



Equita Final Expense Services E&O Program

Outline of Coverage

Policy Period:

September 1, 2024 to September 1, 2025

Insurer:

Arch Insurance Company
(A Member of Arch Insurance Group)
A.M. Best's: A+ (Superior): XV (\$2 Billion or greater)

The information obtained from A.M. Best dated March 11, 2024 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 publication.

Policy Number: CAP0045442-13

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:

\$1,000,000 Each Claim
\$1,000,000 Aggregate Each Agent

Policy Aggregate:

\$25,000,000 Policy Aggregate Limit

Defense Costs:

Inside the Limits of Liability

Deductible: (Damages & Defense)

\$1,000 each Claim each Agent for Insurance Products of National Agents Alliance
\$2,500 each Claim each Agent for all other approved products.

Retroactive Date:

The date of first continuous claims made life insurance agent's E&O coverage maintained in force without interruption.

Prior Knowledge and Pending and Prior Litigation
Exclusion date as of 9/1/2011 or time of enrollment.

Coverage:

The Insurer shall pay on behalf of the Insured all Loss which the Insured shall become legally obligated to pay because of a Claim first made against the Insured during the Policy Period or an Extended Reporting Period, if

Coverage: (continued)

applicable, for a Wrongful Act committed on or after the Retroactive Date by the Insured solely in the rendering or failing to render Professional Services.

Insured means:

1. an Agent.
2. a corporation, partnership or other business entity owned and controlled by an Agent but solely with respect to the liability of such organization as it arises out of the Agent rendering or failing to render Professional Services.
3. an employee acting in his or her capacity as such and on behalf of an Agent but solely with respect to liability of such employee as it arises out of the Agent rendering or failing to render Professional Services; and
4. heirs, executors, administrators, or legal representatives of an Agent in the event of death, incapacity, or bankruptcy.

Professional Services means:

1. the solicitation, sale or servicing of fixed life insurance, accident and health insurance, long-term care insurance, workers' compensation insurance as part of a 24-hour accident and health insurance product or disability income insurance; and
2. providing services as a notary public; and
3. the training and supervision of an Agent by an Agent Manager; and
4. Optional, P&C Insurance (Additional Premium of \$500 Applies): coverage extension must be elected at the time of enrollment. Subject to a per Claim deductible of \$5,000, which is applicable to both Loss and Defense Costs. P&C coverage applies only to products placed through The Alliance P&C, LLC.

Claims Administration:

Lancer Claims Services: A Division of Brown & Brown
Program Insurance Services, Inc.
P.O. Box 7048
Orange, CA 92863-7048
Phone: 800-821-0540
Fax: 714-978-8023

Program Administration:

CalSurance Associates
A Division of Brown & Brown Program Insurance
Services, Inc.
California License # 0B0258

Please review the policy and program materials. A complete copy of the specimen policy is available by calling 800-745-7189 or by visiting www.calsurance.com/equita. This document is a summary of the coverage provided. All statements contained herein are subject to all terms, conditions, endorsements, and exclusions of the actual policy. In all circumstances the actual policy language will prevail.

Exclusions (including, but not limited to)

This policy does not apply to any Claim:

- A. Based upon, arising out of or in any way involving any fact, circumstance or situation which has been the subject of any written notice given under any policy of which this Policy is a direct or indirect renewal or replacement or which preceded this Policy;
- B. Based upon, arising out of or in any way involving any act, error or omission occurring prior to the date of the Agent's initial enrollment as an Insured under this Policy or a previously issued policy by the Insurer if on the date of initial enrollment, the Agent had knowledge of any act, error or omission which could reasonably be expected to result in a Claim;
- C. Based upon, arising out of or in any way involving any prior or pending litigation against any Insured filed on or before the inception date of this Policy or under any other policy of which this Policy is a renewal, whichever is earlier, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;
- D. Based upon, arising out of or in any way involving any dishonest, fraudulent, criminal, malicious or purposeful act, error or omission committed by or at the direction of an Insured; however, notwithstanding the foregoing, the Insured shall be afforded a defense, subject to the terms of this Policy, until the allegations are subsequently proven by a final adjudication. In such event, the Insured shall reimburse the Insurer for all Defense Costs incurred by the Insurer;
- E. Based upon, arising out of or in any way involving an Insured gaining, in fact, any profit, remuneration or pecuniary advantage to which the Insured was not legally entitled;
- F. Based upon, arising out of or in any way involving a willful violation of the rules or regulations of the National Association of Securities Dealers, Securities and Exchange Commission, Securities Act of 1933, Securities Exchange Act of 1934, Investment Company Act of 1940, or the Investment Advisors Act of 1940 and any amendments thereto, or of any state securities statute or state regulatory agency;
- G. Based upon, arising out of or in any way involving any commingling of or improper use of client funds;
- H. Based upon, arising out of or in any way involving investment products partially or totally owned by the Insured;
- I. Based upon, arising out of or in any way involving bodily injury, sickness, disease or death of any person, or damage to or destruction of any tangible property, including loss of use thereof;
- J. Based upon, arising out of or in any way involving discrimination as defined by federal, state or local statute, regulation, law or ordinance;
- K. Based upon, arising out of or in any way involving the liability of others assumed by the Insured under any contract or agreement unless such liability would have attached to the Insured even in the absence of such agreement;
- L. Based upon, arising out of or in any way involving any pension, profit sharing, health and welfare, or other employee benefit plan or trust sponsored by the Insured as an employer;
- M. Based upon, arising out of or in any way involving any professional services performed by the Insured as an actuary, accountant, attorney, real estate agent or real estate broker, property/casualty insurance agent or third party claims administrator; however, this Exclusion shall not apply to tax advice incidental to the sale of products listed in Section III. M. 1 and 2 of the policy;
- N. Based upon, arising out of or in any way involving insolvency, receivership, conservatorship, liquidation, bankruptcy, inability or refusal to pay of any organization, entity or vehicle of any kind, nature or structure in which the Insured has placed, recommended to be placed or obtained coverage or in which an Insured has placed or recommended to be placed the funds of a client or account; however, this Exclusion shall not apply if such organization, entity or vehicle is an insurance company that was rated A- or better by A.M. Best at the time the Insured placed, recommended to be placed or obtained such coverage for a client in such insurance company or in which an Insured has placed such funds of a client or account;
- O. Based upon, arising out of or in any way involving the Insured's inability or refusal to pay or collect premium, claim or tax monies;
- P. Brought or maintained, directly or indirectly, by or on behalf of:
 - 1. an Insured;
 - 2. any insurance company or Broker/Dealer;
 - 3. any insurance agent or broker;
- 4. any individual or entity that is not a client of an Insured; however, this Exclusion shall not apply to a Claim brought by an individual or entity who is an alleged beneficiary or heir, executor or administrator of a deceased client of an Insured;
- 5. any enterprise that owns, operates, controls or manages an Insured;
- 6. an enterprise which an Insured owns, operates, controls or manages; or
- 7. any governmental or quasi-governmental official or agency in any capacity, including but not limited to the Securities and Exchange Commission, National Association of Securities Dealers, the Securities Investor Protection Corporation, or any state or federal securities or insurance commission or agency; however, this Exclusion shall not apply to a Claim brought by or on behalf of such official or entity in its capacity as a client of an Insured;
- Q. Based upon, arising out of or in any way involving the use of confidential information by an Insured, including but not limited to such use for the purpose of replacement of coverage;
- R. Based upon, arising out of or in any way involving the placement of a client's coverage or funds directly or indirectly with any organization, entity or vehicle of any kind, nature or structure which is not licensed to do business in the state or jurisdiction with authority to regulate such business; however, this Exclusion shall not apply to any Claim arising from or contributed to by the placement of a client's coverage or funds directly or indirectly with such organization, entity or vehicle which is an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;
- S. Based upon, arising out of or in any way involving the offering, sale or servicing of structured settlements; however, this Exclusion shall not apply to an otherwise covered Claim: arising out of the selling or servicing of the underlying covered product;
- T. Based upon, arising out of or in any way involving the ownership, formation, operation, or administration of a health maintenance organization, preferred provider organization, captive, risk retention group, self-insurance program or purchasing group;
- U. Based upon, arising out of or in any way involving the placement of coverage with a Multiple Employer Welfare Arrangement;
- V. Based solely upon a loss alleged to have been sustained through fluctuation in market value of any security;
- W. Based upon, arising out of or in any way involving any Securities (other than variable annuities, variable life insurance and mutual funds) that were not authorized or approved by the Broker/Dealer subsidiary of the Sponsoring Company or Securities that were not processed through the Broker/Dealer subsidiary of the Sponsoring Company;
- X. Based upon, arising out of or in any way involving: (1) any function of an Insured as a specialist or market maker for any Securities; (2) an Insured failing to make a market for any Securities; or (3) the purchase, sale or failure to purchase or sell Securities when the Insured is a specialist or market maker for such Securities;
- Y. Based upon, arising out of or in any way involving any activities in connection with any equity security priced under five dollars (\$5.00) at the time of purchase; however, this Exclusion shall not apply if the security is: (1) registered or approved for registration upon notice of issuance on a national exchange; (2) authorized or approved for authorization upon notice of issuance, for quotation in the NASDAQ system; or (3) issued by an investment company registered under the Investment Company Act of 1940 and any amendments thereto. For the purposes of this Exclusion, any equity security which is listed on the NASDAQ bulletin board or pink sheets shall not be considered approved for authorization upon notice of issuance for quotation in the NASDAQ system;
- Z. Based upon, arising out of or in any way involving the purchase, sale or the giving of advice regarding promissory notes, viatical or life settlements or any Security backed by viatical settlements, commodities, commodity future contracts, or option contracts other than covered call options; Based upon, arising out of or in any way involving any Professional Services in which a premium was paid for, in whole or in part, by or through any premium finance mechanism or any premium finance company;

Exclusions (including, but not limited to) continued:

ZZ. Based upon, arising out of, in consequence or in any way involving, in whole or in part, the solicitation, sale, servicing, recommendation, advice, consultation and/or financial planning with respect to investments, offerings, purported loans, advances, income streams, products, contracts and/or agreements of any type or nature issued or provided by Future Income Payments LLC and/or any affiliated or related company, organization or entity, including, but not limited to:

- FIP LLC;
- Cash Flow Investment Partners LLC;
- Pension Advance LLC;
- BuySellAnnuity Inc.;
- Cash Flow Investment Partners East LLC;
- Cash Flow Investment Partners MidEast LLC;
- Lumpsum Pension Advance Atlantic LLC;
- Lumpsum Pension Advance Southeast LLC;
- Lumpsum Pension Advance West, LLC;
- PAS California LLC;
- PAS Great Lakes LLC;
- PAS Northeast LLC;
- PAS Southwest LLC;
- Pension Advance Carolina LLC;
- Pension Advance Midwest LLC; and/or
- Pension Loans South LLC;

and/or any other company, organization or entity that provides investments, offerings, purported loans, advances, income streams, products, contracts and/or agreements of any type or nature similar to those issued or provided by FIP, in connection with the acceleration or lump sum payments of pension or retirement benefits (hereinafter "FIP," collectively).

The foregoing exclusion shall, without limitation, apply to any Claim based upon, arising out of, in consequence or in any way involving, in whole or in part, investments, offerings, purported loans, advances, income streams, products, contracts and/or agreements of any type or nature issued or provided by FIP, and, in whole or in part, the solicitation, sale or servicing of life insurance or any other insurance products, as well as financial planning, advice and consultation with respect to the foregoing, and/or the rendering of any other Professional Services.

AA. Based upon, arising out of or in any way involving the purchase, sale, or the giving of advice regarding "junk bonds" or "high yield bonds". For purposes of this Exclusion, "junk bonds" or "high yield bonds" shall mean bonds which, at the time of purchase or sale were unrated or rated as below investment grade by any rating agency (including but not limited to Moody's rated bonds of Ba or lower or S&P rated bonds of BB or lower).

BB. Based upon, arising out of or in any way involving the purchase, sale or the giving of advice regarding callable certificates of deposit or any investment involving ATM machines, payphones or ETS payphones, Debentures, CDOs, CMOs, 412(i) Plans, 419 Plans, unregistered securities, DBSI Management products, Provident Royalties, Shale Royalties, Medical Capital Note Program, Black Diamond Program, Desert Capital REIT, IMH Secured Loan, LLC, and Geneva Exchange LLC/The Geneva Organization; or

CC. Based upon, arising out of or in any way involving a self-funded or partially self-funded medical plan;

Agreement or Contingent Commission Agreement or similar agreement or arrangement, however named.

It is the intent of the parties that the this Policy shall exclude such Loss regardless of the form, style, or denomination of any such Claim, regardless of whether the Claim is criminal, administrative or civil, and shall specifically apply but not be limited to Claims alleging bid rigging, bribes or kickbacks, schemes to provide fictitious quotes, conflict of interest, breach of contract, failure to supervise, negligent supervision or negligence of any contract, controlling person liability, breach of fiduciary duty, personal profiting, improper, undisclosed or unlawful fees, commissions or charges of any kind, criminal activity, market manipulation, violation of any law related to the insurance industry, misrepresentation, estoppel or repudiation of any commitment and any other theory of liability.

IMPROPER MUTUAL FUND AND VARIABLE ANNUITY PRACTICES EXCLUSION

In consideration of the premium charged, it is agreed that the Insurer shall not make any payment for Loss and/or Defense Costs in connection with any claim made against any 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 others 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.

It is the intent of the parties that the this Policy shall exclude such Loss regardless of the form, style, or denomination of any such Claim, regardless of whether the Claim is criminal, administrative or civil, and shall specifically apply but not be limited to Claims alleging breach of contract, failure to supervise, negligent supervision or negligence of any kind, controlling person liability, breach of fiduciary duty, personal profiting, improper or unlawful fees or charges of any kind, criminal activity, market manipulation, violation of any law related to mutual funds, misrepresentations, estoppel or repudiation of any commitment and any other theory of liability.

MOLD AND FUNGUS EXCLUSION

This policy does not apply to any Claim based upon or arising out of water intrusion, condensation or other accumulation of moisture that results directly or indirectly in the presence of:

1. any Fungus(i) or Spore(s); or
2. any substance, vapor or gas produced by or arising out of any Fungus(i) or Spore(s).

Please review the policy and program materials. A complete copy of the specimen policy is available by calling 800-745-7189 or by visiting www.calsurance.com/equity. 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. In all circumstances, the actual policy language will prevail.

FEE ARRANGEMENT EXCLUSION

In consideration of the premium charged, it is hereby understood and agreed that the Insurer shall not be liable to make any payment for Loss in connection with any claim made against any 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 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