

NOTICE OF CLAIMS OR POTENTIAL CLAIMS

Named Insured: Lincoln National Corporation
Policy Number: 039887936
Insurer: National Union Fire Insurance Company of Pittsburgh, PA
Policy Period: April 1, 2020 to April 1, 2021

1. What are my obligations under the policy for reporting a Claim?

All Claims made against you or someone Insured under your policy (i.e. an administrative employee) must be reported to the Insurer as soon as practicable during the same Policy Period in which the Claim was made against you.

In the event you become aware of a Claim near the end of the Policy Period (March 31), the policy allows you up to 60 days after the end of the Policy Period to report the Claim in writing to the Insurer as long as you report the matter within 60 days of the Claim being made against you.

2. Once I notify LFA or LFS of a Claim, is that sufficient to meet my Claim reporting obligations?

No. You must notify your E&O carrier separately by completing the claim form in order for coverage to be evaluated under the E&O policy. You should also report Claims to your office compliance manager to comply with your broker-dealer's reporting requirements. Notice to your broker-dealer does not satisfy your obligation to provide notice to your E&O carrier.

3. What is considered a Claim?

Claim is defined under the policy as:

- (a) a written demand for monetary relief or non-monetary relief; or
- (b) a civil or arbitration proceeding for monetary or non-monetary relief (including any request to toll or waive a statute of limitations); which is commenced by:
 - i. service of a complaint or similar pleading; or
 - ii. receipt or filing of an arbitration demand or statement of claim; or
- (c) a criminal proceeding which is commenced by the return of an indictment:

Some examples of what is considered to be a Claim include:

- A letter from a client or their attorney requesting money or to fix an error;
- FINRA Statement of Claim;
- Service of a lawsuit

4. What is a potential claim?

A potential claim refers to any circumstances which may reasonably be expected to give rise to a Claim. Some examples of what might be considered a potential claim include:

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- a letter or phone call from a current or former client stating you made a mistake or that a mistake has occurred, but the client has not made a specific request for money or some action to “fix” the mistake or to compensate the client for any alleged Loss due to the mistake;
- any threatened lawsuit, arbitration proceeding or FINRA Statement of Claim; or
- a notice of deposition or subpoena that you have received in a lawsuit or arbitration.

5. Do I have to report potential claims?

The policy does not require you to report potential claims, only Claims as defined in question 3 must be noticed to the Insurer. The policy does allow you to report circumstances which you reasonably believe could give rise to a Claim as long you provide enough detail (dates, persons involved, and specifics of the error or alleged error).

One of the benefits of reporting a potential claim is that it ‘locks’ in coverage under the policy in which you report the potential claim.

A potential claim is not a ‘mark’ on your record. If nothing ever comes out of the potential claim, the Insurer will close the matter. The matter can always be re-opened at a later date if a Claim does develop.

6. How do I report a Claim or potential claim?

A Claim or potential claim can be reported in one of 3 ways:

1. Using the online claim function at www.calsurance.com
 - Login: LFGroup, Password: InCharge;
 - Select ‘Online Claim Reporting Form’; or
2. Complete the form attached to this document and submit it by email to Lancer at:
Email firstreports@lancerclaims.com
3. Complete the form attached to this document and submit it by fax to 714-978-8023.

Note: In the event you are served with a FINRA Statement of Claim or a lawsuit, immediately within 24 hours of receipt, submit the matter to Lancer as these types of Claims require responses within a set timeframe.

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7. What happens after the Claim is reported?

- If you submit a Claim using the online reporting system from the CalSurance® web site, you will immediately receive a copy of your completed Claim submission for your own file to the email address you included on the electronic form.
- After receiving your Claim, Lancer will mail a letter that includes the claim number, contact information, and adjuster assigned to the matter.
- The Lancer adjuster assigned to your Claim will contact you by telephone to discuss your Claim. They may request additional information or documents as part of their investigation of your Claim.
- The Lancer adjuster will review your Claim to determine if coverage will be provided under the policy. In the event the policy will not provide coverage or if there are any coverage issues the Lancer adjuster will contact you to discuss.
- If you need legal representation (such as a FINRA arbitration, litigation, or a deposition) Lancer will assign counsel on your behalf. To ensure the best possible defense, you should cooperate completely with the individual retained, provide full details, and be candid.
- The Lancer adjuster will remain in contact with you to keep you up to date on your Claim and he or she will notify you if they feel the matter should be settled. See question 8 below regarding your consent to settlement.
- The policy contains a retention that is applicable to both the payment of Damages and Defense Costs. Lancer is not responsible for any payments under the policy until your retention has been satisfied. Your Lancer adjuster will inform you of the applicable retention and how payment should be made.

8. Can Lancer settle a Claim without my consent?

No. Lancer must get your consent to settle any matter under the policy. Be advised however, that if Lancer has the ability to settle a Claim and you refuse to consent to such settlement, they will not be liable for any amounts in excess of the amount for which they could have settled the Claim plus any costs they have incurred to defend you up to the point where the matter could have been settled if you had provided your consent.

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9. Do I have any obligations once a Claim has been submitted?

Yes. Under the terms of the policy you are required to fully cooperate and provide any information reasonably requested by Lancer or counsel hired to defend you. This includes:

- assisting with settlements or the conduct of a Claim, if requested;
- attending hearings, trials, arbitrations, or mediations; or
- assisting with gathering or giving evidence or obtaining the attendance of a witness.

10. Can I hire my own attorney?

No. Lancer will only pay expenses and attorneys fees that they have consented to pay for in advance of the costs being incurred Lancer will appoint counsel for you.

11. What happens if I settle a Claim and submit it to E&O for reimbursement?

You can not admit liability or settle a Claim without Lancer's prior consent. If you admit liability or attempt to settle a matter without Lancer's consent, your coverage under the policy could be jeopardized and your Claim denied.

CalSurance Associates, a Division of Brown & Brown Program Insurance Services, Inc.
Phone (888) 875-6378
Fax (800) 607-6875
Email: info@calsurance.com

E&O CLAIM - FIRST REPORT FORM

LINCOLN NATIONAL CORP.
ERRORS & OMISSIONS INSURANCE PROGRAM

Date:	Policy #: 039887936 (4/1/2020 to 4/1/2021)
Insured:	
Lincoln Affiliation (check one): <input type="checkbox"/> LFA Rep <input type="checkbox"/> LFS Rep <input type="checkbox"/> Life Only	
Business Address:	
Office Mail Code:	
Phone:	
1. Date you became aware of this claim:	
2. Do you have any other Errors & Omissions Insurance? If so, give name of Company, Policy Number and limits:	
3. The type of potential business discussed or written for the claimant (client/policyholder). If the business was written or was to have been written by any company other than LNC, give the name of the Company, Policy Number and Dates:	
4. Client/policyholder making the claim against you or involved in the claim/potential claim: Name: Address:	
5. Provide narrative pertaining to involvement in this claim and attach copies of all pertinent correspondence. If the claim is a result of a trade or allocation error, or the failure to execute a trade on behalf of your client, contact the account provider to correct the error as soon as possible and provide a copy of the gain/loss calculation to the claims analyst (use additional stationery for narrative if necessary):	
I acknowledge that the events described above and attached herewith are consistent with my understanding of the events that resulted in this claim or potential claim.	
Please attach chronological narrative of incident and provide a copy of all papers relative to the situation. Notification of claims or potential claims should be mailed or forwarded electronically without delay to:	
<p style="text-align: center;">Lancer Claims Services A Division of Brown & Brown Program Insurance Services, Inc. First Report Desk 681 S. Parker Street, 3rd Floor Orange, CA 92868 Fax #: 714-978-8023 Email: firstreports@lancerclaims.com</p>	
All lawsuits and other urgent matters must be sent electronically to the above claim address or fax number. YOU MUST COMPLETE AND SUBMIT THIS FORM TO PERFECT NOTICE OF A CLAIM. If you have questions or your matter requires immediate attention, please call Emily Robertson at 714-939-7319 or Lynn Johnson at 714-939-7430. Do not discuss this matter with anyone unless they identify themselves to be from Lancer Claims Services, Lincoln National Corporation or an authorized representative.	