PREFERRED RISK E&O INSURANCE

National Ethics Association Sponsored Program

ERRORS & OMISSIONS INSURANCE

Application for Life & Health Agents

CNA

Administered by:

Marsh U.S. Consumer (a service of Seabury & Smith)
P.O. Box 8146
Des Moines, IA 50306-8146
Phone (866) 795-2041 | Fax (515) 243-2331

Step 1 Proposed Insured (Applicant) Information (Enrollment is available to individuals only)

This application is for: ☐ New Policy ☐ Renewing Policy

Name _____

Address _____

City _____

State _____ Zip _____

Phone _____

Fax _____

Email _____

Requested Policy Inception Date (mm/dd/yyyy) _____

Do you currently have E&O Insurance? ☐ Yes ☐ No

If yes, provide the expiration date of your E&O coverage (mm/dd/yyyy) _____

Are you a member of National Ethics Association (NEA)? ☐ Yes ☐ No

If yes, provide your registered NEA email address _____

How did you hear about us? _____

Step 2 Select Your Coverage

Carrier: Continental Casualty Company (CNA)

Limits of Liability:
$1,000,000 each claim
$2,000,000 in the aggregate

Retentions:
$500 Per Insured for Life, Accident, Health Insurance, LTC Products (that does not require a securities license)
$2,500 Per Insured for Indexed Annuities, Fixed Annuities (if purchased)
$2,500 Per Insured for Disability Income Insurance (if purchased)
$5,000 Per Insured for Variable Annuities/Variable Insurance (that requires a securities license) and Mutual Funds (if purchased)

Note: See Policy for complete list of coverage and exclusions at www.EOforLess.com/policy

Please Choose an E&O Coverage Package...

Pricing for Non-Members

		Limits**	Ethics.net (NEA) Membership Fee*		Insurance Premium		Total Cost Includes NEA Membership Fee
Silver	**Life, Accident, Health Insurance** (that does not require a securities license)	$1M/Each Claim $2M/Aggregate	**$156**	+	**$339**	=	**$495**
Gold	**Life, Accident, Health Insurance** (that does not require a securities license) + Fixed and Indexed Annuities	$1M/Each Claim $2M/Aggregate	**$156**	+	**$439**	=	**$595**
Platinum	**Life, Accident, Health Insurance** (that does not require a securities license) + Fixed and Indexed Annuities + Variable Annuities/Insurance (that requires a securities license) & Mutual Funds	$1M/Each Claim $2M/Aggregate	**$156**	+	**$539**	=	**$695**

NEA Member Fee Disclaimer
*For non-members of the National Ethics Association (NEA), there is an annual membership fee of $156 that is collected by Marsh and forwarded to NEA for your convenience. This annual fee covers your membership in the NEA which is required to participate in this group policy offering and is not part of the insurance transaction. You may also join NEA directly at www.ethics.net and then return and pay the insurance premium only by verifying your membership upon checkout. Marsh U.S. Consumer is a service of Seabury & Smith, Inc. d/b/a in CA Seabury & Smith Insurance Program Management | CA Ins. Lic #245544 | AR Ins. Lic. #063005

**$15,000,000 total Master Policy aggregate for all Non-New York Insureds.

Pricing for Members

		Limits**	Ethics.net (NEA) Membership Fee*		Insurance Premium		Total Cost
Silver	**Life, Accident, Health Insurance** (that does not require a securities license)	$1M/Each Claim $2M/Aggregate	**$0**	+	**$339**	=	**$339**
Gold	**Life, Accident, Health Insurance** (that does not require a securities license) + Fixed and Indexed Annuities	$1M/Each Claim $2M/Aggregate	**$0**	+	**$439**	=	**$439**
Platinum	**Life, Accident, Health Insurance** (that does not require a securities license) + Fixed and Indexed Annuities + Variable Annuities/Insurance (that requires a securities license) & Mutual Funds	$1M/Each Claim $2M/Aggregate	**$0**	+	**$539**	=	**$539**

**$15,000,000 total Master Policy aggregate for all Non-New York Insureds.

PLEASE CHECK E&O PACKAGE

Non-Member
❑ Silver ❑ Gold ❑ Platinum

Member
❑ Silver ❑ Gold ❑ Platinum

Enter Amount Here

Additional Coverage Option: Disability Income Insurance ..... ❑ Add $26

ENTER TOTAL AMOUNT DUE →

Enter Total Here

Step 3 Select Your Payment Method

OPTION 1 Pay Annually, With Your Debit or Credit Card

ANNUAL

☐ I authorize Marsh U.S. Consumer (a service of Seabury & Smith) to charge my total cost of coverage with my Debit or Credit Card. I understand that my annual payment due will be charged upon processing of my application. I understand that if my premium changes, I will be notified and my authorization adjusted accordingly. I agree to notify Marsh U.S. Consumer should my account information change.

☐ Visa ☐ MasterCard
☐ American Express

Total Amount Due (see above) $_____

Name as it Appears on the Card _____

Cardholder's Billing Address _____

City, State and ZIP _____

Card Number _____ Expiration Date _____

This signature authorizes Marsh U.S. Consumer to charge the Total Amount Due to this credit/debit card.

_____

☐ To pay annually by check, send check payable to: **Marsh U.S. Consumer**. Send payment to address listed to the right.

Total Amount Due (see above) $_____

MARSH U.S. CONSUMER
(a service of Seabury & Smith)

Mail:
P.O. Box 8146
Des Moines, IA 50306-8146
Phone: (866) 795-2041

OPTION 2 Pay Monthly, With Your Debit or Credit Card

MONTHLY

☐ I authorize Marsh U.S. Consumer (a service of Seabury & Smith) to establish automatic bill payment to pay my monthly charge with either my Debit or Credit Card. Your annual charge will be payable in 10 installments. The 1st installment will be equal to 25% of your annual charge and the remaining 9 installments will each be equal to 1/12th of your annual charge. A $5 convenience fee will be added to each installment billing. I also authorize my financial institution to charge my account accordingly. I understand that if my total monthly payment changes, I will be notified and my authorization adjusted accordingly. I agree to notify Marsh U.S. Consumer should my account information change.

Pay by Debit or Credit Card (enter info below)

☐ Visa ☐ MasterCard
☐ American Express

Total Amount Due (see above) $_____

Name as it Appears on the Card _____

Cardholder's Billing Address _____

City, State and ZIP _____

Card Number _____ Expiration Date _____

This signature authorizes Marsh U.S. Consumer to charge the Total Amount Due to this credit/debit card.

_____

Application For Coverage

Each Applicant must meet the criteria contained within this application in order to be considered an insured under the policy.

By signing below, Applicant hereby represents that the information contained herein is true, accurate and complete and that no material facts have been suppressed or misstated. Further, Applicant understands and acknowledges that:

1. If the Applicant's enrollment is accepted, CNA will have relied upon, as representations, this application.
2. The misrepresentation of any material matter by the Applicant will render such Applicant's coverage under the Policy null and void.
3. An insured's failure to report during their certificate period, either any claim made against any insured, or any act or omission known to any insured that may reasonably be expected to be the basis of a claim against any insured may create a lack of coverage.
4. If a Policy is issued to you, payment of Defense Costs will reduce the Limit of Liability and are subject to the Retention.

Submission of this application does not ensure coverage will be provided unless it is submitted electronically via the website.

Step 4

Questions:

The Applicant (hereafter "you") must be able to respond "yes" to question 1. and "no" to questions 2. through 10. posed below in order to qualify for coverage. If you fail to answer question 1., or answer "no" you will not qualify for coverage and will not be insured under the policy for which you are applying. If you fail to answer questions 2. through 10., or answer "yes" you will not qualify for coverage and will not be insured under the policy for which you are applying.

Claims, Lawsuits, Complaints and Disciplinary Action

1. Do you have all valid licenses in all jurisdictions in which you act as an Agent or Registered Representative, if applicable? YES☐ NO☐

   If you are an Agent and the answer to this question is yes, please provide the license number for the state in which you are domiciled and act as an Agent in the space below:

   _____

   If you are a Registered Representative and the answer to this question is yes, please provide your Central Registration Depository (CRD) number in the space below:

   _____

   Please be advised that CNA retains the right to use this information provided in the space above to verify that all your answers to the questions posed in this application are correct and accurate.

2. Have you ever had a state or federally regulated license denied, suspended, revoked, restricted, or terminated? YES☐ NO☐

3. Have you ever been the subject of any lawsuit, complaint, arbitration or allegation arising out of or involving in any way any of your professional services or activities that resulted in any type of monetary settlement, judgment, or award? YES☐ NO☐

4. Have you ever been the subject of any investigation, inquiry, or complaint by any state or federal regulatory agency, or any other agency, alleging any violations of ethical conduct, prohibited sales practice, or breach of professional standards that resulted in any type of adverse decision, enforcement action, disciplinary sanction, or adverse order, such as a consent order, final order, fine, penalty, or cease and desist-type order? YES☐ NO☐

5. Do you have any regulatory or other complaints, including lawsuits and arbitrations, arising out of or involving in any way any of your professional services or activities that are pending or unsettled, or are you awaiting any arbitration or litigation in connection with any such professional services or activities? YES☐ NO☐

6. Have you ever been convicted of any felony or business-related misdemeanor, or are you currently under investigation, awaiting indictment or named as a defendent, respondent, or party to any such criminal proceeding? YES☐ NO☐

7. Are you currently the subject of any investigation, inquiry, or complaint by any state or federal regulatory agency, or any other agency? YES☐ NO☐

8. Have you ever been the subject of an enforcement action, adverse order, disciplinary sanction, censure, fine, or reprimand, by any state or federal regulatory agency, or any other agency? YES☐ NO☐

9. Within the last ten (10) years, have you declared bankruptcy? YES☐ NO☐

10. Are you aware of or involved in any fee dispute with any of your clients? YES☐ NO☐

AUTHORIZATION

By submitting this Application, I am attesting that I have answered the questions in the Application to the best of my ability and declare that, to the best of my knowledge, the statements set forth herein are true and correct. My submission of the Application does not bind the Insurance Company to complete the insurance, but it is agreed that this Application shall be the basis of the contract should a policy be issued. It is agreed that this Application shall be on file with the administrator of the program, and that it shall be deemed to be attached to and made part of the policy, if issued, as if physically attached to the policy.

I hereby represent that the aforementioned statements and answers are correct and complete. I further understand that an incorrect or incomplete statement or answer could void my insurance coverage.

This program is underwritten by one of the CNA Insurance Companies, CNA is a registered trademark of CNA Financial Corporation. Copyright ©2012 CNA. All rights reserved.

If you are submitting this form electronically, then by doing so, you are agreeing that such submission constitutes your signature, acceptance and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.

Signature **X** _____ Date _____

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Step 5 Authorization to Bind

THIS SIGNED FORM MUST ACCOMPANY YOUR APPLICATION.

PREFERRED RISK E&O INSURANCE

Marsh U.S. Consumer Insurance Compensation & Disclosure

In this transaction, Marsh U.S. Consumer is acting as the exclusive insurance agent and program manager for CNA, "Insurer" for this type of coverage, and not as your insurance broker. Alternative insurance products may be available in the insurance market place. Marsh is only offering this selected insurer quote proposal.

In accordance with industry custom, we are compensated through commissions that are calculated as a percentage of the insurance premiums charged by insurers. We may also receive additional monetary and nonmonetary compensation from insurers, or from other insurance intermediaries, which may be contingent upon volume, profitability, or other factors. This compensation may include payment from insurers for marketing related expenses or investments in technology. Our compensation may vary depending on the type of insurance purchased and the insurer selected. We will provide you additional information about our compensation and information about alternative quotes, upon your request.

You may obtain this information by referring to http://www.personal-plans.com/disclosure and enter in the security code o5055356, or call us at 1-888-206-5088 for specific details.

Authorization to Bind:

Coverage is underwritten by Continental Casualty Company, one of the CNA companies and offered through Marsh U.S. Consumer, a service of Seabury & Smith, Inc. The program has been organized as a purchasing group (Marsh Financial Services Professional Risk Purchasing Group), a not-for-profit corporation located and domiciled in Iowa pursuant to legislation enacted by Congress known as the Federal Liability Risk Retention Act of 1986 as amended. You will automatically become a member of the Purchasing Group when your completed application has been approved and your payment has been received.

☐ **YES**, I understand that maintaining a membership in the National Ethics Association (NEA) is a requirement for the Preferred Risk E&O Program. I have read and agree to abide by all the terms and conditions (http://www.ethics.net/membership/terms-conditions) for membership in the NEA. I understand that Marsh U.S. Consumer may share my personal information with NEA, including information in this application unless I specifically elect to opt out. I hereby acknowledge and am aware that this policy is a group policy and is subject to an overall policy aggregate of $15,000,000 for all Non-New York Insureds.

Your signature authorizes Marsh to bind coverage on your behalf for the above placement(s);

X _____ _____

Signature Date

National Ethics Association Sponsored Program

POLICY HIGHLIGHTS

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Step 6 Review Policy Highlights

Overview:
Provides protection for your liability for wrongful acts in the rendering of or failure to render professional services. This includes (but is not limited to) activities relating to the sale, attempted sale, or servicing of term life insurance, accident and health insurance, managed health care organization contracts, disability income (if purchased), indexed/fixed annuities (if purchased), mutual funds/ variable annuities by a Registered Representative (if purchased), Medicare supplement insurance.

Limits of Liability:
$1,000,000 each claim
$2,000,000 in the aggregate
$15,000,000 total Master Policy aggregate (for all Non-New York Insureds)

Retentions:
- $500 Per Insured for Life, Accident, Health Insurance, LTC Products (that does not require a securities license)
- $2,500 Per Insured for Indexed Annuities, Fixed Annuities (if puchased)
- $2,500 Per Insured for Disability Income Insurance (if purchased)
- $5,000 Per Insured for Variable Annuities/Variable Insurance (that requires a securities license) and Mutual Funds (if purchased)

Additional Features Include:
- Competitive rates
- Prior Acts Coverage going back to the first continuous E&O policy subject to policy provisions for Agents
- Prior Acts Coverage for Registered Representatives; the latest date the Registered Representative contracted with Broker/Dealer
- Coverage is extended to an Insured's owned business entity in connection with an Insured's rendering or failing to render Professional Services as provided by the policy
- Individual Certificate Period
- An unlimited extended reporting period at no additional charge subject to the policy provisions so long as the insured has been insured under the policy for at least six (6) months
- Quick and easy online enrollment with certificate available online upon successful confirmation of premium payment
- Quick and easy online certificate renewal upon successful completion of the application
- Coverage extended to spouses, domestic partners, estates, heirs or legal representatives for claims arising out of their status as such
- Secretarial, clerical and administrative personnel are insured if acting on behalf of the insured

Plan Eligibility:
Coverage is subject to favorably answering all qualifying questions on the application.

Underwritten by:
Continental Casualty Company (CNA)
- $8.9 billion in revenues
- 100+ years in business
- 7,600 employees
- U.S., Canada and International operations
- "A" rated for financial strength by A.M. Best
- 7th largest U.S. commercial lines insurer*
- Assets of $45.5 billion
- Statutory surplus of $10.6 billion**
- 1 million business and professional policyholders

*Based on 2010 Net Written Premium, A.M. Best
**Continental Casualty Company

Administered by:
Marsh US Consumer (a service of Seabury & Smith, Inc.). With 26,000 employees and annual revenues approaching $5 billion, Marsh serves more clients than any other firm in the industry. Marsh works with businesses, public entities, organizations, and private clients in over 100 countries.

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This highlights sheet, which has been prepared by Marsh U.S. Consumer, contains a summary of the insurance policy provisions. In the instance of conflict between this sheet and the actual Policy, the Policy language will prevail and control. See the Policy for complete list of coverage and exclusions at www.eoforless.com.

Disclaimer: One or more of the CNA companies provide the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA is a registered trademark of CNA Financial Corporation. Copyright © 2012 CNA. All rights reserved.