

# Agents Licensed through the IMO's of EPIC Marketing Group, LLC

## Outline of Coverage

### Policy Period:

September 1, 2010 to September 1, 2011

### Insurer:

National Union Fire Insurance Company of Pittsburgh, PA  
2010 A.M. Best's A (Excellent): XV

"The information obtained from A.M. Best dated December 16, 2009 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."

**Policy Number:** 03-842-97-17

### Risk Purchasing Group Membership:

By applying for this insurance, agents and representatives 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 3901et seq). There is no additional charge for this membership.

### Limit of Liability (including Defense Costs):

\$1,000,000	each Wrongful Act or Interrelated Wrongful Act resulting in a Claim involving one Insured Agent
\$1,000,000	each Agent in the Aggregate per Policy Period
\$3,000,000	each Wrongful Act or Interrelated Wrongful Act resulting in a Claim involving more than one Insured Agent

**Policy Aggregate:** \$25,000,000 (including Defense Costs)

### Deductible (applicable to payment of Damages and Defense Costs and each Insured Agent named in the claim will be responsible for their deductible):

\$1,000	each Wrongful Act for products of the IMO's of EPIC Marketing, LLC
\$2,500	each Wrongful Act for all other covered products

### Coverage:

Claims Made and Reported coverage for negligent acts, errors or omissions arising out of the rendering or failure to render Professional Services as a licensed life, accident and health agent or general agent or notary public.

### Continuity Date:

The earlier of:

- the date of the agents' first continuously maintained Insurance Agents Professional Liability Insurance policy or
- the date the agent first became continuously contracted through an IMO of EPIC Marketing Group, LLC

### Eligible Participants/Insured Agent:

- Agents Licensed through the IMO's of EPIC Marketing Group, LLC
  - ▶ Adams Life Brokerage
  - ▶ AMZ
  - ▶ Bay Planning
  - ▶ Consolidated Underwriters, Inc.
  - ▶ Innovative Marketing Strategies, Inc.
  - ▶ ASUREA (formally known as Insurance Wholesalers)
  - ▶ King Financial Services, LLP
  - ▶ Partners Advantage

### Additional Insureds:

Corporation/Partnership/Business Entity for Wrongful Acts of an Insured Agent

Partners/Officers/Directors/Employees acting in the scope of their duties and who is not party to an agent, broker or registered representative contract

### Professional Services Include:

Professional Services shall mean those services rendered or required to be rendered in the Insured Agent's profession as:

- A licensed life or accident and health insurance agent or general agent who is placing business with the Named Insured;
- A licensed life or accident and health insurance agent or general agent who is placing business with insurance companies other than the Named Insured;
- A notary public, but solely with respect to the performance of Professional Services described in paragraphs (1) and (2) above;
- A general agent of the Named Insured, but solely while acting within the scope of his duties on behalf of the Named Insured, including but not limited to the recruitment, training and supervision of Insured Agents.

### Duty to Defend:

Yes, to those claims for which coverage applies.

### Cancellation of Coverage or Contract Termination:

Upon termination of an Insured Agent's contract during the Policy Period, the terminated agent shall have an automatic one (1) year terminated agents discovery period, effective as of termination date, to report claims under the policy, for Wrongful Acts which occurred prior to the expiration date of the policy.

### Producer & Program Administrator:

Brown & Brown of California, Inc. dba CalSurance Associates (dba CalSurance Brokerage in New York)  
California Lic.# 0B02587

### Claims Administration:

Brown & Brown of California Inc. dba Lancer Claims Services

- 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. A copy of the policy is available by calling CalSurance 800-745-7189
- This document does not reflect the terms and conditions of the policy which have been modified in order to comply with New York requirements. Please contact CalSurance to request a copy of the New York Amendatory Endorsement which details any changes to the policy relative to agents licensed in the state of New York.

EXCLUSIONS (including, but not limited to):

The Insurers shall not be liable to make any payment for Damages and Defense Costs in connection with a Claim or Class Action suit made against:

- a) (1) An Insured arising out of, based upon or attributable to any actual or alleged criminal, dishonest, malicious, knowingly wrongful or fraudulent act committed by or at the direction of the insured; or  
(2) An Insured arising out of, based upon or attributable to any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act as (amended), 18 USC Sections 1961 et seq., or any rules or regulations promulgated thereunder;  
However, if such allegations are not subsequently proven by a final judgment or other adjudication adverse to the Insured and are not admitted to by the Insured, then the Insured shall be entitled to all reasonable Defense Costs which would have been collectable under this policy;
- b) An Insured for physical injury, sickness or disease sustained by a person, including death resulting from any of these at any time, emotional distress, damage to or destruction of any property including loss of use thereof;
- c) An Insured alleging, arising out of, based upon or attributable to the facts alleged, or to the same Wrongful Act or Interrelated Wrongful Acts alleged or contained, in any Claim or Class Action suit which has been reported, or in any circumstance of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
- d) An Insured alleging, arising out of, based upon or attributable to any pending or prior litigation as of the Continuity Date, or alleging or derived from the same or substantially the same facts as alleged in such pending or prior litigation;
- e) An Insured arising out of, based upon or attributable to any actual or alleged Wrongful Act or interrelated Wrongful Acts occurring prior to the Continuity Date, if on or before such date any Insured knew or could have reasonably foreseen that such Wrongful Act or Interrelated Wrongful Acts could be the basis of a Claim or Class Action suit;
- f) An Insured arising out of, based upon, or attributable to the Insured's activities as an actuary, lawyer, accountant, real estate broker or third party claims administrator;
- g) An Insured arising out of, based upon or attributable to the insolvency, receivership, bankruptcy, liquidation or inability to pay, of any entity in which the Insured has placed funds or obtained coverage or invested funds for a client, including but not limited to, the Named Insured, or any bank, banking firm, insurance company, benefit plan, broker/dealer, trust or investment vehicle;
- h) An Insured arising out of based upon or attributable to any commingling of funds or accounts;
- i) The Named Insured alleging, arising out of, based upon or attributable to any one or more of the following:
  - (1) any failure or refusal to pay, or delay in the payment of, benefits due or alleged to have been due under any insurance contract or from any pension plan, welfare plan or other benefit plan;
  - (2) any lack of good faith or fair dealing in the handling of any claim or obligation arising out of or under any insurance contract or from any pension plan, welfare plan or other benefit plan;
- j) An Insured arising out of, based upon or attributable to any pension plan, welfare plan or other benefit plan sponsored by any Insured or by any firm in which:
  - (1) any Insured has a financial interest;
  - (2) any Insured is a participant, named fiduciary, designated fiduciary, administrator or trustee as those terms are used in the Employee Retirement Income Security Act of 1974 as amended;
- k) An Insured which is brought by or on behalf of any Insured under this policy;
- l) An Insured for taxes, fines or penalties, or the multiplied portion of multiplied damages imposed against an Insured unless such taxes, fines or penalties are incurred by a third party, other than an Insured, and which are include in such third party's Claim against an Insured; furthermore, only where permitted by law, this policy shall cover, subject to all the terms, conditions, and exclusions contained herein, up to \$5,000 punitive, exemplary or multiplied damages, as part of and not in addition to the Limits of Liability otherwise afforded by this policy;
- m) An Insured arising out of based on or attributable to the Insured making or stating any promises or guarantees as to interest rates or market values;
- n) An Insured arising out of, based upon or attributable to:
  - (1) any business interference with client lists;
  - (2) any fees, commissions, brokerage monies or other charges for any Professional Services; provided, however, this exclusion shall not apply to Claims made against an Insured Agent by a client of the Insured Agent;
  - (3) any contract dispute between any Insureds, or between the Insureds and any other entities, insurance companies or securities broker/dealers;
- o) An Insured which is brought by any governmental authority or any self-regulatory or regulatory authority regardless of the capacity in which it is brought, or brought by the successors or assigns of any of the aforementioned; however, this exclusion shall not apply to a Claim brought by any of the aforementioned to enforce its rights as a direct client of the insured in the ordinary course of business;
- p) An Insured arising out of, based upon or attributable to any Wrongful Act committed or alleged to be committed directly or indirectly in connection with the sale or recommendation of any instrument issued by any limited partnership, master limited partnership, real estate investment trust or any affiliated organization of any of the foregoing;
- q) An Insured arising out of, based upon or attributable to any solicitation, placement or referral of property and/or casualty insurance;
- r) An Insured for any Claim for or alleging bodily injury, sickness, disease, or death of any person, or damage to or destruction of any property (including the loss of use thereof), personal and advertising injury, or any other damage, loss, cost or expense, including, but not limited to damages, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:
  - (1) Any Fungus(i), Mold(s), mildew or yeast, or
  - (2) Any Spores(s) or toxins created or produced by or emanating from such Fungus(i), Mold(s), mildew or yeast, or
  - (3) Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any Fungus(i), Mold(s), mildew or yeast, or
  - (4) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any Fungus(i), Mold(s), mildew, yeast, or Spore(s) or toxins emanating therefrom,Regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that bodily injury, property damage, personal and advertising injury, loss, cost or expense;
- s) An Insured arising out of, based upon or attributable to any obligation for which the Insured or any carrier as his insurer may be held liable under any workers compensation, unemployment compensation or disability benefits law or under any similar law;
- t) An Insured arising out of, based upon or attributable to payment of employee benefits, wages, salaries or commissions;
- u) An Insured for any publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy made by or at the direction of any Insured with the knowledge of the falsity thereof;
- v) An Insured for any Claim alleging, arising out of or attributable to the purchase or sale of (or failure to purchase or sell) any of the following or any advice in connection therewith:
  - (1) commodities, futures contracts, forwards contracts or any type of option or futures contract or any similar investment or investment product; or
  - (2) any collectable including but not limited to stamps, art, cards, jewelry, antiques or any other tangible personal property; or
  - (3) any equity security priced under \$5.00 at the time that the Wrongful Act triggering such Claim arose; however, this exclusion shall not apply if the security is
    - (i) registered, or approved for registration upon notice of issuance, on a national securities exchange; or
    - (ii) authorized, or approved for authorization upon notice of issuance, for quotation in the NASDAQ National Market System or the NASDAQ SmallCap Market; or
    - (iii) issued by an investment company registered under the Investment Company act of 1940 (as amended); or
  - (4) any security in any market outside of the United States of America and its territories and possessions and Canada; or
  - (5) annuities used in connection with any structured settlement;
  - (6) promissory notes, i.e. an investment whereby the maker agrees to pay to the payee a specific sum of money on demand or at a fixed or determinable future date; or
  - (7) viatical products, including viatical settlement and viatical contracts; or
  - (8) callable certificates of deposit; or
  - (9) leases (including but not limited to ETS Pay Phones);
- w) An Insured alleging, arising out of, based upon or attributable to any allegation(s) that any Insured intentionally or negligently permitted, or aided or abetted others in using, was aware of other using, or was a participant or connected in any way in the use of: 1) Late Trading; 2) Market Timing; 3) Soft-dollar Activity; 4) Front Running; or 5) Revenue Sharing related to a mutual fund or variable annuity;
- x) An Insured alleging, arising out of, based upon or attributable to any allegations that any Insured intentionally or negligently permitted, or aided or abetted others in using, was aware of others using, or was a participant or connected in any way in the use of an agreement or other arrangement between an insurance broker or insurance agent and an insurance carrier involving the payment of increased fees, commissions, or other compensation based on the volume, profitability or type of business referred to the insurance carrier, whether referred to as a Market Placement Agreement, Market Service Agreement, Placement Services Agreement or Contingent Commission Agreement or similar agreement or arrangement, however named;
- y) An Insured alleging, arising out of, based upon or attributable to, or in any way involving a self-funded or partially self-funded medical plan;
- z) An Insured for loss, injury, damage, claim or suit, arising directly or indirectly as a result of, in connection with, or relating to "terrorism" including but not limited to:
  - (1) any action taken in hindering or defending against an actual or expected incident of "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage; and
  - (2) any contemporaneous or ensuing loss caused by explosion, fire, heat, vandalism, looting, theft, civil commotion, rebellion or insurrection.

**Agents Licensed through the IMO's of EPIC Marketing Group, LLC  
Enrollment Form**

Claims Made and Reported Errors and Omissions Coverage  
Policy Period: September 1, 2010 to September 1, 2011

*By applying for this insurance, you 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.*

**Instructions:** Complete all sections of this form and mail to:

Brown & Brown of California, Inc. dba CalSurance Associates, P.O. Box 7048, Orange, CA 92863-7048

Coverage Questions: Call Brown & Brown of California, Inc., dba CalSurance Associates at (800) 745-7189 or e-mail at [info@calsurance.com](mailto:info@calsurance.com)

**1. Your Information -- Please print clearly.**

First Name:  M.I.:  Last Name:

Street Address:

City:

State:   Zip:

Contact Phone:    -    -

Fax:    -    -

E-Mail:

**IMO: (Must be selected)**

- Adams Life Brokerage
- AMZ
- Bay Planning
- Consolidated Underwriters
- Innovative Marketing Strategies, Inc.
- ASUREA (formally known as Insurance Wholesalers, Inc.)
- King Financial Services, LLP
- Partners Advantage

**Birthday (MM/YYYY)**  
  /

**Last Four (4) Digits of your Social Security #:**

Have you had more than 1 claim in the past five (5) years?  
 Yes  No

Have you had any claim in which more than \$50,000 was paid either in defense or indemnity or both?  Yes  No

If you answer "Yes" to either question, you are not eligible for coverage.

**2. Effective Date & Premium Amount:**

Effective Date of Coverage will be the 1<sup>st</sup> day of the month you enroll and cannot be back dated to a prior month.

Enrollment Month	Premium by Date of Enrollment	Enrollment Month	Premium by Date of Enrollment
Sept. 2010	<input type="checkbox"/> \$547.00	March 2011	<input type="checkbox"/> \$287.65
Oct. 2010	<input type="checkbox"/> \$504.01	April 2011	<input type="checkbox"/> \$243.23
Nov. 2010	<input type="checkbox"/> \$459.59	May 2011	<input type="checkbox"/> \$200.24
Dec. 2010	<input type="checkbox"/> \$416.61	June 2011	<input type="checkbox"/> \$155.82
Jan. 2011	<input type="checkbox"/> \$372.19	July 2011	<input type="checkbox"/> \$112.84
Feb. 2011	<input type="checkbox"/> \$327.77	Aug. 2011	<input type="checkbox"/> \$ 68.42

Please refer to the "Outline of Coverage" for a description of coverage and limits.  
(Rates are inclusive of a non-refundable \$97 administrative fee)

**3. Payment Options:**

**Check or Money Order:** Payment in full only, no installments. Please make check or money order payable to: CalSurance Associates and mail to: P.O. Box 7048, Orange, CA 92863-7048

**Note:** Other payments such as installment by Visa, MasterCard or Discover are available online at:  
[www.calsurance.com/epicpartners](http://www.calsurance.com/epicpartners)

**4. WARRANTY STATEMENT - Signature Required**

I understand and agree to the following: I must be a currently appointed agent who is licensed through an IMO of EPIC Marketing Group, LLC (Policyholder). Otherwise, I may not be considered an insured under this policy, and claims made against me may not be covered.

This is a claims made and reported policy. I have no knowledge of any pending claim or incident that could give rise to a claim under the proposed policy, and if any such claim exists, or knowledge or information exists and any claim or action arises therefrom, it is excluded from coverage for which this enrollment form applies. A potential gap in coverage may occur if I elect an effective date that is not continuous with my prior expiration date, and may result in denial of a claim.

**Agent's Signature:**

**Today's Date**