

## Errors & Omissions Program Guide

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#### E & O Claim Report

## Errors & Omissions Program Guide

<b>Insurance Carrier:</b>	Zurich American Insurance Company (A member of the Zurich North America Insurance Group)	
<b>Limits of Liability:</b>	\$1,000,000	each claim subject to:
	\$1,000,000	aggregate each agent
	If elected and additional premium paid:	
	\$2,000,000	each claim subject to:
	\$2,000,000	aggregate each agent
<b>Deductible:</b>	\$0 Each Claim for products of Foresters	
	\$500 Each Claim for All Other Covered Products	
	Deductible applies to Damages only	
<b>Policy Period:</b>	12:01am, February 1, 2025 to 12:01am, February 1, 2026	
<b>Policy Number:</b>	EOC 5401348-22	
<b>Program Administrator:</b>	CalSurance Associates A Division of Brown & Brown Program Insurance Services, Inc. California License # 0B02587	

### **Key Points:**

1. Coverage applies to all licensed agents contracted with Foresters who have enrolled for coverage and paid the appropriate premium amount due.
2. Coverage is "Claims Made and Reported" which covers claims first made against the agent and reported to the Insurance Carrier during the policy period and any applicable extended reporting period. It is important to report all potential claims as soon as possible even if suit has not been filed. Failure to report potential claims may jeopardize coverage. (For claims reporting procedures, see page 8).
3. Defense costs are outside the limits of liability.
4. "Prior Acts" coverage is provided if:
  - the act took place subsequent to the first date an agent had uninterrupted errors and omissions coverage or contract date with Foresters, whichever is earlier;
  - as of the date of the agent's inception of coverage under this policy, the agent had no knowledge of any act, error, or omission that could reasonably be expected to result in the claim.
5. Defense provided for covered claims even if they are groundless, false or fraudulent.
6. If the agent's contract with Foresters terminates, an unlimited Extended Reporting Period (ERP) is provided for Foresters products at no additional cost to the agent. A one-year ERP is provided for all other covered products. See page 5 for details. For agents who become retired, disabled or deceased during the policy period, there is no additional cost, and the ERP is unlimited. An ERP is not available in any circumstances where other professional liability insurance is in force that would provide any coverage for the claim or if the "Named Certificate Holder" cancels this Policy before the end of the policy period.
7. Coverage is provided for the sale, soliciting and/or servicing of:
  - Life, Accident and Health, Disability Income and Long Term Care Insurance;
  - Fixed Annuities;
  - Variable Life Insurance and Variable Annuities; and
  - Mutual Funds registered with the U.S. Securities Exchange Commission and sold by a licensed "Registered Representative" through a FINRA licensed "Broker/Dealer".

## **Coverage Description:**

### ***Who is my Insurance Carrier?***

Zurich American Insurance Company is your insurance carrier or Insurer. Zurich American Insurance Company is a member company of The Zurich American Insurance Group, which has an A.M. Best's Rating of A+.<sup>1</sup>

### ***Who is Covered?***

1. The agent contracted with Foresters and enrolled in this insurance program. See Key Point number 1 on the previous page to determine who is considered an "agent".
2. Administrative employees of a "Named Certificate Holder", while acting on behalf of the agent and within the scope of their duties as such. Licensed administrative employees are also included, so long as they are not party to an agent or broker contract or employment with any insurance company for the purpose of selling insurance;
3. Heirs, executors, administrators, assignees or legal representatives of the agent in the event of the agent's death, incapacity or bankruptcy;
4. Any corporation, partnership or other entity in the business of insurance services, which is either owned or controlled by the agent would be covered. However, coverage applies only to those operations of the business entity related to the professional insurance services covered under this policy.

It is important to note that a corporation, partnership or other entity and employees, heirs, executors, administrators or legal representatives do not have their own separate limits. They share the agent's coverage and limits.

### ***What are the Limits of Liability?***

The limits of this policy are \$1,000,000 each claim/\$1,000,000 annual aggregate, each agent (Optional \$2,000,000 each claim/\$2,000,000 annual aggregate available for additional premium). The first limit means that the Insurance Carrier will not pay over \$1,000,000 on any one claim. The aggregate limit of \$1,000,000 is the total amount that the Insurance Carrier will pay for claims reported during the policy period and Extended Reporting Period for each agent regardless of the number of claims.

Any incurred defense costs are outside the limits of liability.

### ***What is the Deductible?***

The deductible is \$0 each claim for products of Foresters and \$500 each claim for All Other Covered Products. The deductible applies to each claim for any negligent act, error or omission covered by this policy. The deductible applies to a court judgment and a good faith settlement negotiated by the Insurance Carrier on behalf of an agent. If an agent refuses to pay the deductible, the Insurance Carrier may take whatever steps necessary to collect it, including legal action and/or referral to a collection agency.

An agent is responsible for the deductible only if a payment is made to the claimant. An agent is not responsible for the deductible if the only expense incurred is related to defense or investigative activities.

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<sup>1</sup> The information obtained from A.M. Best dated November 26, 2024 is not in any way CalSurance'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.

### ***What Activities are Covered?***

An agent is covered for loss for damages caused by any negligent act, error or omission while rendering or failing to render Professional Services to others as an agent of Foresters.

Professional Services shall include the following:

1. The sale, servicing or solicitation of Life Insurance, Accident and Health Insurance, Workers' Compensation Insurance as part of a 24-Hour Accident and Health Insurance product, Disability Income Insurance or Annuities;
2. The sale, servicing or solicitation of Variable products, including but not limited to Variable Annuities, Flexible and Scheduled Premium Annuities and Variable Life Insurance;
3. Employee Benefit Plans funded with those products listed above;
4. Mutual Funds registered with the U.S. Securities and Exchange Commission and sold by licensed "Registered Representative" through a Financial Industry Regulatory Authority ("FINRA") – licensed "Broker/Dealer".

### ***Is an Agent Covered for Products Placed with Companies Outside of Foresters?***

Yes, agents are covered for the sale and servicing of any carrier's Life, Health, Disability Income and Long Term Care products placed through outside carriers, provided all terms and conditions of the errors and omissions policy are met and as long as the agent is contracted as an agent with Foresters.

### ***Is an Agent Covered for the Sale, soliciting or Servicing of Mutual Funds?***

An agent is covered for the sale, soliciting or servicing of mutual funds, but only if the mutual funds are registered with the SEC and sold through a FINRA licensed Broker/Dealer.

### ***Privacy Notice***

CalSurance® values your business and respects your privacy. That's why we want to assure you that we are serious about keeping your personal information private before, during and after your business relationship with us. CalSurance® does not disclose, sell, trade, lease or rent personal information to other companies except where explicitly authorized by our customer or as required by law. This notice describes our current policy regarding the collection and disclosure of non-public personal information.

### **THE INFORMATION WE COLLECT**

We may collect non-public personally identifiable information ("Information") as follows:

#### **Information We Obtain From You**

Information you provide us on applications or other forms, such as, your name, address, phone number, e-mail address, social security number, driver's license number, or date of birth. Depending on the nature of your insurance transaction, we may need additional information about you or other individuals for insurance.

#### **Information About Transactions**

Information about your transactions and experiences with us and others, such as your balance, payment history, or coverage changes. We may need additional information about you or other individuals for insurance with respects to claims that may arise or claims that may be pending.

#### **Information From Third Parties**

Information we receive from other agents, brokers, administrators, investigators, insurance support agencies, legal counsel, consumer reporting agencies and government reporting agencies.

### **THE INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We may disclose nonpublic personal information about you to the following affiliates and nonaffiliated third parties to effect, administer, or enforce your insurance transaction:

- Insurance companies that might quote and/or write your policies;
- Claims administrators;
- Appraisers, inspectors, and other insurance support services;
- Consumer reporting agencies;

- Governmental agencies when required to do so;
- A third party for the purpose of conducting an audit in connection with the operations or services provided
- Payment processing organizations;
- To persons or agencies lawfully entitled pursuant to a subpoena or court order.

## **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personally identifiable information about you to those employees whom we have determined need to know that information to provide products or services to you. We maintain strict physical, electronic and procedural safeguards designed to protect your Information from unauthorized access by third parties.

## **ADDITIONAL INFORMATION FOR OUR WEB SITE USERS**

CalSurance® collects information in three categories when you visit our Web site. CalSurance® stores information collected by general browsing, when you request a quotation, and when you request policyholder service transactions in a secure environment behind our firewall.

When you are browsing the Web site for general information, browsing patterns are stored in our database for review. CalSurance® reviews customer web browsing patterns to enable us to enhance pages of particular interest to you.

When you complete an online enrollment form, information is collected to help us effectuate your coverage options and process payments.

This website provides some links to third-party websites that are not owned by CalSurance®. CalSurance® has no control over their privacy practices and assumes no responsibility in connection with your use of their websites. We recommend that you check the privacy policy of any website before you provide any personally identifiable information.

## **MODIFICATIONS TO OUR PRIVACY POLICY**

We reserve the right to change our privacy policies in the future, which could include sharing nonpublic personal information with nonaffiliated third parties for purposes other than as stated in this notice. We will provide you a revised privacy notice before we do that.

Additional copies of our Privacy Notice or further information may be obtained by submitting a written request to the following address:

Privacy Administration

CalSurance Associates, A Division of Brown & Brown Program Insurance Services, Inc.

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

681 S. Parker Street, Suite 300

Orange, CA 92868

or include your name and policy number and e-mail us at [privacypolicy@calsurance.com](mailto:privacypolicy@calsurance.com).

## ***What are Some of the Activities that are Not Covered?***

Agents are not covered for:

1. The sale, soliciting and/or servicing of securities (other than variable life, variable annuities and mutual funds).
2. Activities as a property and casualty agent.
3. Activities related to tax preparation.

(For other activities that are excluded, see Pages 8-9, Exclusions)

### ***Are Agents Covered for Acts Committed Prior to the Inception Date of the Policy?***

Since this is a "Claims Made and Reported Policy," any claim that is made and reported during the current policy period is covered, subject to the terms and conditions of the policy, even if the error or omission occurred prior to the policy period as long as the following conditions are met:

1. The event that led to the claim occurred subsequent to the agent's first uninterrupted errors and omissions policy or that agent's date of contract with Foresters, whichever is earlier; and
2. As of the date of the agent's inception of coverage under this policy, the agent had no knowledge of any act, error, or omission that could reasonably be expected to result in the claim.

## **Conditions:**

### ***What are Some Important Conditions of the Policy?***

1. Coverage is on a "Claims Made and Reported" basis, which covers claims first made against the covered agent and reported in writing to the Insurance Carrier during the current policy period or Extended Reporting Period.
2. Defense expenses are included in the limits of liability.
3. If a claim alleges dishonest, fraudulent or malicious acts and is accompanied by covered allegations, a defense will be provided so long as the covered acts remain a part of the allegations.

### ***What Happens if an Agent's Contract with Foresters terminates?***

If an agent's contract with Foresters terminated during the policy period, coverage will continue until the end of the policy period. If at the time of contract termination the premium has not been paid in full, any scheduled future installments will continue to be drafted from the account on file.

If an agent's contact terminates with Foresters for reasons other than retirement, death or disability, the agent will have an Extended Reporting Period, at no additional cost to the agent, (unlimited for Foresters products or other provider's products sponsored by Foresters and one (1) year for all other products) from the date of contract termination in which to report claims, but only for negligent acts, errors or omissions committed prior to the date the agent's contract termination with Foresters, and which are otherwise covered under this policy.

However, if an agent's contact terminates due to disability, death or retirement, an unlimited Extended Reporting Period is provided at no additional cost to the agent. This will provide coverage for claims first reported during the Extended Reporting Period arising out of negligent acts, errors or omissions committed prior to the date the agent's death, disablement or retirement with Foresters, and which are otherwise covered under this policy.

The Extended Reporting Period is not available in any circumstances where other professional liability insurance is in force that would provide any coverage for the claim or if the "Named Certificate Holder" cancels the policy before the end of the policy period.

## **Exclusions:**

### ***What are the Exclusions under the Policy?***

There is no coverage for fines and/or penalties imposed by law.

In addition, the Policy does not apply to any "Claim":

- A. Arising out of any act, error or omission of the "Insured" committed with dishonest, fraudulent, malicious or knowingly wrongful purpose or intent; 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 Company for all "Defense Costs" incurred by the Company;
- B. Alleging bodily injury, sickness or death of any person, or injury or destruction of any tangible property, including loss of use thereof;
- C. Alleging 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;
- D. By an enterprise which one or more "Insureds" own, operate, control or manage; or any "Claim" by an enterprise which owns, operates, controls or manages an "Insured";
- E. Arising out of services performed by the "Insured" as an actuary, accountant, attorney, real estate agent or real estate broker, named fiduciary or third party claims administrator;
- F. Arising out of, or contributed to by, any commingling of, or use of client funds;
- G. Arising out of, directly or indirectly, the insolvency, receivership, bankruptcy, or inability to pay of any organization in which the "Insured"
  - 1. Has placed or obtained a client's coverage;
  - 2. Has placed a client's funds; or
  - 3. Has recommended a client invest.

However, this exclusion shall not apply if the "Claim" is based upon the insolvency, receivership, liquidation or inability to pay of any insurance company that was rated as B+ or better by A.M. Best Company at the time the business was placed, obtained or recommended;

- H. Arising out of the "Insured's" activities in computer programming or processing if the resulting programs or software are sold or distributed or if a fee is charged for use of such program or software;
- I. Made against any "Insured" or the "Additional Insured" by:
  - 1. Any "Insured";
  - 2. Any "Additional Insured";
  - 3. Any "Broker/Dealer";
  - 4. Any other insurance company;
  - 5. Any other insurance agency, brokerage or intermediary;
  - 6. Any person or entities who in the past were, but are not currently, parties to an agent contract with the "Additional Insured"; or
  - 7. Any subsidiary or affiliate of the "Insured", "Additional Insured" or "Named Insured";
- J. Arising out of the use of confidential information by an "Insured", including but not limited to such use for the purpose of replacement of coverage;
- K. Arising out of the "Insured's" inability or refusal to pay or collect premium, claim or tax monies, including surcharges or assessments of any kind;
- L. Arising from, or contributed to by, the placement of client's coverage or funds directly or indirectly with any organization which is not licensed to do business in the state or jurisdiction with authority to regulate such business. However, this exclusion does not apply to any "Claim" arising from or contributed to by the placement of client's coverage or funds directly or indirectly with any organization which is an eligible surplus lines insurance company in the state or jurisdiction with authority to regulate such business;



**Exclusions (continued)**

- M. Arising out of the ownership, formation, operation or administration of, or advice regarding, referral to, recommendation of or placement of coverage with any self-insured health maintenance organization (HMO), self-insured preferred provider organization (PPO), risk retention group, self insurance program or purchasing group;
- N. Alleging a violation of The Telephone Consumer Protection Act of 1991 or Federal Communications Commission rules and any amendment thereto, or of any similar state communications statute;
- O. Arising out of the purchase, sale or the giving of advice regarding:
  - 1. Commodities, commodity future contracts, warrants, forward contracts, interest rate swaps or option contracts other than covered call option contracts or auction rate securities;
  - 2. Any security priced under five dollars (\$5.00) at the time of purchase;
  - 3. Promissory notes or other non-securitized evidence of debt;
  - 4. Viatical settlements, life settlements, stranger owned life insurance policies, or any security backed by either viatical, settlements, life settlements or stranger owned life insurance policies;
  - 5. Reverse mortgages or similar transactions in which the present value of a conditional contract is exchanged or sold;
  - 6. ETS pay phones or pay phone investments;
  - 7. "Junk Bonds" or "High Yield Bonds". For the purposes of this exclusion, "Junk Bonds" or "High Yield Bonds" 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);
  - 10. A multiple employer welfare benefit fund (intended to be a welfare benefit fund) described in Section 419(A)(f)(6) of the Internal Revenue Code of 1986, as amended or any successor thereto;
- U. Arising out of alleged discrimination of any kind;
- V. Prior to the first effective date of coverage issued to the "Named Certificate Holder", provided no "Insured" had any basis:
  - 1. To believe that any "Insured" had knowledge of any negligent act, error or omission or "Personal Injury";
  - 2. To foresee that any such negligent act, error or omission or "Personal Injury" or any related negligent act, error or omission or "Personal Injury" might reasonably be expected to be the basis of a "Claim";
- AA. Based solely upon a loss alleged to have been sustained through fluctuation in market value of any security;
- BB. Based upon or arising out of any Pension, Profit Sharing, Health and Welfare or other Employee Benefit Plan or Trust sponsored by the "Insured" as an employer;
- CC. Arising out of the "Insured" making representations, promises or guarantees as to the future value of any investment including but not limited to, representations, promises or guarantees as to interest rates, fluctuation in interest rates, future premium payments or market value(s);
- DD. Arising out of or involving investment products partially or totally owned by the "Insured"; or
- EE. Arising out of the brokering of structured settlements; however, this exclusion does not apply to any "Claim" arising from or contributing to the sale of annuity products used to fund the structured settlements.
- FF. Based upon, arising out of, or attributable to "Virtual Currency".

## **Notice of Claims:**

### ***What are the Obligations for Reporting Claims or Potential Claims?***

Coverage is on a "Claims Made and Reported" basis which covers claims first made against the covered agent during the current policy period, and must be reported to the carrier in writing during the current policy period. Each agent is responsible for reporting all claims or potential claims directly to Lancer Claims Services, with a copy to CalSurance® and Foresters Legal Department, at the addresses provided on the "What to do in the Event of a Claim or Potential Claim" document found at the back of this guide.

### ***What is Considered a Claim?***

A claim is considered to be a notice of legal process received by an agent or a demand for money or services made against the agent. A claim is not limited to a formal complaint or lawsuit.

If an agent becomes aware of any proceeding, event or development, which, in their judgment, might result in a claim against him/her, even if that agent feels that the claim is unjustified, that agent must report the available particulars immediately. Should the circumstances or "potential" claim develop into a claim at some future date, the reporting of a possible incident by the agent will serve as a notice of claim under this policy period.

### ***What Should Be Done if There is a Claim?***

1. As soon as you are aware of an E&O claim or circumstances that may lead to a claim, you should immediately report the claim or potential claim to Lancer Claims Services. Visit <https://www.calsurance.com/report-a-claim/> for more info.
2. Lawsuits should be emailed to Lancer Claims Services and faxed to Foresters using the contact information found in the "What to do in the Event of a Claim or Potential Claim" document found at the back of this guide.
3. Develop a written chronology of events giving rise to the claim.
4. Be prepared to provide a copy of the applicable file.

### ***What Actions Should Be Avoided in the Event of a Claim?***

1. Do not incur any expenses in connection with any claim that involves payment by the Insurance Carrier except with the written consent of the Insurance Carrier.
2. Once an incident has been identified or an errors and omissions claim has been made, great care should be exercised to avoid any disclosures or discussion of any facts or information relating to the claim with anyone, unless they identify themselves to be from the Insurance Carrier, Foresters or a designated representative appointed to handle the claim.
3. Do not admit liability.

### ***What Should an Agent do if in Doubt About Whether, or How, to Report a Claim or has a Coverage Question?***

For advice contact: CalSurance®  
(201) 526-4628 or (714) 939-7319  
Attn: Emily Robertson

### ***What Happens after the Claim is Reported?***

- A representative from the Insurance Carrier will contact the agent within a few days to acknowledge the receipt of the claim and discuss the particulars of the situation. Additional information or documents may be requested.
- Coverage under the Agent's E&O program will be determined and the agent will be advised of any coverage issues.
- If necessary, an attorney will be retained. In order to ensure the best possible defense, the agent should cooperate completely with the individual retained, provide full details and be candid.

### ***What Should an Agent do if Proof of Coverage is Required?***

Certificates of Insurance are available on line at [www.calsurance.com/iof](http://www.calsurance.com/iof). Click on Certificate Reprint at the top of the page. In the box next to select company, enter Foresters. Select the company given. Enter your name and phone number and click submit. If you have any questions or difficulty with the online process, please contact CalSurance® at 877-242-5997.

## IMPORTANT TELEPHONE NUMBERS TO REFERENCE:

**Questions on Enrollment:** CalSurance Customer Service  
(877) 242-5997

**Coverage questions or claims advice:**

Emily Robertson  
CalSurance  
(714) 939-7319  
erobertson@calsurance.com

**To report a claim or inquire as to the status of a claim:**

Lancer Claims Services  
A Division of Brown & Brown Program Insurance Services, Inc.  
First Reports Desk  
681 S. Parker Street, Suite 300  
Orange, CA 92868  
Phone: 800-821-0540

**To Request a Certificate of Insurance:**

Online: [www.calsurance.com/iof](http://www.calsurance.com/iof)

Select "Certificate Reprint"

For Select Company, enter Foresters

Then enter the following:

First Name

Last Name

Your phone number

-OR-

By Phone: CalSurance Customer Service  
(877) 242-5997

# WHAT TO DO IN THE EVENT OF A CLAIM OR POTENTIAL CLAIM

## Independent Order of Foresters

Zurich American Insurance Company appointed CalSurance Associates, A Division of Brown & Brown Program Insurance Services, Inc., Lancer Claims Services as the administrator for Claims on the Independent Order of Foresters sponsored Agents' Professional Liability Policy. Lancer Claims Services handles only professional liability claims.

For questions regarding reporting a Claim, potential claim or for help in determining if you need to report a circumstance, please contact:

**Lancer Claims Services, A Division of Brown & Brown Program Insurance Services, Inc.**  
**(800) 821-0540**

or

[firstreports@calsurance.com](mailto:firstreports@calsurance.com)

As soon as you are aware of an E&O claim or circumstances that may lead to a claim, you should immediately report the claim or potential claim to Lancer Claims Services. Visit <https://www.calsurance.com/report-a-claim/> for more info. All Claims should be reported through the above link or via one of the following methods:

**Email:** FirstReports@CalSurance.com

**Phone:** 1-800-821-0540

**Via Mail:** First Reports Desk

Lancer Claims Services, a Division of Brown & Brown Program Insurance Services, Inc.  
681 S. Parker Street, Suite 300  
Orange, CA 92868

**For claims involving Foresters products, also send to:**

Independent Order of Foresters  
789 Don Mills Road  
Don Mills, Ontario  
Canada, M3C 1T9  
Fax: 416-429-0089  
Attn: Legal Dept.

**Lawsuits should be emailed to Lancer Claims Services and faxed to Foresters using the above contact information.**

*Do not discuss this matter with anyone unless they identify themselves to be from Foresters, Zurich, Lancer Claims Services or CalSurance®, or an authorized representative of the aforementioned*

CalSurance Associates  
A Division of Brown & Brown Program Insurance Services, Inc.  
Domiciled in California, CA License Number: 0B02587