims or suits growing out of wrongful acts, incidents or fact situations in insured's business or professional practice that might reasonably be expected to result in a claim or suit against the insured of which the insured was aware, or reasonably should have been aware, prior to the effective date of the insured's coverage under the policy.

**Applicant** may be able to obtain coverage for such claims, suits, wrongful acts or incidents by reporting them to **Applicant's** present insurer or by purchasing an extended reporting period ("tail") endorsement from **Applicant's** present insurer. In order to prevent a gap in coverage, which may result from **Applicant's** failure to report claims, suits or incidents to **Applicant's** present insurer, it is recommended that **Applicant** carefully review **Applicant's** records and report to **Applicant's** current insurer any claim or suit **Applicant** may have received or any incident or fact situation within **Applicant's** business or professional practice that might result in a claim or suit being filed against **Applicant** at some later date. The latter may be indicated, without limitation, by the following incidents: actual or anticipated bankruptcy of a limited partnership sold to a client; client complaints about financial services or investment advice; failure to maintain confidentiality of financial records; or fee disputes.

After reporting any such wrongful acts or incidents to **Applicant's** current insurer, **Applicant** should then evaluate whether **Applicant** wishes to purchase "prior acts" coverage from the Company or "tail" coverage from **Applicant's** current insurer. If **Applicant** wishes to purchase "prior acts" coverage from the Company, answer "yes" on question 2d, below, and indicate the desired "retroactive date" for commencement of such coverage.

**THE FINANCIAL SERVICES INSURANCE PROGRAM**

**APPLICATION FOR "CLAIMS-MADE AND REPORTED" PROFESSIONAL LIABILITY INSURANCE**

The undersigned, for and on behalf of the below indicated **Applicant** (including its officers, directors, partners, employees, and independent contractors, and any affiliates for which insurance coverage is sought under this **Application**), hereby makes **Application** for "claims-made and reported" securities broker/dealer professional liability insurance coverage, and in connection therewith furnishes Company the following information.

<b>I. THE APPLICANT</b>		
1a. Legal Name (Include D.B.A. or T/A, if any)	CRD or SEC No:	Employer Identification No.:
1b. Home Office Address (Street and No., City, County, State, Zip Code)		Office Telephone ( ) -
1c. Mailing Address (Street and No., City, County, State, Zip Code)		FAX Number ( ) -
1d. Contact Person:		Telephone Number ( ) -
1e. Does <b>Applicant</b> have other offices? If "yes", on the S.I.F. list for each office its address, the number of professionals working out of that office and any specialized services provided by that office.		<input type="checkbox"/> Yes <input type="checkbox"/> No
1f. Type of Organization: <input type="checkbox"/> Individual (Sole Proprietorship) <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Other (Describe):		
1g. Year Established:	State of Organization:	
1h. List below all affiliated business organizations, including without limitation parents and subsidiaries, either owning or owned or controlled by <b>Applicant</b> or <b>Applicant's</b> parents, subsidiaries, officers, directors or employees. List each affiliate's full name, its relationship to <b>Applicant</b> , its business, and indicate for each such listed affiliate by "yes" or "no" whether it should be insured under this policy. Use the S.I.F. if more space is needed.		
1. Name: _____ Relationship: _____ Business: _____ Coverage Requested? <input type="checkbox"/> Yes <input type="checkbox"/> No		
2. Name: _____ Relationship: _____ Business: _____ Coverage Requested? <input type="checkbox"/> Yes <input type="checkbox"/> No		
1i. Has <b>Applicant</b> or any affiliate requesting coverage under 1h. undergone any structural changes (e.g., merger, acquisition, divestiture, change of business, gone public) in the past five years, or does it anticipate any such change in the coming year? If "yes", explain on the S.I.F.		<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>II. REQUESTED PROFESSIONAL LIABILITY INSURANCE COVERAGE.</b>				
2a. The Company offers Limits of Liability that cover each wrongful act, with an annual policy aggregate. Indicate the Each Wrongful Act/Annual Policy Aggregate Limits of Liability for which <b>Applicant</b> is applying:				
<input type="checkbox"/> \$100,000/\$200,000	<input type="checkbox"/> \$500,000/\$500,000	<input type="checkbox"/> \$1,000,000/\$1,000,000	<input type="checkbox"/> \$2,000,000/\$2,000,000	
<input type="checkbox"/> \$250,000/\$500,000	<input type="checkbox"/> \$500,000/\$1,000,000	<input type="checkbox"/> \$1,000,000/\$2,000,000	<input type="checkbox"/> Other: \$ _____	
2b. Requested Retention:				
<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$10,000	<input type="checkbox"/> \$50,000		
<input type="checkbox"/> \$5,000	<input type="checkbox"/> \$25,000	<input type="checkbox"/> Other		
(Any requested increase in Limits of Liability or decrease in retention would apply to wrongful acts occurring on and after the effective date of the renewal policy.)				
2c. Desired Effective Date of Policy (not earlier than the date of receipt of this <b>Application</b> by the Company): _____ / _____ / _____				
2d. "Prior acts" coverage may be available if <b>Applicant</b> has been continuously insured for professional Liability (E & O). Does <b>Applicant</b> wish to purchase "prior acts" coverage from the Company?				<input type="checkbox"/> Yes <input type="checkbox"/> No
If "yes", indicate the desired "retroactive date": _____ / _____ / _____				
Note: <b>Applicant</b> must have been continuously insured for E & O after this date to be considered for "prior acts" coverage.				
2e. Extended Coverage				
The policy for which <b>Applicant</b> is applying may provide, as applicable, protection for <b>Applicant's</b> activities as an investment adviser, financial planner, securities registered representative and life insurance agent. Please indicate whether <b>Applicant</b> wishes to apply to extend the policy to cover the following activities:				
1. Vicarious Liability Coverage for the acts of independent contractors (who are not working full time for <b>Applicant</b> ). ( <b>Applicant</b> can be held liable for the acts of independent contractors working on <b>Applicant's</b> behalf. This coverage provides protection for <b>Applicant</b> but not the independent contractors.)			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Not Applicable	
2. Securities Principal Coverage. (A securities principal supervises registered representatives on behalf of a securities broker/dealer and can be held responsible for a registered representative's acts or the failure to supervise the registered representatives. This coverage provides protection for this type of exposure.)			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Not Applicable	
3. Discretionary Money Management - Stocks and Bonds. (Our standard policy can provide coverage for investment advice, non-discretionary money management and discretionary money management of mutual funds under an asset allocation / market timing agreement. The discretionary money management supplemental coverage provides protection for full discretionary management of portfolios of stock and bonds. If this coverage is desired, complete and attach the Discretionary Money Management Supplement.)			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Not Applicable	

III. LIST ALL PROFESSIONAL LIABILITY INSURANCE FOR THE LAST TEN YEARS. (Use the S.I.F. if additional space is needed. Copy this page and attach to the S.I.F. to list additional professional liability insurance policies. Please attach a copy of your current policy.)

3a. Current Insurer:	Annual Premium:	Type of Policy: <input type="checkbox"/> Claims-Made <input type="checkbox"/> Occurrence	Coverage Obtained Under: <input type="checkbox"/> <b>Applicant's</b> Individual Policy <input type="checkbox"/> Security Broker/Dealer Policy <input type="checkbox"/> Life Insurance Agency Policy <input type="checkbox"/> Accounting Firm Policy <input type="checkbox"/> Other (Describe)	Activities Covered: (Check each that applies) <input type="checkbox"/> Money Management <input type="checkbox"/> Financial Planning <input type="checkbox"/> Mutual Fund Sales Only <input type="checkbox"/> Life, Health and Disability Insurance Sales <input type="checkbox"/> Accounting <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Security Sales <input type="checkbox"/> Other (Describe on S.I.F.)
Initial Effective Date: (Month / Day / Yr.) ____/____/____	Deductible / Retention:	Limits Per Occurrence/Aggregate: ____/____	Will "tail" be purchased (if claims-made)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Expiration Date: (Month / Day / Yr.) ____/____/____	Retroactive Date (if claims-made): ____/____/____			

3b. Prior Insurer:	Annual Premium:	Type of Policy: <input type="checkbox"/> Claims-Made <input type="checkbox"/> Occurrence	Coverage Obtained Under: <input type="checkbox"/> <b>Applicant's</b> Individual Policy <input type="checkbox"/> Security Broker/Dealer Policy <input type="checkbox"/> Life Insurance Agency Policy <input type="checkbox"/> Accounting Firm Policy <input type="checkbox"/> Other (Describe)	Activities Covered: (Check each that applies) <input type="checkbox"/> Money Management <input type="checkbox"/> Financial Planning <input type="checkbox"/> Mutual Fund Sales Only <input type="checkbox"/> Life, Health and Disability Insurance Sales <input type="checkbox"/> Accounting <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Security Sales <input type="checkbox"/> Other (Describe on S.I.F.)
Initial Effective Date: (Month / Day / Yr.) ____/____/____	Deductible / Retention:	Limits Per Occurrence/Aggregate: ____/____	Was "tail" purchased (if claims-made)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Expiration Date: (Month / Day / Yr.) ____/____/____	Retroactive Date (if claims-made): ____/____/____			

3c. Prior Insurer:	Annual Premium:	Type of Policy: <input type="checkbox"/> Claims-Made <input type="checkbox"/> Occurrence	Coverage Obtained Under: <input type="checkbox"/> <b>Applicant's</b> Individual Policy <input type="checkbox"/> Security Broker/Dealer Policy <input type="checkbox"/> Life Insurance Agency Policy <input type="checkbox"/> Accounting Firm Policy <input type="checkbox"/> Other (Describe)	Activities Covered: (Check each that applies) <input type="checkbox"/> Money Management <input type="checkbox"/> Financial Planning <input type="checkbox"/> Mutual Fund Sales Only <input type="checkbox"/> Life, Health and Disability Insurance Sales <input type="checkbox"/> Accounting <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Security Sales <input type="checkbox"/> Other (Describe on S.I.F.)
Initial Effective Date: (Month / Day / Yr.) ____/____/____	Deductible / Retention:	Limits Per Occurrence/Aggregate: ____/____	Was "tail" purchased? (If claims-made) <input type="checkbox"/> Yes <input type="checkbox"/> No	
Expiration Date: (Month / Day / Yr.) ____/____/____	Retroactive Date (if claims-made): ____/____/____			

3d. Has **Applicant** or any of its parents, subsidiaries or affiliates, or any of its directors, officers, partners, employees, independent contractors or supervised registered representatives, if a security principal, ever had a professional liability insurance policy or fidelity bond declined, canceled, issued on special terms, renewal refused or had a request that an application for insurance or for a bond be withdrawn?  Yes  No  
If "yes", explain on the S.I.F.

3e. Does **Applicant** have any independent contractors who do not work full time for **Applicant**?  Yes  No  
If "yes", are the independent contractors insured for professional liability?  Yes  No  
If "yes", name their insurance company(ies) and their limits on the S.I.F.  Yes  No  
Does **Applicant** obtain certificates of insurance from their carriers?  Yes  No

IV. EMPLOYEES AND INDEPENDENT CONTRACTORS. (Note: Independent contractors will only be covered if specifically named as an insured in this policy, and then only for services performed on behalf of **Applicant** ; otherwise, they must apply separately.)

4a. Number of professionals (investment advisers, financial planners, registered representatives, life insurance agents, others) associated with **Applicant**:

Prior Year: \_\_\_\_\_  
Current: \_\_\_\_\_  
Next Year: \_\_\_\_\_

4b. Split the current year's total staff into the following applicable categories:

	Full Time	Part Time
Employees		
Professionals:		
Para-Professionals <sup>1</sup> :		
Clerical:		
Other (Describe):		
Independent Contractors:		

<sup>1</sup>E.g., para-planners running computer programs or performing numerical calculations, but having no client contact.

4c. On the S.I.F. describe **Applicant's** relationship to its independent contractors (other than those working full time for Applicant), including the services each provides to the other and how this relationship is presented to **Applicant's** clients.

4d. For each professional associated with <b>Applicant</b> (including <b>Applicant</b> , if an individual), its employees, independent contractors, and supervised registered representatives, complete the following information. If additional space is needed, use the S.I.F. Copy this page for additional professionals and attach to the S.I.F.			
	Professional Number 1	Professional Number 2	Professional Number 3
Name:			
Social Security Number:			
CRD Number:			
Relationship to <b>Applicant</b> : (Check all that apply)	<input type="checkbox"/> Employee <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Officer <input type="checkbox"/> Director <input type="checkbox"/> Shareholder <input type="checkbox"/> Partner <input type="checkbox"/> Supervised Registered Rep. <input type="checkbox"/> Other - Explain:	<input type="checkbox"/> Employee <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Officer <input type="checkbox"/> Director <input type="checkbox"/> Shareholder <input type="checkbox"/> Partner <input type="checkbox"/> Supervised Registered Rep. <input type="checkbox"/> Other - Explain:	<input type="checkbox"/> Employee <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Officer <input type="checkbox"/> Director <input type="checkbox"/> Shareholder <input type="checkbox"/> Partner <input type="checkbox"/> Supervised Registered Rep. <input type="checkbox"/> Other - Explain:
Services Provided: (Check all that apply)	<input type="checkbox"/> Financial Planning <input type="checkbox"/> Security Sales <input type="checkbox"/> Life, Health, Disability Insurance Sales <input type="checkbox"/> Investment Management Services <input type="checkbox"/> Other - Specify:	<input type="checkbox"/> Financial Planning <input type="checkbox"/> Security Sales <input type="checkbox"/> Life, Health, Disability Insurance Sales <input type="checkbox"/> Investment Management Services <input type="checkbox"/> Other - Specify:	<input type="checkbox"/> Financial Planning <input type="checkbox"/> Security Sales <input type="checkbox"/> Life, Health, Disability Insurance Sales <input type="checkbox"/> Investment Management Service <input type="checkbox"/> Other - Specify:
Years of Related Experience:			
Professional Designations and Academic Training: (Include professional credentials received, e.g., CFP, ChFC, CPA, LL.B., JD, IAFP Registry, CFA, Enrolled Agent, and whether studying for such credentials, or other training in the profession).			
Securities Licenses Held:	<input type="checkbox"/> Series 7 <input type="checkbox"/> Series 63 <input type="checkbox"/> Series 24 <input type="checkbox"/> Series 6 <input type="checkbox"/> Other - Specify: _____	<input type="checkbox"/> Series 7 <input type="checkbox"/> Series 63 <input type="checkbox"/> Series 24 <input type="checkbox"/> Series 6 <input type="checkbox"/> Other - Specify: _____	<input type="checkbox"/> Series 7 <input type="checkbox"/> Series 63 <input type="checkbox"/> Series 24 <input type="checkbox"/> Series 6 <input type="checkbox"/> Other - Specify: _____
States Where Securities Licensed:			
Insurance Licenses Held:	Life, Health & Disability - Specify States:  Property/Casualty - Specify States:	Life, Health & Disability - Specify States:  Property/Casualty - Specify States:	Life, Health & Disability - Specify States:  Property/Casualty - Specify States:
Society Memberships:			
Continuing Education:	i. In compliance with his/her Society's recommendations? <input type="checkbox"/> Yes <input type="checkbox"/> No ii. Describe other continuing education:	i. In compliance with his/her Society's recommendations? <input type="checkbox"/> Yes <input type="checkbox"/> No ii. Describe other continuing education:	i. In compliance with his/her Society's recommendations? <input type="checkbox"/> Yes <input type="checkbox"/> No ii. Describe other continuing education:
4e. Does <b>Applicant</b> , or any of its officers, directors, partners, employees or independent contractors practice any other profession or engage in any other business? If "yes", describe here of on the S.I.F. _____			<input type="checkbox"/> Yes <input type="checkbox"/> No



<b>VI. BUSINESS &amp; ADMINISTRATIVE PRACTICES</b>			
6a.	1. Name and address of securities broker/dealer: _____ If any of the professionals listed in 4.d use a different broker/dealer, list their names, their broker/dealer, and answer these questions for them on the S.I.F.		
	2. Does <b>Applicant's</b> broker/dealer's client account form contain an arbitration clause?	<input type="checkbox"/> Yes	<input type="checkbox"/> No.
	3. Does <b>Applicant</b> perform any due diligence on products sold to clients beyond that provided by <b>Applicant's</b> broker/dealer?	<input type="checkbox"/> Yes	<input type="checkbox"/> No.
6b.	Is <b>Applicant</b> or an affiliate of <b>Applicant</b> a licensed life insurance agent? _____ If "yes", name of the affiliate: _____	<input type="checkbox"/> Yes	<input type="checkbox"/> No.
	1. Split <b>Applicant's</b> Life, Health and Disability commission income for the current year into the following categories according to the role played by <b>Applicant</b> : _____ % Agent _____ % General Agent (# of Sub Agents _____) _____ % Managing General Agent (# of Sub Agents _____) _____ % Other; Describe: _____		
	2. Split the Life, Health and Disability commission income for the current year into the following categories according to <b>Applicant's</b> source of business: _____ % Directly From <b>Applicant's</b> Clients _____ % From <b>Applicant's</b> Sub Agents _____ % From Other Agents		
	3. Does <b>Applicant</b> represent or use any insurance companies rated less than "A" by Bests or the equivalent rating by another rating agency? If "yes", list the companies and explain why on the S.I.F.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6c.	1. Is <b>Applicant</b> a Registered Investment Adviser ("RIA")? _____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	2. If "yes", list the states where <b>Applicant</b> is registered (Use S.I.F. if necessary): _____		
	3. If "No", and <b>Applicant</b> provides financial planning or investment adviser services, indicate on the S.I.F. either (1) the exception to the SEC's and states' registration requirements the <b>Applicant</b> is relying upon or (2) the name and address of the RIA which <b>Applicant</b> uses for financial planning and investment adviser service and explain the <b>Applicant's</b> relationship to that RIA.		
	4. Does <b>Applicant</b> function as an RIA for independent financial planners or investment advisers? If "yes", list each of these independent contractors in 4d. and on the S.I.F. explain the relationship between <b>Applicant</b> and such independent financial planners or investment advisers, and the procedures used on behalf of <b>Applicant's</b> RIA to review the plans prepared by or investment advise given by the independent contractors.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	5. Does <b>Applicant</b> use outside investment managers in the management of client funds? If "yes", explain on the S.I.F.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6d.	Does <b>Applicant</b> provide Financial Planning services? If "yes", answer the following questions here or on the S.I.F..	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	1. Indicate the number of hours typically spent preparing a financial plan: _____		
	2. Identify the software used in such preparation: _____		
	3. Are other professionals used (e.g. accountants) to help prepare the financial plan? If "yes", explain on the S.I.F.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	4. Are clients referred to other professionals? If "yes", are referral fees received? If "yes", are these referral fees disclosed to clients?	<input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No
6e.	1. Is incoming mail date stamped?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	2. Is there a procedure for documenting telephone conversations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	3. Is there a diary/suspense system for follow-ups?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	4. Are all insurance applications, policies, endorsements etc. checked for accuracy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	5. Are all security purchases, sale orders and confirmations checked for accuracy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	6. Are there procedures for verifying the suitability of client security purchases?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	7. Are there procedures for verifying a client's receipt of prospectuses?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	8. Are there procedures to explain and document client understanding of security investment risks?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	9. Are there procedures to determine and document client investment goals and risk tolerance?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6f.	Does <b>Applicant</b> have control or possession of client funds or securities (e.g., as a trustee for client)? If "yes", explain on the S.I.F.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6g.	Indicate whether <b>Applicant</b> has been audited by any of the following organizations?		
	SEC: <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes", when? _____ State Insurance Department: <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes", when? _____		
	FINRA: <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes", when? _____ Security Broker/Dealer: <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes", when? _____		
	State Securities Department: <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes", when? _____ Insurance Companies: <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes", when? _____		

<b>VII. CLAIMS AND COMPLAINTS</b>			
7a.	Has any claim, suit or arbitration for alleged malpractice, error, omission, mistake or other wrongful act been made against <b>Applicant</b> , its predecessor in business, its officers, directors, partners, employees, independent contractors or supervised registered representatives if a securities principal? If "yes", complete a Claim Information Form for each claim, lawsuit or arbitration, whether or not <b>Applicant</b> or others listed above were insured at the time and regardless of the outcome or current status.		
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
7b.	After a review of <b>Applicant's</b> records, does <b>Applicant</b> , or any of its partners, directors, officers, employees, independent contractors or supervised registered representatives, if a security principal, have any knowledge or information of any fact situation (e.g. a limited partnership sold by <b>Applicant</b> encountering financial difficulties, or any sale of securities sold to a client or a client of a supervised registered representative, if a security principal, which is likely to result in a substantial loss to the client), allegation or incident which may result in a claim, suit or arbitration against <b>Applicant</b> or any of its officers, directors, partners, employees, independent contractors or supervised registered representatives? If "yes", complete a Claim Information Form for each such fact situation, allegation or incident. Note: No coverage will be provided for any claim arising out of any such incident or fact situation. If presently insured, <b>Applicant</b> should consider reporting these facts, allegations or incidents to, and purchasing "tail" coverage from <b>Applicant's</b> current insurer.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7c.	Is <b>Applicant</b> aware of or involved in any fee dispute with a client? If "yes", explain on the S.I.F.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

VIII. DISCIPLINARY ACTION (If any of the following are answered "yes", give full details, including disciplinary and corrective action taken, on the S.I.F.)	
8a. Has any professional license or registration of <b>Applicant</b> or any of its officers, directors, partners, employees, independent contractors or supervised registered representatives, if a securities principal, ever been denied, suspended, revoked, non-renewed or restricted in any way?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8b. Has <b>Applicant</b> or any of its officers, directors, partners, employees, independent contractors or supervised registered representatives, if a securities principal, ever been disciplined, fined, or suspended by the SEC, FINRA, a state securities, corporation or insurance department or other regulatory body, or formally reprimanded by any court or administrative agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8c. Has any complaint ever been filed against <b>Applicant</b> or any of its officers, directors, partners, employees, independent contractors or supervised registered representatives, if a securities principal, with a consumer agency, <b>Applicant's</b> broker/dealer, the SEC, FINRA, a state insurance, corporations or securities department or other regulatory body?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8d. Has <b>Applicant</b> or any of its officers, directors, partners, employees, independent contractors or supervised registered representatives, if a securities principal, ever been formally accused of violating any professional association's code of ethics?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8e. Has <b>Applicant</b> or any of its officers, directors, partners, employees, independent contractors or supervised registered representatives, if a securities principal, ever been convicted of a criminal offense other than minor traffic violations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8f. Has any contract between <b>Applicant</b> or any of its officers, directors, partners, employees, independent contractors or supervised registered representatives, if a securities principal, and their insurance company, broker/dealer or others been suspended, terminated, non-renewed or restricted for cause?	<input type="checkbox"/> Yes <input type="checkbox"/> No

IX. MISCELLANEOUS	
9a. Was <b>Applicant's</b> business different in any way from the business described in this <b>Application</b> during the period for which <b>Applicant</b> is requesting "prior acts" coverage, i.e., the time between the requested retroactive date and the policy inception date (e.g. did <b>Applicant</b> sell substantially more limited partnerships or other types of products or services, employ more planners etc.)? If "yes", please describe on the S.I.F.	<input type="checkbox"/> Yes <input type="checkbox"/> No
9b. Is there any additional information material to this <b>Application</b> which has not been otherwise disclosed? If "yes", please specify on the S.I.F.	<input type="checkbox"/> Yes <input type="checkbox"/> No

X. ADDITIONAL INFORMATION. Attach a copy of the following documents. Indicate with "NA" any that do not apply to <b>Applicant</b> .	
10a. Filed Forms 1. Current complete Form ADV and updates. 2. Other disclosure document(s) if Form ADV, Part II is not used for that purpose. 3. U-4's for all registered representatives listed in 4d., above.	
10b. Contracts/Engagement Letters Used By <b>Applicant</b> 1. Client financial planning contract forms. 2. Client financial adviser or investment management service contract forms. 3. Independent contractor contract forms. 4. Others, if any.	
10c. Marketing 1. Corporate brochures. 2. All advertisements run within the last year.	
10d. The most recent audits by SEC, FINRA, state securities and insurance departments, <b>Applicant's</b> broker/dealer or insurance companies and <b>Applicant's</b> reply.	
10e. A copy of all current professional liability insurance policies.	

### REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Notice: Please read the following carefully before signing this **Application**.

On behalf of **Applicant** (including its officers, directors, partners, employees and independent contractors for whom insurance is sought under this **Application**, and any affiliates for which insurance coverage is sought under this **Application**) the undersigned makes the following representations, warranties and agreements:

1. I have been duly authorized, for and on behalf of **Applicant**, to apply for this insurance and to complete this **Application**.
2. **Applicant** has reviewed the information in this **Application** describing "prior acts" and "tail" coverage and the ramifications of failing to identify and report claims and incidents to **Applicant's** current or prior insurer(s).
3. The Claim Information Forms, if any, that are attached to this **Application** include the details of: (a) all claims, suits and arbitrations which have been brought against **Applicant**; and (b) all fact situations and incidents which have occurred in the past and which may reasonably be expected to result in a claim, suit or arbitration against **Applicant** in the future. All such claims, suits and incidents have been reported to **Applicant's** current or prior insurer(s). It is understood and agreed that all such claims, suits, arbitrations, fact situations and incidents will be excluded from coverage under any policy issued by the Company.
4. It is understood that completion of this **Application** does not constitute acceptance of this **Application** or obligate the Company to complete the insurance applied for. It is understood and agreed that the language of the policy that is issued, if any, and not any summary language in this **Application** or any Company marketing materials, will determine actual insurance coverage.

5. It is understood and agreed: (a) that this **Application**, including, without limitation, all information submitted verbally or in writing in connection herewith and not contained herein, will be relied upon by the Company in making a decision whether to issue a policy; (b) that this **Application** will be made a part of any such policy; and (c) that any such policy will be issued in reliance upon the representations made in connection with this **Application**.
6. It is understood and agreed that failure to provide a true and complete response to any of the questions, statements or requests for information in this **Application** or to provide any other information material to this **Application** may, at the sole option of the Company, result in the voiding of the insurance policy issued in reliance on this **Application** and/or denial of coverage for specific claims asserted against **Applicant** or any other insured under the policy. The undersigned, on behalf of **Applicant** and all other insureds under any policy issued by the Company, hereby waives any defense to an action by the Company for rescission of such policy based upon misrepresentation of fact or failure to disclose material information in connection with this **Application**. **Applicant** agrees to hold the Company harmless from all loss as a result of any such misrepresentation or failure to disclose, including, without limitation, all costs and attorney fees incurred by the Company in connection with said action for rescission.
7. **Applicant** authorizes and consents to investigation of information bearing upon **Applicant's** moral character, professional reputation, and qualifications to engage in the activities to be insured, including, without limitation, authorization to every person or entity, public or private, to release to the Company, its agents and authorized representatives, any documents, records or other information bearing upon the foregoing. It is understood and agreed that these investigations may not be confined to information submitted in this **Application**, but may include any other information deemed relevant by the Company. It is understood and agreed that organizations releasing such information, their agents, servants and employees shall not incur any liability as a result of any information released or furnished pursuant to this authorization, including any errors, omissions or mistakes contained in such released information.
8. **Applicant** will notify the Company within 10 days of any material change in the nature of **Applicant's** business (including, without limitation, any changes in location, the kind of products sold or services provided or the answers to the questions posed in Articles VII and VIII of this **Application**) while this **Application** is pending and throughout the term of any policy issued by the 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 purposes of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall be subject to civil penalty not to exceed five thousand dollars and the stated value of the claim for the violation.

**Notice to 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 purposes of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall be subjects the person to criminal and civil penalties.

**APPLICANT NAME:** \_\_\_\_\_ **BY:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**PRINT NAME AND TITLE:** \_\_\_\_\_

**NOTICE:** Any person who knowingly and with intent to defraud an insurance company or its representatives files an application for insurance containing false Information, or conceals information on any fact material thereto, commits a fraudulent insurance act which is a crime.

Where applicable, Applicant is also applying for membership in Financial Services Professional Liability Risk Purchasing Group, Inc. There is no charge for membership.



### **APPLICATION** COMPLETION CHECK LIST

1. Review the **Application** and any completed **Supplements** to insure that full, accurate information has been provided, with each question answered and all blanks filed in with the requested information or "N.A." or "none", and that the **Supplementary Information Form ("S.I.F.")** contains all requested information and any additional information for which additional space is needed or which is material to making this **Application** accurate and complete.
2. Attach a completed **Claim Information Form** for each claim or suit brought against **Applicant**, and for each fact situation or incident that may reasonably result in such a claim or suit.
3. Review Article X and attach all additional information requested by that Article.
4. Attach any Supplements called for under this **Application**.
5. Sign and date the **Application** and each **Supplement**.
6. Mail the **Application** to ProSurance Group, Inc. at the address shown above. **An incomplete Application cannot be considered for insurance.**







**THE FINANCIAL SERVICES INSURANCE PROGRAM**

**CLAIM INFORMATION FORM**

**INSTRUCTIONS:** Use a separate Claim Information Form for each claim or suit brought against you and for each incident or fact situation that might reasonably result in such a claim or suit against you.

1. <b>Applicant</b> Name (list all potential insureds which may be involved in the claim): _____ _____			
5. Claim Allegations, Incident or Fact Situation:		3. Age	4. Sex
6. Date of Incident or Alleged Wrongful Act:		7. Date Claim Made Against <b>Applicant</b> :	
8. Was <b>Applicant</b> insured? <input type="checkbox"/> Yes <input type="checkbox"/> No	8a. If "Yes", Name of Insurer:	8b. Date Reported to Insurer:	
9. Additional Defendants:		10. Location of Incident:	
11. Current Status of Claim or Incident (Open, Closed Without Payment, Settled With Payment to Claimant):		12a. If Open, Total Reserve or Estimate of Ultimate Liability: 12b. If Open, Reserve or Estimate of Ultimate Liability for <b>Applicant</b> :	
13a. If Closed, Total Amount of Settlement or Judgment: \$ 13b. If Closed, Amount Paid By or on Behalf of <b>Applicant</b> : \$			
The following should be answered in adequate detail to allow proper evaluation. Attach relevant copies of Claimant's file and any correspondence relating to the claim or incident including, without limitation, copies of any legal pleadings, lawyer status reports, insurance company letters, any legal evaluations by experts or attorneys. Submit sufficient information to fully explain the claimant's case and <b>Applicant's</b> defense. Attach additional sheets as required.			
14. Dates and Descriptions of Services Provided and/or Products Sold to Claimant:  _____ _____			
15. Nature and Description of Problem:  _____ _____ _____			
I understand that the information submitted herein becomes part of the <b>Applicant's</b> Professional Liability Insurance <b>Application</b> .			
Date: _____		Signed: _____	
Print Name and Title: _____			