



# Financial Services Insurance Purchasing Group

## Life Insurance Agents Program

### Eligibility:

Life insurance agents and series 6 registered representatives:

1. Without claims, incidents or disciplinary problems. (If these problems are old or minor, exceptions can be made.)
2. With revenue less than or equal to \$1,000,000.00

Agents who do not meet these criteria should be encouraged to complete the standard Scottsdale financial services application to apply for their own policy that covers their services at a premium customized to their individual circumstances.

### Insurance Companies:

1. Scottsdale Insurance Company
2. A.M. Best rating is A+ XV.

### Limits of Liability Options:

The master policy will have a \$5,000,000 annual policy aggregate. Individual agents can choose one of two limit options:

1. \$500,000 per wrongful act / \$500,000 annual agent's aggregate.
2. \$1,000,000 per wrongful act / \$1,000,000 annual agent's aggregate.
3. \$1,000,000 per wrongful act / \$3,000,000 annual agent's aggregate.
4. In New York, individual agents Aggregate Limit will be reinstated (less any amount used by them) to be in compliance with N.Y. circular No. 6

### Retentions:

1. \$2,500 (see app)
2. \$5,000 (see app)
3. \$10,000 (see app)

### Retroactive Date:

Date of first continuous E&O coverage for the wrongful act leading to the claim.

## Coverage:

Scottsdale financial services professional liability policy form will be used with the following modifications:

1. Participating individual agents will be listed as insureds on the master policies, each with a \$5,000,000 aggregate policy limit. Individual insured agent's coverage will last 12 months. (This approach eliminates the need for prorata premiums)
2. Participating agents will be covered as life insurance agents and series 6 registered representatives, if that option is chosen. Under both options, coverage for financial planning services, incidental to the sale of covered products, will be provided at no additional charge.
3. Companies owned, controlled by or employing the insured agent will be covered for their vicarious liability arising out of wrongful acts of that agent.
4. At this time general agents/agencies, that recruit, train, and/or supervise subagents, cannot be insured under this policy. They must be individually underwritten and priced for coverage of these services. (Note that individual agents, who sign a general agents contract, but do not recruit, train, and/or supervise subagents, can be covered.)
5. Claims arising from, or in any way related to, financial planning services not incidental to the sale of a covered product (e.g. when a separate fee is charged for a plan) will be excluded.
6. Claims arising from, or in any way related to, investment advisory services will be excluded.
7. Claims arising from, or in any way related to, securities not authorized for registered representatives holding a series 6 license will be excluded.
8. Claims arising from, or in any way related to, any pending or prior litigation, arbitrations, claims, complaints, or essentially the same circumstances, including any such actions against any insured's firm, its subsidiaries, parents, or affiliates or from any incidents, known or reasonably knowable, including securities known to be in trouble, will be excluded.
9. Claims arising from or in any way related to actual or alleged commingling of, inability to or failure to pay, collect or safeguard funds by any insured will be excluded.
10. Claims arising from, or in any way related to promissory note programs, step up, step down and callable CD's, viaticals and life settlements, structured settlements, collateralized debt obligations, unregistered securities, private equity, tax liens, tax deeds, government secured tax certificates, or similar products, investments in ATM machines or pay phones (including, but not limited to ETS pay phones), prepaid variable forward contracts, day trading and trading errors will be excluded.
11. Claims arising from, or in any way related to, trades in mutual funds or sub accounts of variable products where the trade was entered, cancelled or processed after the net asset value of the mutual fund or sub account was determined or should have been determined will be excluded.
12. Claims arising from, or in any way related to market timing of mutual funds or sub accounts of variable products where such market timing is contrary to the mutual fund's or variable product's policies, procedures, prospectus or representations to investors will be excluded.
13. Claims arising from, or in any way related to, soft dollar arrangements will be excluded.
14. Claims arising from, or in any way related to, fees charged by or to mutual funds will be excluded.
15. Claims arising from terrorism will be excluded.
16. Claims arising from, or in any way related to providing fictitious or collusive bids or the failure to disclose any compensation as required by law, regulation or agreement with any regulatory body or court will be excluded.

## Application:

Individual agents seeking coverage should complete the appropriate attached application.

Payment:

The check for the premium, taxes and fees should be made out to ProSurance Group, Inc.

Evidence of Coverage:

Each insured will be given a certificate of insurance that includes the coverages, exclusions, and other terms and conditions of the master policy. It will resemble an actual policy, even though it is a certificate.

Cost per Agent:

See attached tables.

# Financial Services Insurance Association

## Life Insurance Agents Professional Liability Program

### Cost per Insured Agent

Revenue: \$0 -- \$250,000

Agent's Limits	Average Risk States <sup>1</sup>							
	Fixed Products				Fixed and Variable Products and Mutual Funds			
	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total
\$ 500,000/\$ 500,000	\$500.00	\$15.63	\$44.37	\$560.00	\$600.00	\$18.75	\$41.25	\$660.00
\$1,000,000/\$1,000,000	\$600.00	\$18.75	\$41.25	\$660.00	\$750.00	\$23.44	\$36.56	\$810.00
\$1,000,000/\$3,000,000	\$725.00	\$22.66	\$47.34	\$795.00	\$880.00	\$27.50	\$42.50	\$950.00

Agent's Limits	Above Average Risk States <sup>2</sup>							
	Fixed Products				Fixed and Variable Products and Mutual Funds			
	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total
\$ 500,000/\$ 500,000	\$ 750.00	\$23.44	\$36.56	\$ 810.00	\$ 900.00	\$28.13	\$36.87	\$ 965.00
\$1,000,000/\$1,000,000	\$ 900.00	\$28.13	\$36.87	\$ 965.00	\$1,100.00	\$34.38	\$40.62	\$1,175.00
\$1,000,000/\$3,000,000	\$1,065.00	\$33.28	\$46.72	\$1,145.00	\$1,300.00	\$40.63	\$54.37	\$1,395.00

1. Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.
2. Alabama, Alaska, California, Florida, Hawaii, Illinois, Louisiana, Massachusetts, Mississippi, New York, Pennsylvania, Texas.
3. Master policy domiciled in California.

# Financial Services Insurance Association

## Life Insurance Agents Professional Liability Program

Cost per Insured Agent  
Revenue: \$250,001 -- \$500,000

Agent's Limits	Average Risk States <sup>1</sup>							
	Fixed Products				Fixed and Variable Products and Mutual Funds			
	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total
\$ 500,000/\$ 500,000	\$ 835.00	\$26.10	\$53.90	\$ 915.00	\$1,000.00	\$31.25	\$58.75	\$1,090.00
\$1,000,000/\$1,000,000	\$1,000.00	\$31.25	\$58.75	\$1,090.00	\$1,225.00	\$38.28	\$61.72	\$1,325.00
\$1,000,000/\$3,000,000	\$1,175.00	\$36.72	\$63.28	\$1,275.00	\$1,450.00	\$45.32	\$54.68	\$1,550.00

Agent's Limits	Above Average Risk States <sup>2</sup>							
	Fixed Products				Fixed and Variable Products and Mutual Funds			
	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total
\$ 500,000/\$ 500,000	\$1,225.00	\$38.28	\$61.72	\$1,325.00	\$1,500.00	\$46.88	\$48.12	\$1,595.00
\$1,000,000/\$1,000,000	\$1,500.00	\$46.88	\$48.12	\$1,595.00	\$1,850.00	\$57.82	\$67.18	\$1,975.00
\$1,000,000/\$3,000,000	\$1,765.00	\$55.16	\$57.34	\$1,875.00	\$2,175.00	\$67.97	\$52.03	\$2,295.00

1. Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.
2. Alabama, Alaska, California, Florida, Hawaii, Illinois, Louisiana, Massachusetts, Mississippi, New York, Pennsylvania, Texas.
3. Master policy domiciled in California.

# Financial Services Insurance Association

## Life Insurance Agents Professional Liability Program

### Cost per Insured Agent

Revenue: \$500,001 -- \$1,000,000

Agent's Limits	Average Risk States <sup>1</sup>							
	Fixed Products				Fixed and Variable Products and Mutual Funds			
	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total
\$ 500,000/\$ 500,000	\$1,250.00	\$39.07	\$60.93	\$1,350.00	\$1,500.00	\$46.88	\$48.12	\$1,595.00
\$1,000,000/\$1,000,000	\$1,500.00	\$46.88	\$48.12	\$1,595.00	\$1,850.00	\$57.82	\$67.18	\$1,975.00
\$1,000,000/\$3,000,000	\$1,765.00	\$55.16	\$57.34	\$1,875.00	\$2,175.00	\$67.97	\$52.03	\$2,295.00

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	Fixed Products				Fixed and Variable Products and Mutual Funds			
	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total	Premium	Surplus Lines Tax and Stamping Fee <sup>3</sup>	ProSurance Fee	Total
\$ 500,000/\$ 500,000	\$1,850.00	\$57.82	\$67.18	\$1,975.00	\$2,250.00	\$ 70.32	\$54.68	\$2,375.00
\$1,000,000/\$1,000,000	\$2,250.00	\$70.32	\$54.68	\$2,375.00	\$2,775.00	\$ 86.72	\$63.28	\$2,925.00
\$1,000,000/\$3,000,000	\$2,650.00	\$82.82	\$62.18	\$2,795.00	\$3,275.00	\$102.35	\$72.65	\$3,450.00

1. Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.
2. Alabama, Alaska, California, Florida, Hawaii, Illinois, Louisiana, Massachusetts, Mississippi, New York, Pennsylvania, Texas.
3. Master policy domiciled in California.