

Program Highlights

Insurer:

Allianz Global Risks US Insurance Company (An admitted carrier)
Rated A+ (Superior): XV by AM Best*

**The information obtained from A.M. Best dated August 30, 2018 is not in any way CalSurance Associate's warranty or guaranty of the financial stability of the insurer in question, and that the information is current only as of the date of the publication.*

Risk Purchasing Group:

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

Claim Administration:

Lancer Claim Services, A Division of Brown & Brown
Program Insurance Services, Inc.

Policy Period: July 1, 2019 - July 1, 2020

This is a group master policy.

Named Insured:

Named Insured means the individual identified in the Certificate of Insurance issued to them. To qualify as a Named Insured the individual must:

1. Maintain active membership in the National Association of Enrolled Agents as of the Inception Date of this Policy;
2. Have elected to enroll for coverage under this Policy, and whose enrollment is on file with the National Association of Enrolled Agents, Us, or Our authorized agent; and
3. Have paid his or her premium for coverage under this Policy.

Limits of Liability:

\$ 250,000 Each Claim/ \$ 500,000 Aggregate; or
\$ 500,000 Each Claim/ \$1,000,000 Aggregate; or
\$1,000,000 Each Claim / \$2,000,000 Aggregate; or
\$2,000,000 Each Claim / \$4,000,000 Aggregate

Defense Costs: In addition to the Limits of Liability

Retention: \$500 Each Per Claim. Applies to damages and defense cost

Territory:

This policy applies to Wrongful Acts committed by an Insured anywhere in the world, provided the Suit is brought within the United States of America, its territories or Puerto Rico.

Coverage:

Acts, errors or omissions arising out of rendering or failure to render Professional Services.

Professional Services:

The following services rendered by the Insured to a client in the conduct of the Named Insured's profession as an Enrolled Agent, as long as the Insured is properly licensed or otherwise legally entitled to render such services on any date on which any Wrongful Act involving such services is alleged to have occurred:

1. Tax advice;
2. Tax preparation and filing;
3. The representation of clients in connection with tax collection or audit actions, including appeals, before the Department of Treasury, the Internal Revenue Service, and if permitted, any State or local tax authority; or
4. Bookkeeping;
5. Services as a Notary Public.

No coverage for testing or auditing for any client.

Endorsements available for Life Agents and Registered Representatives (see policy for details).

Personal Data Compromise:

- Base policy includes \$50,000 limit; \$2,500 each incident deductible.
- Includes:
 - **Detrimental Code** (computer virus, program, routine, sub-routine, Trojan Horse, worm, script or other code string that destroys, alters or corrupts or causes a Personal Data Compromise incident)
 - **Identity Theft** (fraudulent or illegal use of Personal Information, including the fraudulent or illegal use of such information to establish credit accounts, secure loans, enter into contracts, make purchases, or commit crimes)
 - **Personal Data Compromise** (loss, theft, accidental release or accidental publication of Clients Personal Information by or from insured in the course of providing Professional Services)
- Optional higher limits \$100,000 or \$150,000 (must complete supplemental Data Compromise application Additional Premium applies)

Supplementary Payments:

Pre-Claim Assistance (included) Up to \$10,000 for expenses incurred for potential claim reported

Subpoena Assistance (included) Up to \$10,000 for reasonable fees, costs, expenses incurred relative to any subpoena of documents or testimony

Extended Reporting Period:

If the policy is cancelled or non-renewed by the Carrier, there is a basic extended reporting period of sixty (60) days after policy termination or the end of the policy period, whichever is earlier.

A supplemental extended reporting period is available for an additional premium and for up to 3 years.

Supplemental Extended Reporting Period Endorsements must be purchased within 60 days of termination of coverage.

If you should have any questions regarding this program, please contact CalSurance at 877-242-5998 or email NAEALInsuranceProgram@calsurance.com

Cyber Coverage Option**:

1. Third Party Liability Coverages
 - a. Network Security and Privacy Liability Coverage
 - b. Regulatory Proceedings Fines and Penalties Coverage
2. First Party Coverage

Cyber coverage Extensions:

- a. Subpoena Reimbursement
- b. Coverage Extension – Reward Expenses
- c. Loss Mitigation Expense
- d. Coverage Extension – Industrial Control Systems, Supervisory Control and Data Acquisition (SCADA) Systems

Limit Options and Deductible:

1. Cyber Limit may not exceed the E&O limit purchased
2. \$5,000 deductible applies to each incident
3. Defense costs are inside the limit of liability
4. Limits available:
 - a. \$250,000 each claim/\$250,000 annual aggregate 3rd Party Coverages and \$62,500 Each Triggering Event and Annual Aggregate*
 - b. \$500,000 each claim/\$500,000 annual aggregate 3rd Party Coverages and \$125,000 Each Triggering Event and Annual Aggregate*
 - c. \$1,000,000 each claim/\$1,000,000 annual aggregate 3rd Party Coverages and \$250,000 Each Triggering Event and Annual Aggregate*

* Limits are in addition to E&O limit of liability; Reward Expenses and Loss Mitigation Expenses sub-limit \$1,000

**Personal Data Compromise option not available if Cyber Coverage elected

This information is a summary of coverage provided. All statements contained herein are subject to all of the terms, conditions and exclusions of the actual policy. A copy of the policy is available by calling CalSurance Associates 877-242-5998.

Exclusions

(including but not limited to)

We shall not be liable to make any payment in connection with any Claim based upon, arising out of, or in any way related to

- A. Any criminal, malicious, fraudulent, knowingly wrongful, or dishonest act or omission, or willful violation of any statute or regulation committed by the Insured or with the knowledge, consent or approval of the Insured. This exclusion shall not apply unless there is a judgment or other final ruling adverse to the Insured in any judicial, administrative or alternative dispute resolution proceeding establishing that such acts or omissions were criminal, malicious, fraudulent, knowingly wrongful or dishonest, or that the Insured approved, consented to or had knowledge of such conduct. The conduct or knowledge of one Insured shall not be imputed to another Insured, except that the conduct or knowledge of any past present or future officer, managing partner or general counsel of any insured organization shall be imputed to the insured organization.
- B. The Insured's unjust enrichment, or obtaining any profit, remuneration or advantage to which such Insured was not legally entitled. However, this exclusion shall not apply unless a judgment or other final ruling adverse to the Insured in any judicial, administrative or alternative dispute resolution proceeding establishes that there was in fact unjust enrichment or obtaining of profit, remuneration or advantage to which such Insured was not legally entitled. For the purposes of this exclusion, the conduct of one Insured shall not be imputed to another Insured.
- C. Any liability assumed by the Insured under any contract or agreement, whether written or oral, except to the extent the Insured would have been legally liable in the absence of such contract or agreement.
- D. Any actual or alleged direct or indirect infringement or use of any copyright, patent, trademark, trade name, trade dress, service mark, trade secret, misappropriation of ideas, or any other infringement or misappropriation or use of any other intellectual property right.
- E. Failure to procure, place or maintain any bond or insurance or appropriate or adequate bond or insurance.
- F. Libel, slander, oral or written publication of defamatory or disparaging material, invasion of privacy, wrongful entry or eviction, violation of rights of occupancy, false arrest, false imprisonment, malicious prosecution, malicious use of or abuse of process, assault, battery, loss of consortium or any disability, shock, humiliation, embarrassment, mental injury or anguish, emotional distress or injury to personal or business reputation or character.
- G. Any Claim by any Employee, Leased Worker, Temporary Worker or any other person alleging an employment relationship with any Insured for any actual or alleged injury, damage or sums due of any kind arising out of any actual or alleged employment by any Insured, including any liability, obligation or responsibility the Insured may have to them as their actual or alleged employer, whether based in contract, equity, common law, statute, law, ordinance or regulation of any kind. This exclusion applies to Claims brought by heirs or representatives of the Employee, Leased Worker or Temporary Worker or to any obligation of the Insured to share Damages with or repay someone else who must pay Damages because of the Claim, or injury or damage to the actual or purported employee. However, this exclusion shall not apply to requests by any Employee, Leased Worker or Temporary Worker seeking defense or indemnity in any Claim being made against them for Damages arising out of the performance of Professional Services for or on behalf of the Named Insured.
- H. Any actual or alleged discrimination on any basis or harassment of any kind.
- I. The sale, supply or distribution of any goods or products designed or manufactured by the Insured or by others under license or trade name from the Insured, including, but not limited to, computer programs and software. This exclusion does not apply to computer software designed or modified for and sold or supplied to a client of the Insured in connection with the Insured's rendering of Professional Services for that client.
- J. Any Claim made against any Insured by any other Insured or by any entity
 1. That is operated, managed or controlled by the Insured or in which the Insured has an ownership interest in excess of 49%; or
 2. In which the Insured is an officer or director; or
 3. Which wholly or partly owns, operators, or manages the Insured.
- K. Any express warranties and guarantees. However, this limitation does not apply to a warranty or guarantee by the Insured that the Insured's Professional Services are in conformity with the standard of care applicable to that Professional Service.
- L. The Insured's unauthorized recording, use of or dissemination of confidential, privileged or non-public material or information for any purpose whatsoever.
- M. Any actual or alleged
 1. 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 Insured's rendering of or failure to render Professional Services, or
 2. Trespass, nuisance, inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use involving any real property; or the destruction, loss, theft, conversion, loss of use, diminution in value of, or injury to, any real or personal property; provided, however, this exclusion shall not apply to client records that an Insured has in their care, custody or control, or over which an Insured is exercising physical control for any reason.
- N. For any actual or alleged violation of
 1. the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisers Act of 1940 or any state securities or Blue Sky statutes, including any rules or regulations promulgated under any of the foregoing, or,
 2. The rules or regulations of
 - a. Any self-regulating organization, including but not limited to, FINRA or its predecessors, or
 - b. Any state insurance or securities department, commission or agency.
- O. Any actual or alleged violation of
 1. The Telephone Consumer Protection Act (TCPA) including any amendment of or addition to such law;
 2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 3. The Fair and Accurate Credit Transaction Act of 2003 (FACTA), part of The Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681 et. seq., including any amendment of or addition to such law;
 4. Any statute, ordinance or regulation other than the TCPA, FACTA, FCRA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating, or distribution of material or information, or the inclusion of full credit card numbers or credit card expiration dates on any receipts provided to customers at the time of a credit card transaction or handling of or dissemination of personal financial or other information;
 5. The Health Insurance Portability Accountability Act of 1996 (HIPAA), including any amendment of or addition to such law, and any rules or regulations promulgated pursuant to such law; or
 6. The Employee Retirement Income Security Act of 1974, (ERISA) including any amendments or additions to such law, and any rules or regulations promulgated pursuant to such law.
- P. Any breach of a data-security system, or unauthorized access or use of or tampering with data or systems.
- Q. Notary services performed in the absence of the physical presence of the person whose signature is notarized.
- R. Any Insured's obligations or services as a fiduciary or trustee under the Employee Retirement Income Security 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.
- S. Any Insured's actions, activities, responsibilities or duties as a third party administrator of any benefit plan, whether insured or self-insured.