

Agents Affiliated with Gradient Insurance Brokerage, Inc.

E&O Program – Outline of Coverage

Policy Period: September 1, 2025 to September 1, 2026

Insurer:

Aspen American Insurance Company (Admitted)
Rated A (Excellent) XV, by A.M. Best Company

The information obtained from A.M. Best dated July 12, 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.

Policy Number: LRA7EE825

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

Limit of Liability (Including Defense Costs) :

\$1,000,000 Each Claim
\$1,000,000 Agent Aggregate
OR
\$1,000,000 Each Claim
\$2,000,000 Agent Aggregate

Policy Aggregate

\$25,000,000 Maximum Policy Aggregate

Deductible (applicable to Damages & Claims Expense):

\$1,500 each claim

Retroactive Date:

The inception date of the Agent's first claims-made life insurance agent's professional liability policy from which coverage has been maintained in force without interruption.

Insured:

1. An Agent;
2. An entity owned and controlled by an Agent, but solely in connection with Professional Services provided by the Agent;
3. An employee of an Agent acting in his or her capacity as such on behalf of such Agent, but solely if the employee is not otherwise contracted as an agent with the Sponsoring Company or another insurer and solely in connection with Professional Services provided by such Agent;
4. The legal heir, executor, administrator or legal representative of an Agent in the event of such Agent's death, incapacity or bankruptcy;
5. The lawful spouse or domestic partner of any individual which qualifies as an Insured under Sub-sections 1., 3., or 4., above, for a Claim arising solely out of spousal or domestic partner status, and not out of any alleged independent Wrongful Acts, of such individual; or
6. The Sponsoring Company, if the only allegation against it is for vicarious liability based upon the Wrongful Acts of an Agent. The Sponsoring Company shall not be an Insured if there is any allegation of a wrongful act committed by the Sponsoring Company, regardless of whether the Sponsoring Company is also alleged to be vicariously liable for the Wrongful Acts of an Agent.

Agent:

Agent means an individual who:

1. Maintains an Agent or General Agent contract with the Sponsoring Company; has elected to enroll for coverage under this Policy; and whose enrollment is on file with the Sponsoring Company;
2. Has paid his or her premiums; and
3. Is properly licensed by the appropriate authority to solicit, sell and service life, accident or health insurance products.

Coverage:

The Company shall pay on behalf of the Insured all sums in excess of the Deductible set forth in Item 4 of the Declarations which the Insured shall become legally obligated to pay as Damages and Claims Expenses resulting from Claims first made against the Insured during the Policy Period, or Extended Reporting Period, if applicable, as a result of a Wrongful Act by an Insured, provided that:

- A. The Wrongful Act was first committed on or after the Retroactive Date and before the expiration of the Policy Period;
- B. No Insured gave notice to any prior insurer of such Wrongful Act;
- C. The Insured reported such Claim in writing to the Company, as soon as practicable, during the Policy Period, but in no event later than sixty (60) days after expiration or termination of this Policy, or during the Extended Reporting Period, if applicable;
- D. Prior to the Inception Date of this Policy, no Insured knew or could have reasonably foreseen that such Wrongful Act might give rise to a Claim; and
- E. There is no other policy or policies which provide insurance for such Wrongful Act.

Professional Services:

Professional Services means the solicitation, sale, or servicing of:

- Level I:
1. Medicare Supplement and Medicare Advantage (including Medicare Part D); or
 2. Prescription Drug Plans; or
 3. Supplemental Dental, Vision, Hearing, Cancer and Hospital Indemnity Plans; or
 4. Final expense and guaranteed final expense.
- Level II:
- Professional Services means the solicitation, sale or servicing of life, health, disability, long term care insurance or fixed annuities as an Agent or when these services are conducted by an Insurance Consultant as designated by the state of Oregon.

Extended Reporting Period:

Automatic (Contract Termination)

i. Termination of Agent for Non-disciplinary Reasons. If, during the Policy Period, the Sponsoring Company terminates an Agent's contract for non-disciplinary reasons, coverage for such Agent shall cease as of the date of such termination.

- a. With respect to all covered products, the Agent shall have a period of sixty (60) days after the expiration of the Policy Period to report to the Company any Claim which is first made during this sixty (60) day period and which arises from a Wrongful Act committed on or after the Retroactive Date and prior to the expiration of the Policy Period.
- b. With respect to any products issued by the Sponsoring Company, the Agent shall have a period of one (1) year after the expiration of the Policy Period to report to the Company any Claim which is first made during this one (1) year period and which arises from a

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/gib. 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.

Wrongful Act committed on or after the Retroactive Date and prior to the expiration of the Policy Period.

ii. Termination of Agent for Disciplinary Reasons. If the Agent is terminated for disciplinary reasons, coverage for such Agent shall cease upon the date of such termination, and the Agent shall not be entitled to any Automatic Extended Reporting Period.

Automatic (Retirement, Disablement, or Death)

If, during the Policy Period, an Agent retires or becomes disabled or deceased, coverage for such Agent shall cease as of the date of such disability or death, provided that the Agent or his/her legal representative shall have a period of two (2) years after the date of such disability or death to report to the Company any Claim which is first made during this two (2) year period and which arises out of a Wrongful Act committed prior to such disability or death and on or after the Retroactive Date.

Optional (Retirement, Disability, or Death)

If, during the Policy Period, an Agent retires or becomes disabled or deceased, the Agent or its legal representative may elect to purchase, for an additional premium as set forth in Item 7 of the Declarations, an Optional Extended Reporting Period for a period of (3) years, five (5) years, or for an unlimited amount of time, to report to the Company any Claim which is first made during the applicable period and which arises out of a Wrongful Act committed prior to such retirement, disability or death and on or after the Retroactive Date.

INDIVIDUAL OPTIONAL EXTENDED REPORTING PERIOD

- 200% of Agent's last Annual Premium for three (3) years.
- 300% of Agent's last Annual Premium for five (5) years.
- 400% of Agent's last Annual Premium for unlimited period.

Extended Reporting Periods – Other Terms and Conditions

- a. Automatic Extended Reporting Periods shall not apply to any Agent that has any other applicable insurance.
- b. At the commencement of any Optional Extended Reporting Period, the entire premium thereafter shall be deemed earned.
- c. The fact that this Policy may be extended by virtue of an Extended Reporting Period shall not in any way increase the Limits of Liability set forth in Item 3 of the Declarations.

Claims Administrator:

Lancer Claims Services
681 South Parker, Suite 300, Orange, CA 92868
Attention: Financial Services Professional Liability Department
Phone: (800) 821-0540
Email: FirstReports@Lancer.com

Program Administration:

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

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/gib. 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.