

This program is voluntary and purchasing the E&O coverage through this program is not mandated by National Association of Enrolled Agents.

Master Policy Period:

July 1, 2024 to July 1, 2025

Insurer:

Allianz Global Risks US Insurance Company

A non-admitted carrier

Rated: A+ (Superior): XV A.M. Best

The information obtained from A.M. Best dated March 22, 2024 is not in any way CalSurance Associates' warranty or guaranty of the financial stability of the insurer and the information is current only as of the date of the publication.

Named Insured:

Member Enrolled Agents and Licensed Registered Tax Return Preparers of the National Association of Enrolled Agents (NAEA) and the Financial Sales Professionals Purchasing Group

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 the Policy. Non-members may also enroll but will be charged an additional association fee of \$30.00;
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.

Policy Number:

USF00304724

Risk Purchasing Group:

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 3901 et seq.). There is no additional charge for membership.

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 Cost:

In addition to the Limits of Liability

Retention:

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

Retroactive Date:

the Inception Date of the Named Insured's or Predecessor Entity's first claims-made Errors and Omissions Liability Policy from which date coverage has been maintained in force without interruption. The Retroactive Date is the earliest date on which a Wrongful Act took place for which coverage could exist for a Claim made under this

Policy. Wrongful Acts which occur in whole or part prior to this date are not covered, even if a Claim is made under this Policy and reported to Us during the Policy Period or Extended Reporting Period, if applicable.

Insured:

Means any person or organization to the extent set forth below:

1. The Named Insured;
2. Any current or former Employee of the Named Insured, but only with respect to Professional Services rendered for or on behalf of the Named Insured;
3. Any past or present duly elected or appointed director, officer, partner, trustee or governor of the Named Insured, but only with respect to Professional Services rendered by or for the Named Insured;
4. Any Leased Worker but solely with respect to Professional Services performed within the scope of their duties as a Leased Worker for and on behalf of the Named Insured;
5. In the event of an Insured's death or incompetence, the administrators, executors, heirs, and legal representatives of the Insured, but only for a Claim arising out of the Professional Services performed by or on behalf of the Insured, for or on behalf of the Named Insured.
6. The business entity owned and controlled by the Named Insured, but only with respect to Professional Services rendered by or on behalf of the Named Insured.
7. The Predecessor Entity, but only with respect to Professional Services rendered by or on behalf of that Predecessor Entity.

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:

We will pay those sums the Insured becomes legally obligated to pay as Damages due to a Claim arising from a Wrongful Act in the rendering of or the failure to render Professional Services to which this Policy applies.

1. This coverage applies to Wrongful Acts taking place during the Policy Period, but then only if Claim is first made against the Insured and reported to Us during the Policy Period or, as may be applicable, an Extended Reporting Period, provided the Claim is reported in accordance with Section VI, Conditions N, Reporting of Potential Claims and Actual Claims.
2. This coverage applies to Wrongful Acts taking place prior to the effective date of this Policy, but after the Retroactive Date, provided that
 - a. As of the effective date of this Policy, an Insured does not have actual or constructive knowledge of any circumstances or Wrongful Act which could reasonably be expected to result in a Claim;
 - b. There is no other valid and collectible insurance available to the Insured for any such circumstances or prior Wrongful Act; and

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- c. Claim is first made against the Insured and reported to Us during the Policy Period, or as may be applicable, an Extended Reporting Period.

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;
4. Bookkeeping;
5. Services as a Notary Public;
6. Payroll Processing;
7. BOI reporting per Corporate Transparency Act.

However, Professional Services shall not include

- a. The conduct or testing or auditing for any client;
 - b. The preparation or certification of financial statements for any publicly traded or privately held companies trading stocks;
 - c. The recommendation to purchase, or the sale of, any products to any party;
 - d. The design, implementation, placement, sale or administration of any benefit, welfare, pension, or investment program;
 - e. Investment advice; or
 - f. Services as an attorney or accountant beyond those services listed in items 1 thru 4 of this definition, above.
- 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:

1. 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)
 2. 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)
 3. 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 three (3) years.

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

*Extended Reporting Periods do not apply to Personal Data Compromise Incident or Personal Data Compromise Loss coverage.

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

Cyber 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 is elected.

Program Administration:

CalSurance Associates

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

Claims Administrator:

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

Attn: First Report Desk

681 S. Parker St., Suite 300

Orange, CA 92868

Email: FirstReports@lancerclaims.com

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Exclusions:

We shall not be liable to make any payment in connection with any Claim or Personal Data Compromise Loss or Personal Data Compromise Incident 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, but this exclusion does not apply to a failure to procure, place or maintain a Covered Product for a client.

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% (forty-nine percent); or
2. In which the Insured is an officer or director; or
3. Which wholly or partly owns, operates, or manages the Insured.

K. Any actual or alleged warranty, promise, guarantee or representation as to the present or future value or yield of any Covered Product, or as to interest rates or future premium payments.

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.

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Exclusions: (continued)

- 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.
- T. Any Claim or dispute with another insurance agent or broker, or Registered Representative or Registered Investment Advisor or Investment Advisor Representative including, but not limited to, any business dispute concerning commissions, fees, client lists, or non-compete or similar agreements. However, this exclusion shall not apply if the Wrongful Act arises out of Professional Services by an Insured rendered to such other agent or broker as a client, provided the Insured rendering such Professional Services does not have any legal or equity interest in the subject of the insurance or investment procured for the client.
- U. Any bankruptcy, receivership, conservatorship, insolvency, or financial inability to pay of any entity, including, but not limited to a Product Provider, regardless of when the financial impairment of such entity began and whether or not any Insured was aware or could have been aware of the financial impairment of such entity. However, this exclusion shall not apply if at the time of the placement or renewal of coverage the Product Provider was
1. An admitted insurance company rated A- or better by A.M. Best Company, or
 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.
- V. The direct or indirect placement of, or any recommendation to place, any client's insurance, coverage, funds, premium or product with or in any Product Provider, entity or vehicle not authorized to transact such business in the state or jurisdiction in which the business was transacted.
- W. Any
1. Promissory notes;
 2. Viatical or life settlements or viatical investment pools; or
 3. Commodities, futures contracts or option contracts.
- X. The offering, sale or servicing of any structured settlement.
- Y. Any Insured's activities in exercising discretionary authority or control with regard to the management or disposition of assets (whether for individuals, groups, plans or other entities); provided, however, this exclusion shall not apply to any Insured providing an asset allocation service with respect to any Covered Products pursuant to a written asset allocation plan executed by the client.
- Z. Solely based upon any fluctuation in the market value of any investment covered by this Policy.
- AA. The formation, syndication, operation, administration, dissolution or roll-up of any limited partnership or limited partnership interest, any real estate syndicate or investment trust or any interest therein or any Internal Revenue Code section 1031 exchange.
- BB. Any Securities transaction which has not been approved by a broker dealer (as defined in the Securities Exchange Act of 1934, as amended).
- CC. Any Insured's actions, activities, responsibilities or duties as a broker dealer (as defined in the Securities Exchange Act of 1934, as amended) for Securities transactions.
- DD. The purchase of, or advice concerning the purchase of, any bonds which, at the time of purchase were unrated or rated below investment grade by any rating agency.
- EE. Any function of an Insured as a market maker or specialist for any Securities.
- FF. An Insured failing to make a market for any Securities.

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Exclusions: (continued)

Personal Data Compromise Coverage Endorsement

1. The Insured's 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 any such person, but this exclusion shall not apply if such use or release was made without the knowledge of the Insured seeking coverage, or to the extent that coverage is provided for a Personal Data Compromise Incident or Personal Data Compromise Loss by this endorsement.
2. For any Personal Data Compromise Incident or Personal Data Compromise Loss based upon, arising out of or in any way involving or attributable to:
 - a. Your intentional or willful complicity in a Personal Data Compromise Incident;
 - b. Any Detrimental Code that is or becomes named and recognized by the CERT Coordination Center, McAfee, Secunia, Symantec, or other comparable vendor or monitor of Detrimental Code activity;
 - c. Any mechanical or electrical failure or interruption caused by a third party, acting independently of the Insured or by events outside the Insured's control, including any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuations;
 - d. The maintenance of a chat room, bulletin board or other open forum; or
 - e. Fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God, or any other similar physical event however caused.

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