



**FARMERS**  
INSURANCE



## Farmers Sponsored Group Errors & Omission Program Coverage Highlights (NY Agents)

- Policy Effective Date: January 1, 2024 – January 1, 2025
- Insurer: Arch Specialty Insurance Company (a member of the Arch Insurance Group)
  - A Non-admitted Carrier, A.M. Best Rating: A+ (Superior), XV\*

### COVERAGE

- Negligent acts, errors, or omissions in the rendering of or failing to render Professional Services for others as a licensed Insurance Agent/Broker while there is a valid Agent or District Manager Appointment Agreement in place, including acting as a notary public and providing expert witness testimony
- Personal Injury (as defined in the policy)
- Negligent acts, errors, or omissions in the recruiting, supervision, management, or training of individuals while contracted as a District Manager
- Network Security & Privacy Breach Coverage\*
- Web Media Content Liability Coverage\*

\*These coverages are subject to various sub-limits and deductibles. See policy for details.

### PROFESSIONAL SERVICES

Include, but are not limited to:

- Those services necessary or incidental to the conduct of the insurance business of the Named Insured
- The sale and/or servicing of Securities through Farmers Financial Solutions, LLC.

### RETROACTIVE DATE

The later of the inception date of the Named Insured's Agent or District Manager Appointment Agreement with Farmers Insurance Exchange or the date of the first claims made errors and omissions liability coverage maintained without interruption.

**Note:** If the Agent is party to a Retail Agent or Agency Acquisition Appointment Agreement and has submitted an application for Extended

Prior Acts Coverage and has been approved by Arch, then the retroactive date for such Named Insured shall be the first day of continuous errors and omissions coverage maintained without interruption.

### NAMED INSURED

Any of the following individuals who have elected to enroll for coverage under the plan and paid their premium:

- Farmers Insurance Exchange Agents / Brokers
- Farmers Life Agents / Financial Services Agents (FSAs)
- Reserve Agents / Associate Agents
- District Agents

### INSURED

Coverage for the following Insureds is limited as specified in the policy:

- Corporation / Partnership / Business Entity
- Partners / Officers / Directors / Stockholders
- Employees / Leased Employees / Temporary Employees
- Spouse of the Named Insured
- Heirs / Executors / Administrators / Legal Representatives
- Reserve Field Manager / Reserve District Managers
- District Managers Training and Administrative Assistants
- Agency Producers
- District Life or Commercial Specialists

The individuals referenced above are considered Insureds only if the Agent or District Manager for whom they render Professional Services on behalf of is a Named Insured under the policy.

Please review the policy and program materials. A complete copy of the specimen policy is available by calling 866-893-1023. This document is a summary of the coverage provided. All statements contained herein are subject to all terms, conditions, and exclusions of the actual policy. This summary of coverage is only applicable to insureds domiciled in New York. In all circumstances the actual policy language will prevail. Please note that changes to your enrollment, coverage, or limits can only be made during the Annual Enrollment period or within 30 days of conversion to an Appointed Agent contract.

\*The information obtained from A.M. Best dated 3/16/23 is not in any way CalSurance Associates warranty or guaranty of the financial stability of the insurer in question. The information is current only as of the date of the publication.

## INSURED AMOUNTS

Each Claim / Annual Aggregate Each Named Insured:

- \$1,000,000 / \$2,000,000
- \$2,000,000 / \$2,000,000
- \$3,000,000 / \$3,000,000
- \$4,000,000 / \$4,000,000
- \$5,000,000 / \$5,000,000
  
- Life Only Agents are subject to limits of \$1,000,000 per claim / \$2,000,000 Aggregate Each Named Insured
- Reserve Agents are granted limits of \$1,000,000 per claim / \$2,000,000 Aggregate Each Named Insured at no premium charge

## COVERAGE OPTIONS

- **Coverage Level 1:** Covered products include Farmers® business (e.g. Foremost®, Bristol West®, 21st Century), brokered health, business placed through Kraft Lake, Farmers General Insurance Agency, Inc., strategic alliance or affinity partners of Farmers, securities through FFS, and business placed through other designated entities.
- **Coverage Level 2:** Provides all coverage specified in Level 1 and adds certain coverage for claims arising out of personal lines brokered business. Personal lines brokered business is insurance that is sold to an individual and placed with a non-Farmers entity (e.g. Homeowners, Personal Auto, and Personal Umbrellas).
- **Coverage Level 3:** Provides all coverage specified in Level 2 and adds certain coverage for claims arising out of commercial lines brokered business. Commercial lines brokered business is insurance that is sold to a business and placed with a non-Farmers entity (e.g. General Liability Policies, Commercial Property, Business Owner Packages, and Workers Compensation Insurance).

**Note:** If you previously were, or currently are, involved in the sale or servicing of personal lines or commercial lines brokered business, you must maintain the appropriate coverage level continuously and have it in place at the time a claim is reported. A separate retroactive date applies to both the brokered personal lines and commercial lines coverage endorsements. See policy or contact CalSurance Associates at 866.893.1023 for additional information.

## DEFENSE COSTS

Outside the limits of liability

### DEDUCTIBLES (APPLIES TO DAMAGES ONLY)<sup>1</sup>

**\$1,000 Farmers Business<sup>2</sup>**

- Zurich Insurance Group
- Farmers Services Insurance Agency (Formerly Farmers Security Co.)
- Kraft Lake Insurance Agency
- Farmers General Insurance Agency

- Assigned Risk Plans
- California Earthquake Authority
- FAIR Plans
- National Flood Insurance Program (where Farmers Insurance Exchange is the provider)
- Joint Underwriting Associations
- Texas Windstorm Insurance Association (Formerly Texas Catastrophe Property Insurance Association)

**\$1,000** For all Business placed through Marketing Agreements with the following companies:

- Provident Life and Accident
- Strategic Alliance or Affinity Partners of Farmers
- Investors Brokerage Services
- Farmers Financial Solutions, LLC
- American Bankers (products sold prior to 4/15/99)
- Commercial Union Insurance Co. (products sold prior to 10/01/00)
- Blue Cross

**\$5,000** All other Errors and Omissions Claims

<sup>1</sup> A Deductible Buy-Back option is available for \$25 per month.

<sup>2</sup> Deductible waiver applies to claims involving a product/service of Farmers provided the Named Insured has: been continuously insured under the Farmers sponsored group E&O program during the five (5) policy periods immediately preceding the date a claim is reported; been claims free for said five year period; and not reported more than one (1) claim under the policy. **Note:** If no inspection was conducted on the property that is the subject of the underlying claim and an inspection was required pursuant to underwriting guidelines, the deductible will not be waived

## RISK PURCHASING GROUP MEMBERSHIP

By applying for this insurance, agents are applying for membership in the Financial Sales Professionals Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901et seq.). There is no additional charge for this membership.

## EXCLUSIONS

Include, but are not limited to:

Dishonest, fraudulent, criminal acts committed with malicious purpose or intent, however, the Insured shall be provided a defense, subject to the terms of the policy until allegations are proven by final adjudication. In such event, the Named Insured shall reimburse Arch for all Defense Costs incurred by the Company;

Bodily Injury, sickness, disease, or death of any person; Liability assumed under any contract or agreement unless such liability is present in the absence of such contract or agreement;

Claims by an enterprise which one or more Insured's own, operate, control or manage, or any claim by an enterprise which owns, operates, controls or manages an Insured;

## EXCLUSIONS (CONT'D)

Claims arising out of any Pension, Profit Sharing, Health and Welfare or other Employee Benefit Plan or Trust sponsored by the Insured as an employer;

Claims based upon a loss arising out of making promises or guarantees as to the future value of an investment;

Claims arising out of involving PROFESSIONAL SERVICES performed by the INSURED as an accountant, actuary, attorney, real estate agent, real estate broker, mortgage broker, or mortgage originator;

Claims for:

- Premium collected or should have collected
- Premium returned or should have returned
- Commissions collected or should have collected
- Commissions returned or should have returned
- Taxes collected or should have collected
- Taxes paid or should have paid
- The amount of any insurance policy claim the Insured paid or should have paid
- Any other client funds collected or should have collected
- Any other client funds returned or should have returned

Claims arising out of the improper or unauthorized use of client information ownership of which does not belong to the Insured for the purpose of obtaining replacement life insurance coverage;

Claims arising out of an obligation under any workers' compensation disability benefit, or unemployment compensation law or any similar law;

Claims arising out of or in any way involving wrongful termination of employment or contract;

Claims arising out of disputes with another insurance agent or broker concerning commissions, fees, or client lists;

Claims brought by an Insured against another Insured;

Claims arising out of the placement of coverage with Multiple Employer Welfare Arrangements;

Claims based upon, arising out of or in any way involving the solicitation, sale and/or servicing of Securities;

Claims arising out of any fact, circumstance or situation which has been the subject of any written notice under any policy of which this Policy is a direct or indirect renewal or replacement;

Claims arising out of any act, error, or omission occurring prior to the date of the Named Insured's initial enrollment as an Insured under this policy if on the date of enrollment the Named Insured had knowledge of any act, error or omission or Personal Injury which could reasonably be expected to give rise to a claim;

Claims arising out of or involving discrimination;

Claims arising out of the insolvency, receivership, conservatorship, liquidation, bankruptcy, inability, or refusal to pay of any organization, entity, or vehicle of any kind in which the Insured has placed, recommended to be placed, or obtained coverage or in which an INSURED has placed or recommended to be placed the funds of a client account. The Exclusion shall not apply to the following:

An organization, entity or vehicle that was rated B+ or better by A. M. Best or that was rated S or better by Demotech, Inc., or, irrespective of such rating, was subject to or is a member of the state guaranty fund, guaranty association, or equivalent in the state or states of domicile of

the subject client at the time the INSURED placed, recommended to be placed or obtained such coverage for a client in such insurance company or in which an INSURED has placed such funds of a client or account.

An organization, entity or vehicle backed by or operated by a governmental body or bodies (such as assigned risk plans, Joint Underwriting Associations, State or Federal Flood, Wind or FAIR pools or plans, or state operated residual markets), or was a County Mutual reinsured by carriers rated B+ or better by A.M. Best Company or S or better by Demotech, Inc.

Notwithstanding the foregoing, the INSURED shall be afforded a defense for any claim excluded solely by operation of this exclusion, subject to a maximum DEFENSE COSTS of \$100,000 each claim and \$100,000 each NAMED INSURED;

Claims brought by any governmental or quasi-governmental official or agency, including but not limited to SEC, FINRA, SIPC;

Claims arising out of placement of client's coverage or funds with any organization, entity, or vehicle of any kind which is not licensed to do business in the state or jurisdiction with authority to regulate such business. This exclusion does not apply to the placement of coverage with an eligible surplus lines insurer;

Claims involving structured settlements, but not sales or service of underlying covered product;

Claims arising out of the ownership, formation, operation or administration of an HMO, PPO, RRG, RPG, captive or self insurance program;

Claims arising out of the Insured's status as a Named Fiduciary unless the claim arises from the Insured providing investment advice directly to a plan participant as a fiduciary advisor under an EIAA pursuant to the Pension Protection Act of 2006 and any amendments thereto.

### **Mutual Funds and Variable Products Endorsement:**

Intentional noncompliance with any rules or regulations of the federal and state securities acts;

Claims based solely upon a loss alleged to have been sustained through fluctuation in market value of any Security;

Claims involving investment products partially or totally owned by the Insured;

Claims involving the Insured as a market maker for Securities;

Claims involving Securities priced under five dollars (\$5.00) at the time of purchase;

Claims arising out of the purchase or sale or giving of advice regarding promissory notes, viatical or life settlements or any Security backed by viatical settlements, commodities, commodity future contracts, or option contracts other than covered call options;

Claims involving junk or high yield bonds which are unrated or rated below investment grade;

Claims brought or maintained directly or indirectly by a Broker/Dealer, investment company, or sponsor;

Claims arising out of any transaction to purchase or sell Securities not approved or processed through Investors Brokerage Svcs., Farmers Financial Solutions, LLC or another Broker/Dealer approved by Farmers Insurance Exchange;

## EXCLUSIONS (CONT'D)

### Network Security Breach & Privacy

Any costs or expenses for the reprinting, reposting, recall, removal or disposal of any online content or any other information, content or media, including any media or products containing such online content, information, content or media;

Any wear and tear or gradual deterioration of any data saved or of an Insured's Computer System;

or attributable to any costs or expenses incurred by any Insured or others:

1. to recall, repair, withdraw, replace, upgrade, supplement or remove the Insured's online content, products or services from the marketplace, including but not limited to products or services which incorporate the Insured's online content, products or services;
2. for any loss of use by any Insured or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplementation or removal;

Any failure to use best efforts to install commercially available software product updates and releases, or to apply security related software patches, to computers and other components of the Insured's Computer System;

Bodily Injury or Property Damage;

Any seizure, confiscation, destruction or nationalization of Insured's Computer System; or any data asset by or on behalf of any governmental or public authority;

Any interruption, suspension, failure or outage of any component of the Internet, including without limitation any hardware or software infrastructure supporting the Internet;

Any fine or penalty arising out of any agreement by any Insured to comply with or follow the PCI Standard or any Payment Card Company rules, or implement, maintain or comply with any security measure(s) or standard(s) related to any payment card data;

Alleging, based upon, arising out of, or resulting from, directly or indirectly, any unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to Claims arising out of unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, "pop-up" or "pop-under" Internet advertising or fax-blasting, direct mailing or telemarketing, or Claims alleging violations of the Telephone Consumer Protection Act, of 1991, as amended, the CAN-SPAM Act of 2003, as amended, and any other federal, foreign or state anti-spam statutes, or federal, foreign or state statute, law or regulation relating to a person's right to seclusion;

Alleging, based upon, arising out of, or resulting from, directly or indirectly, any unauthorized or illegal collection of Personal Information, including but not limited to the collection of Personal Information using cookies, spyware, or other malicious code, or the failure to provide adequate notice that Personal Information is being collected;

Alleging, based upon, arising out of, or resulting from, directly or indirectly, to section 605 (requirements relating to information contained in consumer reports) or 616 (civil liability for willful noncompliance) of the Fair Credit Reporting Act, or any other similar federal, state or local laws or regulations, including but not limited to any laws or regulations requiring truncation of payment card numbers on, or the removal of the expiration date from, payment card receipts; or

Any Claim involving in any way any liability of the Sponsoring Company; Any Claim involving data in the control of the Sponsoring Company; or Any Claim covered in whole or in part under any other insurance.

### Web Media Content Liability Coverage:

Any costs or expenses for the reprinting, reposting, recall, removal or disposal of any Social Media Activities related content or any other information, content or media, including any media or products containing such online content, information, content or media; Property Damage;

Any interruption, suspension, failure or outage of any component of the Internet, including without limitation any hardware or software infrastructure supporting the Internet;

Any fine or penalty arising out of any agreement by any Insured to comply with or follow the PCI Standard or any Payment Card Company rules, or implement, maintain or comply with any security measure(s) or standard(s) related to any payment card data; or Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the rules and regulations promulgated thereunder, as amended;

Alleging, based upon, arising out of, or resulting from, directly or indirectly, any unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to Claims arising out of unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, "pop-up" or "pop-under" Internet advertising or fax-blasting, direct mailing or telemarketing, or Claims alleging violations of the Telephone

Consumer Protection Act, of 1991, as amended, the CAN-SPAM Act of 2003, as amended, and any other federal, foreign or state anti-spam statutes, or federal, foreign or state statute, law or regulation relating to a person's right to seclusion;

Any Claim involving in any way any liability of the Sponsoring Company;

Any dispute or obligation to pay licensing fees or royalties; discrimination on any basis, including without limitation race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, sexual orientation or pregnancy;

Any uploading, downloading, piracy or file-sharing of digitized music, photos, movies, software or video games;

Or attributable to any costs or expenses incurred by any Insured or others: to recall, repair, withdraw, replace, upgrade, supplement or remove the Insured's online content, products or services from the marketplace, including but not limited to products or services which incorporate the Insured's online content, products or services; For any loss of use by any Insured or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplementing or removal; Alleging, based upon, arising out of, or resulting from, directly or indirectly, any unauthorized or illegal collection of personal information, including but not limited to the collection of personal information using cookies, spyware, or other malicious code, or the failure to provide



# Farmers Sponsored Group Errors & Omission Program Coverage Highlights

## EXCLUSIONS (CONT'D)

adequate notice that personal information is being collected; with respect to any independent contractor, joint venture, venture partner, any employee of the forgoing, any:  
Ownership or exercise of rights in online content, content or services; or Services supplied by such independent contractor, joint venture, venture partner or employee;  
Brought by or on behalf of any intellectual property licensing or royalty bodies, organizations or trade groups, including but not limited to Broadcast Music, Inc., the American Society of Composers, Authors and Publishers, the Society of European Stage Authors and Composers, the Recording Industry Association of America and the Motion Picture Association of America;  
Brought by or on behalf of any state, federal, local or foreign governmental entity or regulator, including but not limited to, the Federal Trade Commission and the Federal Communications Commission; or Any failure in monitoring or screening chat rooms or bulletin boards.

### **Personal Lines Brokered Business Exclusion Endorsement:**

Claims arising out of soliciting, servicing, placing, or binding personal lines business on behalf of any insurance carrier other than Farmers Insurance Exchange and any subsidiary related insurer on or after January 1, 2014 unless the Named Insured is eligible to carry this coverage and has paid an additional premium.

### **Commercial Lines Brokered Business Exclusion Endorsement:**

Claims arising out of soliciting, servicing, placing, or binding commercial lines business on behalf of any insurance carrier other than Farmers Insurance Exchange and any subsidiary related insurer on or after January 1, 2004 unless the Named Insured is eligible to carry this coverage and has paid an additional premium.

## EXTENDED REPORTING PERIOD

Coverage ceases when the Named Insured's contract with Farmers Insurance Exchange terminates.

An automatic Extended Reporting Period (ERP) of ninety (90) days is provided during which time claims may be reported involving negligent acts, errors, omissions, or Personal Injuries which occurred prior to the date of termination.

Agents and District Managers whose contracts have terminated due to retirement, death, or disability have an automatic two (2) year ERP.

Provided that the Named Insured's contract was not terminated by Farmers Insurance Exchange or other appointing Farmers companies for cause, the above automatic ERP will be extended to an unlimited period of time for products of Farmers, including securities sold through Farmers Financial Solutions, LLC.

The automatic ERP for brokered business can be extended by purchasing a three-year, five-year, or unlimited ERP. Any optional ERP must be purchased within sixty (60) days of contract termination.

## PROGRAM ADMINISTRATION

CalSurance Associates, a Division of Brown & Brown Program Insurance Services, Inc.  
Domiciled in California, Insurance License # 0B02587  
Phone: 866.893.1023  
Email: [farmers@calsurance.com](mailto:farmers@calsurance.com)

## REPORT A CLAIM

Lancer Claims Services, a Division of Brown & Brown Program Insurance Services, Inc.  
Phone: 800.821.0540  
Email: [firstreports@lancerclaims.com](mailto:firstreports@lancerclaims.com)  
Online: [www.lancerclaims.com/report-a-claim](http://www.lancerclaims.com/report-a-claim)

## OBTAIN A CERTIFICATE

To print your certificate online, visit [www.farmersagentsbenefits.com](http://www.farmersagentsbenefits.com), click on the Errors and Omissions link, and follow the prompts. Alternatively, you can call CalSurance® Customer Service at 866.893.1023, M-F 7AM-5PM (PST).

Please review the policy and program materials. A complete copy of the specimen policy is available by calling 866-893-1023. This document is a summary of the coverage provided. All statements contained herein are subject to all terms, conditions, and exclusions of the actual policy. This summary of coverage is only applicable to insureds domiciled in New York. In all circumstances the actual policy language will prevail. Please note that changes to your enrollment, coverage, or limits can only be made during the Annual Enrollment period or within 30 days of conversion to an Appointed Agent contract.

\*The information obtained from A.M. Best dated 3/16/23 is not in any way CalSurance Associates warranty or guaranty of the financial stability of the insurer in question. The information is current only as of the date of the publication.