



## National LTC Network Agency Coverage Information Sheet

November 1, 2016 to November 1, 2017

**For enrollment, go to:** [www.calsurance.com/nltcn](http://www.calsurance.com/nltcn)

**Limit of Liability Options:** \$1,000,000 Each Claim/\$1,000,000 Aggregate or  
\$1,000,000 Each Claim/\$3,000,000 Aggregate

**Coverage Options:**

Option I:	Long Term Care Products Only
Option II:	Long Term Care Products, Fixed Life, Accident & Health Products and Medicare Supplemental
Option III:	Long Term Care Products, Fixed Life, Accident & Health Products, Medicare Supplemental products & Fixed Annuities/LTC Hybrid products

**Deductible:** **Applies to Damages & Defense Costs**  
\$1,000 each claim for Long Term Care Products  
\$2,500 each claim for All other Covered Products

### **Eligibility Guidelines for online enrollment:**

- 10 or fewer licensed Employees (including active Principals, Owners, Officers, Solicitors, and CSRs);
- The agency's total annual commissions do not exceed \$3,000,000;
- The agency's commissions derived from the sale/servicing of Life, Accident & Health, Disability Income, Long Term Care, must represent at least 80% of total annual commission;
- The agency's total annual commissions from the sale/servicing of fully insured Group Accident & Health insurance products do not exceed 25% of total annual commission;
- No more than 1 claim and/or \$25,000 or more paid/incurred in the past 5 years;
- Agency's principals, officers and/or employees are not aware of any incident or circumstance that may give rise to an E&O claim. Any such potential claims not already reported to your current E&O carrier are excluded from the proposed coverage and should be reported to your current E&O carrier immediately;
- Agency's principal, officers and/or employees have never been the subject of a reprimand, a regulatory or disciplinary action or criminal action by any federal, state or local authority, or by any self-governing, regulatory body or bodies, as a result of their professional services;
- Agency has been in business under the current ownership for three (3) years or more and Agency has not acquired the assets and liabilities of another agency in the past three (3) years;
- The agency does not operate as an MGA, wholesaler, surplus lines broker, real estate agent/broker or claims third party administrator (TPA);
- The agency does not own, operate, manage, administer or place business in Alternative Risk Transfer arrangements, Captives, Risk Retention Groups, Risk Purchasing Groups, Professional Employer Organizations (PEOs) or partially or wholly self-insured groups or trusts; and
- Agent(s) have never had an insurance company terminate his or her agent or general agent contract for "cause", as that term is defined by the insurance company or agent contract, including contract termination as a result of a regulatory or disciplinary action or criminal action by any federal, state or local authorities or by any self-governing, regulatory body or bodies, as a result of their professional services.

**Applicants must meet the above criteria in order to qualify for online enrollment and self-rating.**

**CalSurance Associates  
(800) 745-7189**

**Monday – Friday | 7:00 a.m. – 5:00 p.m. PST  
681 S. Parker Street, Suite 300  
Orange, CA 92838**



## NATIONAL LTC NETWORK Agency E&O Program Outline of Coverage



### **Policy Period:**

November 1, 2016 to November 1, 2017

### **Insurer:**

American Automobile Insurance Company  
An Allianz Global Corporate & Specialty Company  
2016 A.M. Best's A+ (Superior): XV

*"The information obtained from A.M. Best dated August 11, 2016 is not in any way CalSurance Associates' warranty or guaranty of the financial stability of the insurer in question, and that the information is current only as of the date of publication."*

**Policy Number:** TBD

### **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.

### **Limits of Liability Options:**

\$1,000,000 each claim, \$1,000,000 annual aggregate  
\$1,000,000 each claim, \$3,000,000 annual aggregate

### **Deductibles: (applicable to Damages & Defense Costs)**

\$1,000 each claim for Long Term Care Products  
\$2,500 each claim for All Other Covered Products

### **Retroactive Date:**

Date of first continuous claims made Life Insurance Agents' Errors & Omissions Liability Policy

### **Coverage (Claims Made and Reported):**

Acts, errors or omissions arising out of the rendering of or failure to render Professional Services  
Personal Injury

### **Eligible Agencies:**

Please see enclosed Agency Coverage Information sheet for eligibility guidelines.

### **Named Insured:**

Agents contracted with National LTC Network affiliated agencies

### **Definition of Covered Product:**

- Option I: Long Term Care Insurance only  
Option II: Long Term Care Insurance, Life Insurance, (other than Variable Life Insurance products), Accident & Health Insurance, Medicare Supplemental Insurance.  
Option III: Long Term Care Insurance, Life Insurance (other than Variable Life Insurance products), Accident & Health Insurance, Medicare Supplemental Insurance, Fixed Annuities/LTC Hybrid products.

### **Professional Services:**

Those services identified below, rendered in connection with a Covered Product to a Client in the conduct of such agent's profession as a properly licensed life or A&H insurance agent, general agent, broker or a Notary Public;

- 1) Soliciting (whether directly or indirectly), negotiating, placing, recommending, selling or servicing a Covered Product; but not including the sale, surrender, conversion or any alteration of a Covered Product, in order to acquire or invest in anything other than a Covered Product;
- 2) Providing advice or consultation solely related to a Covered Product, including financial planning or consulting solely related to a Covered product; but not including any advice or recommendation to, in any way, sell, convert, surrender, or alter a Covered Product, in order to acquire or invest in anything other than a Covered Product;
- 3) Assisting a client in obtaining premium financing for a Covered Product through an entity not affiliated with any Insured;
- 4) The supervision or training of Agency/Agency Staff or of another agent contracted with a member agency of the NLTCN in connection with the Professional Services described above.

### **Extended Reporting Period:**

If an agent's contract with a National LTC Network affiliated company terminates for any reason, other than for cause, coverage continues until the expiration of the policy period.

If such termination is in conjunction with retirement, disability or death, the following ERP options are available for purchase:

- 1 year at 100% of expiring annual premium;
- 2 years at 150% of expiring annual premium;
- 3 years at 200% of expiring annual premium;
- 4 years at 250% of expiring annual premium;
- 5 years at 300% of expiring annual premium; or
- 10 years at 500% of expiring annual premium.

### **Claims Administration:**

Lancer Claims Services  
A Division of Brown & Brown Program Insurance Services, Inc.  
681 S. Parker St., #300  
Orange, CA 92868  
(800) 821-0540

### **Program Administration:**

CalSurance Associates  
A Division of Brown & Brown Program Insurance Services, Inc.  
Domiciled in California, License # 0B02587

Please review the attached program materials. A complete copy of the specimen policy is available by calling 800-745-7189 or by visiting [www.calsurance.com/NLTCN](http://www.calsurance.com/NLTCN). 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.

## National LTC Network – Exclusions

The Carrier shall not be liable to make any payment for loss in connection with any claim:

- A) Based upon or arising out of any dishonest, fraudulent, criminal, malicious intentional or willful act or omission by any Insured; provided, however, this exclusion shall not apply unless there is a judgment, final adjudication or admission adverse to such Insured establishing that such Insured committed such conduct; provided, however, this exclusion only applies to any Insured who participated in, acted with knowledge of, or acquiesced to, such conduct;
- B) Based upon or arising out of any Insured gaining in fact any personal profit or advantage to which such Insured was not legally entitled;
- C) Based upon, arising out of or in any way involving any actual or alleged bodily injury, including sickness, injury, disease or death of any person, provided however, this exclusion shall not apply to emotional distress or mental anguish solely based upon or arising out of the Insureds rendering of or failing to render Professional Services; or damage to or destruction of any property, including loss of use thereof;
- D) Based upon, arising out of or in any way involving any actual or alleged infringement of copyright, patent, trademark, trade name, trade dress, service mark or misappropriation of ideas or trade secrets, piracy or plagiarism;
- E) Based upon, arising out of or in any way involving: any pension, welfare or benefit plan organized for the benefit of employees of the Insured; or any Insured's obligations or services as a fiduciary or trustee under ERISA Act of 1974, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Pension Benefits Act, including any rules or regulations promulgated under any of the foregoing, or any similar provisions of any state statutory law or common law;
- F) Based upon, arising out of or in any way involving any Insureds actions, activities responsibilities or duties as a third party administrator of any plan, whether insured or self-insured;
- G) Based upon, arising out of or in any way involving any: liability of others assumed by Insured in a written or oral contract or agreement; or actual or alleged liability of any Insured under any written or oral contract or agreement; provided, however this exclusion shall not apply to liability of any Insured which would exist in the absence of such contract or agreement;
- H) Based upon, arising out of or in any way involving any actual or alleged warranty, promise, guarantee or representation as to the value or yield of any covered product or as to non-guaranteed interest rates or future premium payments;
- I) Based upon, arising out of or in any way involving any actual or alleged liability for any employment-related practices, acts or omissions, whether in violation of contract or statutory or common law, including without limitation: refusal to employ; wrongful termination of employment; discrimination or harassment of any kind; breach of employment contract; wrongful demotion; evaluation; reassignment or discipline; defamation, slander or libel; invasion of privacy; infliction of emotional distress; invasion of privacy; or retaliation; or discrimination or harassment of any kind, other than discrimination or harassment excluded above, against any person or entity;
- J) Based upon, arising out of or in any way involving any services performed by the Insured whether or not the Insured is licensed as such, as: an accountant, architect, actuary, tax preparer, or advisor, (except tax advice provided directly concerning a covered product) attorney, real estate agent or broker; engineer, a financial planner or registered investment advisor, except as related to a covered product; or a securities broker or dealer;
- K) Based upon or arising out of: the collection, payment or return of, or failure to collect, pay or return, any commission, fee, tax or premium; any dispute with another insurance agent or broker, including, but not limited to, any dispute concerning commissions, fees, client lists or entitlements; or any commingling, misappropriation or conversion of client funds;
- L) Based upon, arising out of or in any way involving any actual or alleged unauthorized use or release of any confidential or private information pertaining to any client, any director, manager, partner, member, officer or employee of any client or any family member of such person;
- M) Based upon, arising out of or in any way involving any bankruptcy, receivership, conservatorship, insolvency, or financial inability to pay of any organization, including but not limited to a product provider, regardless of when the financial impairment of such organization began and whether or not any Insured was aware or could have been aware of the financial impairment of such organization; provided, however, this exclusion shall not apply if at the time of the wrongful act the product provider was: 1) an admitted insurance company rated B+ or better by A.M. Best Company,; and 2) a non-admitted insurance company rated A- or better by A.M. Best Company that is also authorized to conduct business in the applicable state in which the covered product was sold, placed or obtained, 3) the product provider was guaranteed by a governmental body or bodies (including but not limited to assigned risk plans, joint underwriting associations, or fair plans) or was a County Mutual reinsured by carriers rated B+ or better by A.M. Best Company, or was part of the Iowa Communities Assurance Pools (ICAPS); or 4) MedAmerica Insurance Company and Genworth Life Insurance Company, subject to a minimum A.M. Best rating of B++.
- N) Based upon, arising out of or in any way involving the direct or indirect placement of, or recommendation to place, any client's insurance, coverage, funds, premium or product with or in any product provider, entity or vehicle not licensed to transact such business in the state or jurisdiction in which such business was conducted; provided, however, this exclusion shall not apply with respect to any product provider authorized or approved as a surplus lines insurer or carrier in the state of jurisdiction in which such business was conducted;
- O) Based upon, arising out of or in any way involving any promissory notes, viatical or life settlements as investments or contracts or viatical investment pools or any securities (as defined in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisors Act of 1940 and any amendments thereto) backed by viatical settlements, commodities, commodity future contracts, or option contracts;
- P) Based upon, arising out of or in any way involving the offering, sale or servicing of any structured settlement; provided, however, this exclusion shall not apply to a claim solely based upon or arising out of the selling or servicing of a covered product utilized to fund a structured settlement;
- Q) Based upon or arising out of: any wrongful act or any fact, circumstance or situation which has been the subject of any notice given under any insurance policy prior to the Inception date of this Policy; any other Wrongful Act whenever occurring, which, together with a Wrongful Act which has been the subject of such notice, would constitute Interrelated Wrongful Acts; or any Wrongful Act of which the Insured had actual or constructive knowledge as of the Inception of this Policy and which could have reasonably been expected to result in a Claim;
- R) For Personal Injury based upon or arising out of: the oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity; or the oral or written publication of material whose first publication took place before the Retroactive Date;
- S) Based upon or arising out of or in any way involving any claim or dispute between Insureds under this Policy. However, this exclusion shall not apply if the Wrongful Act arises out of Professional Services by an Insured rendered to such other Insured as a Client provided the Insured rendering such Professional Service does not have an equity interest in the property to be insured.
- T) Based upon, arising out of or in any way involving any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous, thermal, or aural irritant, pollutant, contaminant, including but not limited to, noise, lead, asbestos, smoke, vapors, soot, fumes, acids, alkalis, chemicals, or waste materials (including those that are or are to be stored, recycled, reconditioned or reclaimed), into or upon land, air, water or property; or
- U) Based upon, arising out of or in any way involving any nuclear reaction, radiation, radioactive contamination or radioactive substance, in any form, no matter how emitted.