



**MARKEL**

**MARKEL AMERICAN INSURANCE COMPANY**

4521 Highwoods Parkway  
Glen Allen, VA 23060  
(800) 431-1270

**INSURANCE POLICY**

**Coverage afforded by this policy is provided by the Company (Insurer) and named in the Declarations.**

In **Witness Whereof**, the company (insurer) has caused this policy to be executed and attested and countersigned by a duly authorized representative of the company (insurer) identified in the Declarations.

*Kathleen Anne Sturgeon*

Secretary

*Alan Markel*

President



## MARKEL AMERICAN INSURANCE COMPANY

### NOTICE TO POLICYHOLDERS – NOTICES AND CLAIM REPORTING

Our address for any notice pursuant to the conditions of the policy is:

Lancer Claim Services  
681 South Parker Street, Suite 300  
Orange, CA 92868  
Phone: 800-821-0540  
Fax: 714-978-8023

To report a **Claim**, or a **Wrongful Act** or **Management Wrongful Act** reasonably expected to give rise to a **Claim**, send written notice to the address shown above to the attention of the Claims Service Center, or send by email to: [firstreports@lancerclaims.com](mailto:firstreports@lancerclaims.com)



## MARKEL AMERICAN INSURANCE COMPANY

### PRIVACY NOTICE

U. S. Consumer Privacy Notice

Rev. 1/1/2020

FACTS	WHAT DOES MARKEL GROUP OF COMPANIES REFERENCED BELOW (INDIVIDUALLY OR COLLECTIVELY REFERRED TO AS "WE", "US", OR "OUR") DO WITH YOUR PERSONAL INFORMATION?
Why?	In the course of Our business relationship with you, We collect information about you that is necessary to provide you with Our products and services. We treat this information as confidential and recognize the importance of protecting it. Federal and state law gives you the right to limit some but not all sharing of your personal information. Federal and state law also requires Us to tell you how We collect, share, and protect your personal information. Please read this notice carefully to understand what We do.
What?	<p>The types of personal information We collect and share depend on the product or service you have with Us. This information can include:</p> <ul style="list-style-type: none"> <li>• your name, mailing and email address(es), telephone number, date of birth, gender, marital or family status, identification numbers issued by government bodies or agencies (i.e.: Social Security number or FEIN, driver's license or other license number), employment, education, occupation, or assets and income from applications and other forms from you, your employer and others;</li> <li>• your policy coverage, claims, premiums, and payment history from your dealings with Us, Our Affiliates, or others;</li> <li>• your financial history from other insurance companies, financial organizations, or consumer reporting agencies, including but not limited to payment card numbers, bank account or other financial account numbers and account details, credit history and credit scores, assets and income and other financial information, or your medical history and records.</li> </ul> <p>Personal information does not include:</p> <ul style="list-style-type: none"> <li>• publicly-available information from government records;</li> <li>• de-identified or aggregated consumer information.</li> </ul> <p>When you are no longer Our customer, We continue to share your information as described in this Notice as required by law.</p>
How?	All insurance companies need to share customers' personal information to run their everyday business. In the section below, We list the reasons financial companies can share their customers' personal information; the reasons We choose to share; and whether you can limit this sharing. We restrict access to your personal information to those individuals, such as Our employees and agents, who provide you with insurance products and services. We may disclose your personal information to Our Affiliates and Nonaffiliates (1) to process your transaction with Us, for instance, to determine eligibility for coverage, to process claims, or to prevent fraud, or (2) with your written authorization, or (3) otherwise as permitted by law. We do not disclose any of your personal information, as Our customer or former customer, except as described in this Notice.

# Specimen Policy

Reasons We can share your personal information	Do We share?	Can you limit this sharing?
<b>For Our everyday business purposes and as required by law –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal/regulatory investigations, to prevent fraud, or report to credit bureaus	Yes	No
<b>For Our marketing purposes –</b> to offer Our products and services to you	Yes	No
<b>For Joint Marketing with other financial companies</b>	Yes	No
<b>For Our Affiliates' everyday business purposes –</b> information about your transactions and experiences	Yes	No
<b>For Our Affiliates' everyday business purposes –</b> information about your creditworthiness	No	We don't share
<b>For Our Affiliates to market you</b>	No	We don't share
<b>For Nonaffiliates to market you</b>	No	We don't share
<b>Questions?</b> Call (888) 560-4671 or email <a href="mailto:privacy@markel.com">privacy@markel.com</a>		

Who We are	
<b>Who is providing this Notice?</b>	A list of Our companies is located at the end of this Notice.

What We do	
<b>How do We protect your personal information?</b>	We maintain reasonable physical, electronic, and procedural safeguards to protect your personal information and to comply with applicable regulatory standards. For more information, visit <a href="http://www.markel.com/privacy-policy">www.markel.com/privacy-policy</a> .
<b>How do We collect your personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• complete an application or other form for insurance</li> <li>• perform transactions with Us, Our Affiliates, or others</li> <li>• file an insurance claim or provide account information</li> <li>• use your credit or debit card</li> </ul> <p>We also collect your personal information from others, such as consumer reporting agencies that provide Us with information such as credit information, driving records, and claim histories.</p>
<b>Why can't you limit all sharing of your personal information?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for Affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• sharing for Nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See the Other Important Information section of this Notice for more on your rights under state law.</p>

# Specimen Policy

Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"><li>• Our Affiliates include member companies of Markel Group.</li></ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"><li>• Nonaffiliates that We can share with can include financial services companies such as insurance agencies or brokers, claims adjusters, reinsurers, and auditors, state insurance officials, law enforcement, and others as permitted by law.</li></ul>
<b>Joint Marketing</b>	A formal agreement between Nonaffiliated companies that together market financial products or services to you. <ul style="list-style-type: none"><li>• Our Joint Marketing providers can include entities providing a service or product that could allow Us to provide a broader selection of insurance products to you.</li></ul>

Other Important Information
<p><b>For Residents of AZ, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, and VA:</b> Under state law, under certain circumstances you have the right to access and request correction, amendment or deletion of personal information that We have collected from or about you. To do so, contact your agent, visit <a href="http://www.markel.com/privacy-policy">www.markel.com/privacy-policy</a>, call (888) 560-4671, or write to Markel Corporation Privacy Office, 4521 Highwoods Parkway, Glen Allen, VA 23060.</p> <p>We may charge a reasonable fee to cover the costs of providing this information. We will let you know what actions We take. If you do not agree with Our actions, you may send Us a statement.</p>
<p><b>For Residents of CA:</b> You have the right to review, make corrections, or delete your recorded personal information contained in Our files. To do so, contact your agent, visit <a href="http://www.markel.com/privacy-policy">www.markel.com/privacy-policy</a>, call (888) 560-4671, or write to Markel Corporation Privacy Office, 4521 Highwoods Parkway, Glen Allen, VA 23060. We do not and will not sell your personal information.</p> <p>For the categories of personal information We have collected from consumers within the last 12 months, please visit: <a href="http://www.markel.com/privacy-policy">www.markel.com/privacy-policy</a>.</p>
<p><b>For Residents of MA and ME:</b> You may ask, in writing, for specific reason, for an adverse underwriting decision.</p>
<p><b>Markel Group of Companies Providing This Notice:</b> City National Insurance Company, Essentia Insurance Company, Evanston Insurance Company, FirstComp Insurance Company, Independent Specialty Insurance Company, National Specialty Insurance Company, Markel Bermuda Limited, Markel American Insurance Company, Markel Global Reinsurance Company, Markel Insurance Company, Markel International Insurance Company Limited, Markel Service, Incorporated, Markel West, Inc. (d/b/a in CA as Markel West Insurance Services), Pinnacle National Insurance Company, State National Insurance Company, Inc., Superior Specialty Insurance Company, SureTec Agency Services, Inc. (d/b/a in CA as SureTec Agency Insurance Services), SureTec Indemnity Company, SureTec Insurance Company, United Specialty Insurance Company, Inc.</p>



## MARKEL AMERICAN INSURANCE COMPANY

### U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <https://www.treasury.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



**COMPANY SPONSORED LIFE INSURANCE AGENTS  
 PROFESSIONAL LIABILITY MASTER POLICY DECLARATION**

THIS IS A CLAIMS MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS AND PROVISIONS, THIS POLICY ONLY AFFORDS COVERAGE FOR CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER IN WRITING DURING THE CERTIFICATE PERIOD AS SHOWN IN THE CERTIFICATE OF INSURANCE OR EXTENDED REPORTING DISCOVERY PERIOD, IF APPLICABLE.

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

MASTER POLICY NUMBER.: MKLM7PLCA00138

RENEWAL OF MASTER POLICY: MKLM7PLCA00118

**Sponsoring Company Master Policy Holder** and Mailing Address (No., Street, Town or City, County, State, Zip Code)

**NATIONAL LIFE HOLDING COMPANY (AFFILIATED PROGRAM), MEMBERS OF THE FINANCIAL SALES PROFESSIONALS PURCHASING GROUP;  
 ONE NATIONAL DRIVE;  
 MONTPELIER, VT 05604**

**AGENTS, REGISTERED REPRESENTATIVES AND INVESTMENT ADVISOR REPRESENTATIVES ARE MEMBERS OF THE FINANCIAL SALES PROFESSIONALS PURCHASING GROUP**

Policy Period: From 05/01/2026 to 05/01/2027 at 12:01 A.M. Standard Time at the mailing address shown above.

<b>Retroactive Date</b>	
Retroactive Date:	The Policy inception date will apply unless noted otherwise within the definition of Retroactive Date contained in the policy.

<b>Limit Of Liability</b>	<b>Deductible</b>
<b>AGENT:</b> \$1,000,000 EACH CLAIM \$2,000,000 AGGREGATE EACH AGENT -or- \$2,000,000 EACH CLAIM \$2,000,000 AGGREGATE EACH AGENT -or- \$3,000,000 EACH CLAIM \$3,000,000 AGGREGATE EACH AGENT  <b>GENERAL AGENT:</b> \$3,000,000 EACH CLAIM \$5,000,000 AGGREGATE EACH GENERAL AGENT  <b>EMPLOYMENT PRACTICES COVERAGE (GENERAL AGENT ONLY):</b> \$250,000 EACH CLAIM \$250,000 AGGREGATE EACH GENERAL AGENT	<b>\$500 EACH CLAIM EACH AGENT FOR THE PRODUCTS OF NATIONAL LIFE GROUP</b>  <b>\$2,500 EACH CLAIM EACH AGENT FOR ALL OTHER COVERED PRODUCTS</b>  <b>\$5,000 EACH CLAIM EACH GENERAL AGENT FOR EMPLOYMENT PRACTICES COVERAGE</b>  <b>\$75,000 EACH CLAIM FOR THE BROKER/DEALER ENTITY (EQUITY SERVICES, INC.)</b>

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**BROKER/DEALER: EQUITY SERVICES, INC.:**

**\$1,000,000 EACH CLAIM**

**\$5,000,000 AGGREGATE**

**SEE INDIVIDUAL CERTIFICATE OF INSURANCE**

**SEE INDIVIDUAL CERTIFICATE OF INSURANCE**

## Endorsements

Forms and Endorsements applying to and made part of this Policy at time of issue:

**POLICY JACKET**

**NOTICE TO POLICYHOLDERS – NOTICES AND CLAIM REPORTING**

**PRIVACY NOTICE**

**U.S. TREASURY DEPARTMENT’S OFFICE OF FOREIGN ASSETS CONTROL (“OFAC”) ADVISORY NOTICE TO POLICYHOLDERS**

**COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY MASTER POLICY DECLARATION**

**COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY**

**AGENTS AMENDATORY ENDORSEMENT**

**BROKER/DEALER SUPERVISORY AND DUE DILIGENCE LIABILITY ENDORSEMENT**

**CYBER MANAGEMENT COVERAGE ENDORSEMENT**

**SCHEDULE OF APPROVED DEFENSE COUNSEL ENDORSEMENT**

**MANAGING AGENT EMPLOYMENT PRACTICES COVERAGE ENDORSEMENT**

**FORMER AGENT COVERAGE EXTENSION ENDORSEMENT**

**LIBERALIZATION ENDORSEMENT**

**LIMITED SELLING AWAY COVERAGE ENDORSEMENT**

**SOCIAL ENGINEERING CLAIM COVERAGE ENDORSEMENT**

**SPECIFIC PRODUCT EXCLUSION ENDORSEMENT**

**TRADING ERROR OR COST OF CORRECTION ENDORSEMENT**

**VICARIOUS LIABILITY ENDORSEMENT**

**CRYPTO CURRENCY AND NFT EXCLUSION ENDORSEMENT**

**EXPANDED DISCRETIONARY AUTHORITY ENDORSEMENT**

**REGISTERED ADMINISTRATOR ENDORSEMENT**

**PREMIUM FINANCE EXCLUSION ENDORSEMENT**

**VERMONT AMENDATORY**

**TRADE OR ECONOMIC SANCTIONS**

**Producer Name and Mailing Address**

**BROWN & BROWN PROGRAM INSURANCE SERVICES, INC.,**

**DBA CALSURANCE ASSOCIATES**

**681 S. PARKER STREET, SUITE 300**

**ORANGE, CA 92868**

**These declarations, together with the completed and signed Application, the Policy and any Endorsement(s) attached hereto, shall constitute the contract between the Insurer and Insureds.**

Countersigned: \_\_\_\_\_

May 20, 2026

**DATE**

By: \_\_\_\_\_



**AUTHORIZED REPRESENTATIVE**



## MARKEL AMERICAN INSURANCE COMPANY

### COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

PLEASE READ THIS ENTIRE POLICY CAREFULLY. CONSULT YOUR BROKER OR OTHER REPRESENTATIVE IF YOU DO NOT UNDERSTAND ANY TERMS OR PROVISIONS OF THIS POLICY.

THIS IS A CLAIMS MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS AND PROVISIONS, THIS POLICY ONLY AFFORDS COVERAGE FOR CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER IN WRITING DURING THE CERTIFICATE PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

THIS POLICY PROVIDES INSURANCE TO THE AGENT OR MANAGING AGENT SHOWN IN THE CERTIFICATE OF INSURANCE SUBJECT TO THE MASTER POLICY DECLARATIONS ISSUED TO THE SPONSORING COMPANY.

WORDS OR PHRASES IN BOLD MAY HAVE SPECIAL MEANING. REFER TO SECTION IV – DEFINITIONS.

In consideration of the payment of premiums and in reliance upon the statements contained in the **Application**, which is incorporated into this Policy and forms a part hereof, and subject to the terms, limitations, conditions and exclusions of this Policy, the **Insurer** agrees as follows:

#### SECTION I – INSURING AGREEMENTS

##### A. Agents Professional Liability

The **Insurer** shall pay, on behalf of an **Agent**, **Damages** which an **Agent** becomes legally obligated to pay because of a **Claim** that is both made against an **Agent** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Wrongful Act** or **Interrelated Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by an **Agent**, provided:

1. Such **Wrongful Act** or any **Interrelated Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
2. As of the inception date of this Policy as shown in the Master Policy Declarations, or the effective date of the **Agent's** enrollment for coverage hereunder as shown in the Certificate Of Insurance, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Wrongful Act** or any **Interrelated Wrongful Act** could result in a **Claim**.

##### B. Managing Agents Management Liability

The **Insurer** shall pay, on behalf of a **Managing Agent**, **Damages** which a **Managing Agent** becomes legally obligated to pay because of a **Claim** that is both made against a **Managing Agent** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Management Wrongful Act** or **Interrelated Management Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by a **Managing Agent**, provided:

1. Such **Management Wrongful Act** or any **Interrelated Management Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
2. As of the inception date of this Policy as shown in the Master Policy Declarations, or the effective date of the **Managing Agent's** enrollment for coverage hereunder as shown in the Certificate Of Insurance, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Management Wrongful Act** or any **Interrelated Management Wrongful Act** could result in a **Claim**.

## C. Sponsoring Company Vicarious Liability

The **Insurer** shall pay on behalf of the **Sponsoring Company**, subject to the shared Limits of Liability, all sums in excess of the Deductible that the **Sponsoring Company** is legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim** first made against the **Sponsoring Company** and reported to the **Insurer** in writing during the **Policy Period**, or any applicable Extended Reporting Period of this Policy, provided that:

1. The liability of the **Sponsoring Company** arises solely out of:
  - a. the negligent act, error or omission of the **Insured** in the performance of or failure to perform **Professional Services**; or
  - b. a **Personal Injury** offense caused by the **Insured** in the rendering of or failure to render **Professional Services** and would otherwise be covered;
2. The Limits of Liability available to the **Sponsoring Company** for such **Claim** shall be shared with the Limits of Liability that are applicable to the **Insured**. Such Limits of Liability shall not be in addition to the **Insured's** Limits of Liability; and
3. The **Sponsoring Company** shall be subject to all of the terms, conditions, limitations and exclusions of the Policy to the same extent as the **Insured** and shall not be entitled to any rights greater than those available to the **Insured**;

## SECTION II – DEFENSE AND CLAIM EXPENSES

- A. The **Insurer** shall have the right and duty to defend a **Claim** against an **Insured** seeking **Damages** that is covered by this Policy.
- B. The **Insurer's** right and duty to defend a **Claim**, as well as all other obligations under this Policy, shall terminate when the applicable Limit Of Liability Each Claim is paid by the **Insurer** for **Damages**, regardless of whether a **Claim** continues to proceed against an **Insured**. The **Insurer's** rights and duties to defend all **Claims**, as well as all other obligations under this Policy, shall terminate upon payment of each **Insured** Aggregate Limit Of Liability for **Damages**. In the event that the Limits Of Liability are exhausted by the **Insurer's** payment of **Damages**, then the **Insurer** shall tender the defense to the **Insured**, who will be responsible for continued defense and payment of **Claim Expenses** without recourse to the Policy.
- C. The **Insurer** shall select defense counsel for a **Claim** that is covered by this Policy and pay associated **Claim Expenses**.
- D. In the event that applicable law allows the **Insured** to control selection of defense counsel when a conflict of interest arises between the **Insured** and **Insurer**, the **Insurer** will provide a list of attorneys or law firms from which the **Insured** may designate defense counsel who shall act solely in the interest of the **Insured**, and the **Insured** shall direct such defense counsel to cooperate with the **Insurer**. Such cooperation shall include, without limitation:
  1. Providing on a regular basis, but no less frequently than every 3 months, written reports on alleged **Damages**, potential liability, progress of any litigation or arbitration, any settlement demands and any investigation developments that materially affect the **Claim**;
  2. Providing any other reasonable information requested;
  3. Submission of itemized billing on a periodic basis at rates which are paid by the **Insurer** to other attorneys or law firms in the jurisdiction where the **Claim** is pending; and
  4. Cooperating with the **Insurer** in resolving any discrepancies with respect to the **Claim**.

## SECTION III – SETTLEMENT OF CLAIMS

The **Insurer** shall investigate and settle a **Claim** in a manner that it deems appropriate. The **Insurer** shall not settle or compromise a **Claim** without the written consent of an **Insured**. If the **Insured** refuses to consent to a settlement or compromise acceptable to the **Insurer**, then the **Insurer's** duty to defend the **Insured** shall cease as of the date of the **Insured's** refusal to consent. Thereafter, the limit of liability applicable to such **Insured** shall be reduced to an amount equal to the **Damages** for which the **Claim** could have been settled or compromised, which amount shall not exceed the applicable Each Claim or Aggregate Limits Of Liability.

## SECTION IV – DEFINITIONS

For purposes of this Policy, the terms in bold type shall have special meanings that are designated below. All other terms shall have those meanings commonly understood by professionals who are engaged in the business of insurance.

- A. **Agent** means an **Insured** person who:

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1. Maintains an agent, registered representative, or investment advisory representative contract or appointment with the **Sponsoring Company** or becomes party to a written contract or appointment with the **Sponsoring Company** during the **Policy Period**;
2. Has elected to enroll for coverage under this Policy, either at the inception date of the **Policy Period** or prior to the expiration date of the **Policy Period**, and whose enrollment is on file with Calsurance Associates, Inc.;
3. Is shown as such in a Certificate Of Insurance;
4. Has paid the applicable premium;
5. Is licensed by all necessary federal, state or local governmental authorities to render **Professional Services** where both the **Agent** and client are located; and
6. Is properly registered as a representative of the **Broker/Dealer** with the Financial Industry Regulatory Authority (FINRA), if required for the rendering of **Professional Services**.

An **Agent** shall not be provided with coverage under Section I – Insuring Agreement B. Managing Agents Management Liability, unless the **Agent** is also a **Managing Agent**.

**B. Application** means:

1. The application for this Policy and for any policy issued by the **Insurer**, or any of its affiliates, of which this Policy is a direct or indirect renewal or replacement;
2. Any attachment to any such application;
3. Any other materials submitted with or incorporated into any such application; and
4. Any documents submitted in connection with the underwriting of any such policy.

**C. Broker/Dealer** means a firm acting as “broker” or “dealer” in **Securities**, as those terms are defined in Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, and any amendments thereto, and which is:

1. Registered with the Securities and Exchange Commission (SEC);
2. A member of FINRA; and
3. A **Subsidiary** of the **Sponsoring Company**.

**D. Certificate Period** means the period of time from the inception date and time shown in the Certificate Of Insurance to the earlier of the expiration date and time shown in the Certificate Of Insurance or the effective date of the termination of this Policy.

**E. Claim** means a written demand received by an **Insured** for **Damages** (including pleadings received in a civil litigation or arbitration) because of an actual or alleged **Wrongful Act** or, with respect to Section I – Insuring Agreement B. Managing Agents Management Liability, an actual or alleged **Management Wrongful Act**. A **Claim** does not include the following:

1. A demand for declaratory, injunctive or other non-monetary relief;
2. Any form of criminal proceeding; or
3. Any proceeding commenced by a governmental or quasi-governmental official or agency or any self-regulatory official or agency, including, but not limited to, any disciplinary proceedings by such official or agency, except if the agency or official is a client of the **Insured** in connection with the rendering of **Professional Services**.

**F. Claim Expenses** means reasonable and necessary amounts incurred by the **Insurer**, or by the **Insured** with the prior written consent of the **Insurer**, in the defense of a **Claim** that is covered under this Policy, including attorneys’ fees, costs of investigation, court or arbitration costs and premiums for appeal, attachment or similar bonds. The **Insurer**, however, is not required to provide such bonds. **Claim Expenses** do not include the wages, salaries, fees or costs of the directors, officers, employees, representatives, in-house counsel, agents or servants of any **Insured**.

**G. Damages** means monetary judgments, settlements or awards resulting from a **Claim**. **Damages** also include punitive, exemplary or treble damages to the extent that such penalties are insurable under the laws of the jurisdiction where such damages were awarded. **Damages** do not include the following:

1. Taxes, fines or penalties, unless incurred by a claimant and made part of a **Claim** against an **Insured**;
2. The multiplied portion of a multiplied damage award;

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3. The return, restitution, reduction, compromise or refund of commissions, fees or charges;
4. Costs incurred as a result of non-monetary, declaratory or injunctive relief;
5. Any matters that are deemed uninsurable under the law; and
6. **Claim Expenses.**

## H. Insured means:

1. An **Agent** shown as such in a Certificate Of Insurance;
2. A **Managing Agent** shown as such in a Certificate Of Insurance;
3. A corporation, partnership or other business entity owned by and in which an **Agent** or **Managing Agent** has an ownership interest, or in which an **Agent** or **Managing Agent** is an employee, but solely with respect to the liability of such organization as it arises out of an **Agent** or **Managing Agent** rendering or failing to render **Professional Services**. Coverage hereunder shall not be afforded for any actual or alleged **Wrongful Act** or **Management Wrongful Act** of such organization, but shall only apply to a **Claim** arising out of the actual or alleged **Wrongful Act** of an **Agent** or the **Management Wrongful Act** of a **Managing Agent**.
4. A person acting on behalf of an **Agent** or **Managing Agent**, who was or is a partner, officer, director, stockholder or an employee of an **Agent** or **Managing Agent**, or the business entity of an **Agent** or **Managing Agent**, provided such person is not a party to an agent or general agent contract with any insurance company and only with respect to the **Professional Services** of an **Agent** or **Managing Agent**;
5. Heirs, executors, administrators or legal representatives of an **Agent** or **Managing Agent**, in the event of death, incapacity or bankruptcy; and
6. The **Sponsoring Company** shown as such in the Master Policy Declarations, but only with respect to coverage provided under Section I – Insuring Agreement C. Sponsoring Company Vicarious Liability.

I. **Insurer** means the insurance company providing this insurance shown in the Master Policy Declarations and Certificate Of Insurance.

J. **Interrelated Management Wrongful Acts** means any **Management Wrongful Acts** that are:

1. Similar, repeated or continuous; or
2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy or one or more series of causally or logically related facts, circumstances, situations, transactions, causalities, events, decisions or policies.

K. **Interrelated Wrongful Acts** means any **Wrongful Acts** that are:

1. Similar, repeated or continuous; or
2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy events, decisions or policies.

L. **Managing Agent** means an **Insured** person shown as such in a Certificate of Insurance who is contracted with the **Sponsoring Company** or **Broker/Dealer** as a managing general agent, registered principal, manager or other designation for recruiting, selecting, hiring, contracting, supervising or training of agents or registered representatives and who otherwise qualified as an **Agent**.

M. **Management Wrongful Act** means a negligent act, error or omission committed by a **Managing Agent** in the course of:

1. Recruiting, selecting, hiring, contracting, supervising or training an agent;
2. Terminating a contract or appointment between an agent and the **Managing Agent** or **Sponsoring Company** or **Broker/Dealer**;
3. Arising out of any discriminatory employment practices (including sexual harassment, where insurable by law) of the **Managing Agent** against an agent.

N. **Personal Injury Act** means libel, slander, defamation, disparagement or violation of a right to privacy committed unintentionally during the course of rendering **Professional Services**.

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- O. Policy Period** means the period of time from the inception date and time shown in the Master Policy Declarations to the earlier of the expiration date and time shown in the Master Policy Declarations or the effective date and time of the cancellation of this Policy.
- P. Professional Services** means:
1. The solicitation, sale or servicing of the following:
    - a. Life insurance, accident and health insurance, disability income insurance and annuities;
    - b. Variable insurance products, including, but not limited to, variable annuities, flexible and scheduled premium annuities and variable life insurance;
    - c. Employee benefit plans funded with those products listed herein in Subsections 1.a., b., d., e., f., g., and h.;
    - d. Mutual funds that are registered with the SEC and authorized or approved by and distributed through a broker or dealer that is a member of FINRA;
    - e. **Securities** (other than variable annuities, variable life insurance and mutual funds) that are authorized or approved by and actually processed through the **Broker/Dealer**;
    - f. Workers' compensation as part of a 24-hour accident and health insurance product;
    - g. Long term care insurance;
    - h. Long term care and cash management IRAs, transaction accounts or related products, provided such products are sold through a life insurance company, ESI, or ESI Financial Advisors;
    - i. Financial planning, advice and consultation solely in connection with any of the products listed in Subsection 1.a., b., d., e., g., and h.;
    - j. Investment advice by an **Associated Person** of a Registered Investment Adviser that is a **Subsidiary** of the **Sponsoring Company as approved**;
    - k. Notary public services; or
    - l. **Bookkeeping Services.** **Bookkeeping Services** means the issuance of compilation reports; reviews of unaudited financial statements; managing, advising or consulting with respect to improving business efficiency; providing advice on tax or accounting matters; acting as an enrolled agent, and the preparation of tax returns. However, **Bookkeeping Services** shall not include audit services.
  2. The consultation with participants in an employee benefit plan in order to explain the provisions of such plan and the handling of day-to-day ministerial functions required by such plan, including without limitation; enrollment, record keeping and filing reports with governmental agencies.
- Q. Retroactive Date** means:
1. With respect to a **Claim** against an **Agent** arising out of or based upon the rendering of or failing to render any **Professional Services** defined in Paragraph **P.** of the definition of **Professional Services** above, the earlier of the date of the **Agent's** first:
    - a. Continuously renewed life insurance agents professional liability coverage, which was in effect without interruption from the date of the **Wrongful Act** or first **Interrelated Wrongful Act** related to the **Claim** to the date when the **Claim** is first made, subject to submission of proof of such coverage to the **Insurer**; or
    - b. First uninterrupted and continuously effective agent contract or appointment with the **Sponsoring Company**.
  2. With respect to a **Claim** against a **Managing Agent** for a **Management Wrongful Act**, the date of the **Managing Agent's** first uninterrupted and continuously effective general agent, compliance officer, registered principal or manager contract with the **Sponsoring Company**.
- R. Securities** shall have the same meaning as the term used in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 or the Investment Advisors Act of 1940, and any amendments thereto.
- S. Sponsoring Company** means the insurance company or organization shown as such in the Master Policy Declarations, and any **Subsidiary**.
- T. Subsidiary** means a corporation in which the **Sponsoring Company**:

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1. Owns, as of the inception date of the **Policy Period**, more than 50% of the issued and outstanding voting stock either directly or indirectly through one of more **Subsidiaries** and which corporation is engaged in **Professional Services**; or
  2. Forms or acquires during the **Policy Period**, if the **Sponsoring Company** owns, directly or indirectly through one or more of its **Subsidiaries**, more than 50% of the issued and outstanding voting stock and which corporation is engaged in **Professional Services**, provided that notice of such formation or acquisition was disclosed to the **Insurer** within a reasonable time for it to consider any changes or modifications to this Policy which may be necessary, including, but not limited to, additional premium. Under no circumstances shall coverage be afforded to the newly acquired **Subsidiary** for a **Claim** arising out of or based upon a **Wrongful Act** committed prior to the date when the **Sponsoring Company** or one or more of its **Subsidiaries** acquired more than 50% of its issued and outstanding voting stock.
- U. Wrongful Act** means a negligent act or omission, including a **Personal Injury Act**, committed by an **Insured** in the rendering of or failing to render **Professional Services** to a client.

## SECTION V – EXCLUSIONS

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

- A.** For any actual or alleged sickness, disease, death or other bodily injury, or damage to or destruction of property, including loss of use thereof;
- B.** Made against any **Insured** or the **Sponsoring Company** by:
  1. Any **Insured**;
  2. Any **Sponsoring Company**;
  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 or appointment with the **Sponsoring Company**; or
  7. Any subsidiary or affiliate of the **Insured** or **Sponsoring Company**;

However, this Exclusion shall not apply to any **Claim** otherwise covered under Section I – Insuring Agreement **B. Managing Agents Management Liability**;

- C.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
  1. Any **Wrongful Act** or **Management Wrongful Act** alleged in any **Claim** which has been reported, or any circumstance of which notice has been given, prior to the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage, under any other policy; or
  2. Any other **Wrongful Act** or **Management Wrongful Act**, whenever occurring, which together with a **Wrongful Act** or **Management Wrongful Act** which has been the subject of such **Claim** or notice, would constitute **Interrelated Wrongful Acts** or **Interrelated Management Wrongful Acts**, regardless of the legal grounds upon which such **Claim** is predicated upon any:
    - a.** **Claim**, demand, suit, proceeding or investigation of which the **Insured** had knowledge, pending on or prior to the inception date of the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage hereunder; or
    - b.** Fact, matter, circumstance, situation, transaction or event underlying or alleged in such demand, suit, proceeding, **Claim** or investigation, regardless of the legal grounds upon which such **Claim** is predicated;
- D.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any:
  1. Actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute, by, at the direction of or with the knowledge of any **Insured**; or
  2. Gaining of profit, remuneration or monetary advantage to which an **Insured** is not legally entitled.

However, the **Insurer** shall continue to defend a **Claim** alleging any of the foregoing conduct until there is a judgment, final adjudication, adverse admission or finding of fact against any **Insured** as to such conduct, at which time the **Insured** shall reimburse the **Insurer** for the costs of defending the **Claim**. Moreover, an actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute of one **Agent** or **Managing Agent** will not be imputed to another **Agent** or **Managing Agent**;

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- E. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged conversion, commingling, use, handling, entrustment, safeguarding, inability to pay or failure to pay premiums, funds or any form of money;
- F. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged liability of others assumed by any **Insured** under an agreement, contract, guarantee or warranty unless the **Insured** would be liable in the absence of such agreement, contract, guarantee or warranty;
- G. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged rendering of services as an actuary, accountant, attorney, real estate agent, real estate broker, third-party claims administrator, property and casualty agent or broker, regardless of whether such services are incidental to the rendering of **Professional Services**; however, this exclusion shall not apply to tax advice provided to a client as a necessary part of rendering **Professional Services**;
- H. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged 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 or authorized to do business in the state or jurisdiction with authority to regulate such business; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement of insurance or coverage with an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;
- I. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged insolvency, receivership, conservatorship, liquidation, bankruptcy, failure or inability to pay of any company, organization, entity, vehicle or arrangement of any nature in which an **Insured** placed, recommended to be placed or obtained coverage or in which an **Insured** placed, recommended to be placed funds or an investment of any nature; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement, recommendation for placement or obtaining coverage with an insurance company rated by A.M Best's as B+ or better at the time when coverage is placed, recommended or obtained;
- J. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any pension plan, profit sharing plan, health and welfare or any other employee benefit plan or trust sponsored by an **Insured**, in which an **Insured** is a participant, trustee or named fiduciary;
- K. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any pension plan, profit sharing plan, health and welfare or any other employee benefit plan or trustor which are self-funded, in whole or in part;
- L. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any ownership, formation, operation or administration of any insurance company, captive, risk retention group, self-insurance program or purchasing group;
- M. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
  - 1. Unfair competition;
  - 2. Anti-competitive acts;
  - 3. Restraint of trade;
  - 4. Price fixing;
  - 5. Monopolization;
  - 6. Misuse of confidential or proprietary information;
  - 7. Copyright, patent, trade mark or trade secret infringement;
  - 8. Piracy, theft or conversion of ideas, employees, contacts or business methods; or
  - 9. Illegal, improper or deceptive advertisement;
- N. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged actual or alleged discrimination or harassment in any form or manner;
- O. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any failure, malfunction or breakdown of any computers, electrical, electronic or mechanical systems or machines;

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- P. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged notarization of documents without authorization or without the signatory's actual presence before an **Insured**;
- Q. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged guarantee, promise or warranty as to interest rates, market values, earnings, future values or future premiums or payments in connection with variable life insurance, variable annuities, scheduled premium annuities, mutual funds or **Securities**;
- R. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any **Securities** (other than variable life insurance, variable annuities and mutual funds) that were not authorized or approved by and actually processed through the **Broker/Dealer**;
- S. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any function of an **Insured** as a specialist or market maker for any **Securities**, an **Insured** failing to make a market for any **Securities**, or the purchase, sale or failure to sell **Securities** when the **Insured** is a specialist or market maker for such **Securities**;
- T. Arising out of the Insured's activities in exercising discretionary authority, management or control over a customer's account; however, this exclusion shall not apply to an Associated Person of a Registered Investment Adviser that is a Subsidiary of the Sponsoring Company who has been approved by the Sponsoring Company to exercise discretionary authority for:
  - 1. rebalancing a portfolio that is in variance, bringing it back into alignment with the original allocation or replacing a holding with a like holding that has the same risk profile (as defined by Envestnet); or
  - 2. transactions that are part of the ESI Compass program through Envestnet.
- U. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
  - 1. Promissory notes, viatical or life settlements, or any **Securities** backed by either viatical or life settlements; however this exclusion shall not apply to promissory notes that were authorized or approved by ESI;
  - 2. Commodities, commodity futures and option contracts, except for option contracts that were authorized or approved by ESI or processed through ESI or ESI Financial Advisors; covered call option contracts; or auction rate securities;
  - 3. Any "junk bonds" or "high yield bonds" (for 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 bonds of Ba or lower or S&P bonds of BB or lower);
  - 4. Any **Securities** sold exclusively outside of the United States of America or Canada;
  - 5. Actual, attempted or threatened mergers, acquisitions, divestitures, tender offers, proxy contests, leveraged buy-outs, going private transactions, reorganizations, capital restructuring, recapitalization, fairness opinions, spin-offs, primary or secondary offerings of **Securities** (regardless of whether the offering is a public offering or a private placement) or other efforts to raise or furnish capital or financing for any company, corporation, enterprise or entity or disclosure requirements in connection with any of the foregoing, as well as any other investment banking activities;
  - 6. Structured settlements; however, this exclusion shall not apply to a **Claim** arising out of or based upon the sale or servicing of the underlying product, if otherwise covered by this Policy; and
  - 7. Any **Securities** that are wholly or partially owned by any **Insured**;
- V. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving actual or alleged use or disclosure, aiding or abetting use or disclosure or participation after the fact in use or disclosure of non-public or insider information as prohibited by any federal, state or local laws, statutes, regulations or ordinances, including but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) of the Securities Exchange Act of 1934 and Securities Exchange Commission Rule 10b-5 thereunder;
- W. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving, actual or alleged advice, consultation or recommendations of any type of mortgage, including, but not limited to, a reverse mortgage, regardless of whether an incidental part of the rendering of **Professional Services**; however, this exclusion shall not apply to:
  - 1. financial planning advice related to reverse mortgages but only if the proceeds of any reverse mortgage are not later invested through the registered representative; or

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- a registered representative's investment of a client's liquefied home equity pursuant to and in accordance with the policies and procedures of ESI;

## SECTION VI – TERRITORY

This insurance applies to **Wrongful Acts** or **Management Wrongful Acts** committed anywhere in the world, provided that the **Claim** is made against an **Insured** in the United States of America, its territories or possessions, Puerto Rico or Canada.

## SECTION VII – LIMITS OF LIABILITY

### A. Limit Of Liability Each Claim:

Subject to Paragraph **B.** below, the limit of the **Insurer's** liability for **Damages** for a **Claim** made against an **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or Extended Reporting Period, if applicable, shall not exceed the Limit Of Liability Each Claim shown in the Certificate Of Insurance.

The Limit Of Liability Each Claim does not include **Claim Expenses**. However, the payment of **Claims Expenses** in excess of the deductible shall be subjected to a separate maximum additional Limit of Liability of \$1,000,000 Each Claim Each **Insured Agent** or **Sponsoring Company**. The **Insurer's** obligations under this Policy as to a **Claim** against an **Insured**, including the duty to defend and pay **Claim Expenses**, shall cease after the applicable Limit Of Liability Each Claim has been paid by the **Insurer** for **Damages**. The inclusion of multiple **Insureds** in a **Claim** shall not increase the applicable Limit Of Liability Each Claim. Only one Limit Of Liability Each Claim shall apply to such a **Claim**.

The Limit Of Liability Each Claim applicable to a **Claim** involving multiple **Insureds** shall be the single largest such Limit Of Liability, in the event that different Limits Of Liability Each Claim are implicated.

### B. Limit Of Liability Aggregate:

The Limit Of Liability for **Damages** for all **Claims** made against an **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or Extended Reporting Period, if applicable, shall not exceed the Limit Of Liability Aggregate shown in the Certificate Of Insurance.

The Limit Of Liability does not include **Claim Expenses**. However, the payment of **Claims Expenses** shall be subjected to a maximum additional Limit of Liability Aggregate of \$1,000,000 Each **Insured Agent** or **Sponsoring Company**. The **Insurer's** obligations under this Policy as to all **Claims** against an **Insured**, including the duty to defend and pay **Claim Expenses**, shall cease after the applicable Limit Of Liability Aggregate has been paid by the **Insurer** for **Damages**.

If multiple **Insureds** are implicated in a **Claim**, the Limit Of Liability Aggregate shown in the **Certificate of Insurance** for each implicated **Insured** shall be decreased in equal amounts.

### C. Limits Of Liability Applicable To The Sponsoring Company:

The Limits Of Liability available to the **Sponsoring Company** for a **Claim** against the **Sponsoring Company** that is covered under Section **I** – Insuring Agreement **C.** Sponsoring Company Vicarious Liability, as well as other terms, limitations, exclusions and conditions of the Policy, shall be shared with and not in addition to the Limits Of Liability applicable to the **Agent** implicated by the **Claim**. As with all other **Insureds**, all of the **Insurer's** obligations as to the **Sponsoring Company**, including those pertaining to its defense, shall cease after the applicable Limits Of Liability are paid by the **Insurer** for **Damages**.

## SECTION VIII – DEDUCTIBLE

- The Deductible shown in the Certificate Of Insurance shall apply to **Damages**, if any, that are incurred in each **Claim**. The **Insured** must pay the Deductible to the **Insurer** at the time of settlement.

- If multiple **Insureds** are implicated in a **Claim**, then only one Deductible shall apply to the **Damages** that may be incurred in such **Claim**. Such Deductible shall be the largest, in the event that different Deductibles are implicated by a **Claim**. The **Sponsoring Company** must pay the Deductible to the **Insurer** at the time of settlement.

## SECTION IX – MULTIPLE CLAIMS

- All **Claims** based upon or arising out of the same **Wrongful Act, Interrelated Wrongful Acts, Management Wrongful Act, or Interrelated Management Wrongful Acts**, shall be considered a single **Claim** and each such single **Claim** shall be deemed to have been made on the earlier of the following:

1. When the earliest **Claim** arising out of such **Wrongful Act, Interrelated Wrongful Acts, Management Wrongful Act, or Interrelated Management Wrongful Acts** was first made; or

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2. When notice was provided concerning a **Wrongful Act, Interrelated Wrongful Acts, Management Wrongful Act, or Interrelated Management Wrongful Acts** giving rise to such **Claim** under the Policy or any other policy; regardless of whether before the **Policy Period** or the term of any preceding policy.

B. Such single **Claim** shall be subject to one Limit Of Liability Each Claim and one Deductible, even if involving multiple claimants, **Insureds** or proceedings.

## SECTION X – NOTICE OF CLAIM

A. As a condition precedent to the obligations of the **Insurer** under this Policy, an **Insured** shall give the **Insurer** written notice of a **Claim** made against the **Insured** as soon as practicable, but in no event later than either:

1. The end of the **Policy Period**, or Extended Reporting Period, if applicable;
2. 60 days after the end of the **Policy Period**, or Extended Reporting Period, if applicable; or
3. Notwithstanding the requirements of 1. and 2. above, if continuous coverage is in effect pursuant to consecutive policies issued by the **Insurer**, a **Claim** may be reported to the **Insurer** in writing, as soon as practicable, during the policy period consecutive to and immediately following this **Policy Period** without constituting a violation of this provision. In such condition, the **Claim** will be deemed reported on the last day of the **Policy Period**.

B. Written notice of a **Claim** shall be addressed to the **Insurer**.

C. A **Claim** shall be deemed reported at the time when the **Insurer** receives written notice.

D. The **Insured** shall provide the **Insurer** with copies of all documents received by the **Insured** concerning a **Claim**, including, but not limited to, a summons, complaint, statement of claim or any other papers served in a civil litigation or arbitration. In addition, the **Insured** shall provide the **Insurer** with the following:

1. The name of the claimant;
2. The name of each **Insured** involved in the **Claim**;
3. A detailed description of the **Wrongful Act** or **Management Wrongful Act** giving rise to the **Claim**;
4. The **Damages** that may result from the **Claim**; and
5. The circumstances by which the **Insured** became aware of the **Claim**.

## SECTION XI – NOTICE OF A WRONGFUL ACT OR MANAGEMENT WRONGFUL ACT

A. An **Insured** may provide the **Insurer** with written notice of a **Wrongful Act** or **Management Wrongful Act** committed during the **Certificate Period** which reasonably may be expected to give rise to a **Claim** as soon as practicable after the **Wrongful Act** or **Management Wrongful Act** becomes known to the **Insured**. Such notice may not be provided after the **Certificate Period** expires, nor during any Extended Reporting Period.

B. The **Insured** shall provide the **Insurer** with the following concerning any such **Wrongful Act** or **Management Wrongful Act**:

1. The name of the potential claimant;
2. The name of each **Insured** allegedly responsible for such **Wrongful Act** or **Management Wrongful Act**;
3. A detailed description of the fact, allegation, circumstance or situation that could result in a **Claim**;
4. The **Damages** that may result from the **Wrongful Act** or **Management Wrongful Act**;
5. The circumstances by which the **Insured** became aware of the **Wrongful Act** or **Management Wrongful Act**; and
6. The reasons for anticipating a **Claim**.

C. A **Claim** arising from a **Wrongful Act** or **Management Wrongful Act** and reported in accordance with Paragraphs A. and B. above shall be deemed to have been first reported when the **Insurer** receives written notice of the **Wrongful Act** or **Management Wrongful Act**.

D. Such written notice of a **Wrongful Act** or **Management Wrongful Act** which reasonably may be expected to give rise to a **Claim** must be given to the **Insurer**.

## SECTION XII – ASSISTANCE AND COOPERATION

- A. The **Insured** shall cooperate with the **Insurer** and provide such assistance and information as the **Insurer** may reasonably request, including submission to examination and interrogation by a representative of the **Insurer**, under oath if required. The **Insured** shall assist with the defense of a **Claim** and shall attend hearings, depositions, trials and otherwise assist in the conduct of suits, including but not limited to effecting settlement, securing evidence and giving evidence, obtaining the attendance of witnesses, and giving written statements to the **Insurer's** representatives.
- B. The **Insured** shall not take any action which may increase exposure or **Damages**. The **Insured** shall not admit liability, agree to settlement, mediation or arbitration of any **Claim** or incur any cost or expense without the written consent of the **Insurer** which shall not be unreasonably withheld.
- C. If any **Insured** shall commit fraud in reporting any **Claim**, the insurance provided by this Policy shall be void from the date such fraudulent **Claim** is reported to the **Insurer**.

## SECTION XIII – EXTENDED REPORTING PERIODS

### A. Optional Group Extended Reporting Period

- 1. In the event of cancellation or non-renewal of this Policy by the **Insurer**, the **Sponsoring Company**, on behalf of the **Insureds**, shall have the right to purchase an Extended Reporting Period for payment of an additional premium equal to 200% of the total annual premium paid for the Policy. Such an Extended Reporting Period, if purchased, shall be for 3 years commencing on the date of cancellation or non-renewal and ending 36 months thereafter. During this Extended Reporting Period, if purchased, the **Insureds** may report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the date of cancellation or non-renewal. A **Claim** reported under the Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period.
- 2. Notwithstanding any of the provisions of this Policy, the Extended Reporting Period provided herein shall not apply if an **Insured** has other insurance that applies to a **Claim**, in whole or in part.
- 3. The Extended Reporting Period provided herein shall not apply if the **Sponsoring Company** terminates the Policy as provided for in Section **XIV** – Termination Of Coverage below or decides not to renew this Policy.
- 4. The Extended Reporting Period provided herein shall not reinstate, increase or affect the applicable Limits Of Liability nor extend the **Policy Period**.
- 5. The Extended Reporting Period provided herein shall include, and not be in addition to, the Extended Reporting Periods provided by Paragraph **B.** below.

### B. Automatic Agent Or Managing Agent Extended Reporting Period

- 1. Upon termination of an **Agent's** or **Managing Agent's** coverage under this Policy for the reason stated in Paragraph **A.1.c** of Section **XIV** – Termination Of Coverage below, such an **Insured** shall have an automatic Extended Reporting Period of two years for products of the Sponsoring Company and six months for other companies products, commencing on the date of the **Insured's** termination to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** termination. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period.
- 2. Notwithstanding any other provision of this Policy, the Extended Reporting Period provided herein shall not apply if an **Agent** or **Managing Agent** has other insurance that applies to a **Claim**, in whole or in part.
- 3. The Extended Reporting Period provided herein shall not apply if the **Sponsoring Company** or **Broker/Dealer** terminates an individual **Agent's** or **Managing Agent's** contract or appointment for cause, however, coverage shall be limited to a six (6) month Extended Reporting Period
- 4. The Extended Reporting Period provided herein shall not reinstate, increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.
- 5. A **Claim** which is properly reported during this Extended Reporting Period will be deemed to have been first made on the last day of the **Certificate Period**.

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## C. Automatic Agent Or Managing Agent Extended Reporting Period Due To Disability, Retirement Or Death

1. If an **Agent** or **Managing Agent** becomes disabled, retires from the business of providing **Professional Services** in accordance with the formal retirement procedures of the **Sponsoring Company**, or dies, then such **Insured** or the estate of the deceased **Insured** shall have an automatic Extended Reporting Period of 2 years commencing on the date of the **Insured's** disability, retirement or death and ending 24 months thereafter during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. This Extended Reporting Period will be increased to an unlimited amount of time for retired, disabled, or deceased agents as long as the National Life Group E&O program continues to be renewed by Markel American Insurance Company.
2. Notwithstanding any other provision of this Policy, the Extended Reporting Period provided herein shall not apply if an individual **Insured** or the estate of a deceased **Insured** has other insurance that applies to a **Claim**, in whole or in part.
3. The Extended Reporting Period provided herein shall not reinstate, increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.
4. A **Claim** which is properly reported during this Extended Reporting Period will be deemed to have been first made on the last day of the **Certificate Period**.

## D. Optional Agent Or Managing Agent Extended Reporting Period Due To Disability, Retirement Or Death

1. If an **Agent** or **Managing Agent** becomes disabled or retires from the business of providing **Professional Services** in accordance with the formal retirement procedures of the **Sponsoring Company**, or dies, then such **Insured** or the estate of the deceased **Insured** may elect to purchase one of the following Optional Extended Reporting Periods:
  - a. 3 years commencing on the date of the **Insured's** disability, retirement or death and ending 36 months thereafter during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 200% of the **Insured's** last annual premium, and must be paid within 60 days after termination of such **Agent's** contract or appointment with the **Sponsoring Company** because of disability, retirement or death.
  - b. 5 years commencing on the date of the **Insured's** disability, retirement or death and ending 60 months thereafter during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 300% of the **Insured's** last annual premium, and must be paid within 60 days after termination of such **Agent's** contract or appointment with the **Sponsoring Company** because of disability, retirement or death.
  - c. An unlimited amount of time commencing on the date of the **Insured's** disability, retirement or death during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 400% of the **Insured's** last annual premium, and must be paid within 60 days after termination of such **Agent's** contract or appointment with the **Sponsoring Company** because of disability, retirement or death.
2. Notwithstanding any other provision of this Policy, the Extended Reporting Period provided herein shall not apply if an individual **Insured** or the estate of a deceased **Insured** has other insurance that applies to a **Claim**, in whole or in part.

# Specimen Policy

3. The Extended Reporting Period provided herein shall not reinstate, increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.
4. A **Claim** which is properly reported during this Extended Reporting Period will be deemed to have been first made on the last day of the **Certificate Period**.

## SECTION XIV – TERMINATION OF COVERAGE

### A. Applicable To Agent Or Managing Agent

1. The coverage afforded by this Policy shall terminate upon the earlier of:
  - a. The expiration date of the **Policy Period**;
  - b. Cancellation as provided by Paragraph **C.** below; or
  - c. The termination of **Agent** or **Managing Agent's** contract or appointment with the **Sponsoring Company** or **Broker/Dealer** to render **Professional Services**.
2. The **Agent** or **Managing Agent** may terminate participation in this Policy by sending written notice to the following with the effective date of termination being not less than 30 days thereafter:

Calsurance Associates  
A Division of Brown & Brown Program Insurance Services, Inc.  
681 S. Parker St. Suite 300  
Orange, CA 92868  
Email: [info@calsurance.com](mailto:info@calsurance.com)  
Fax: 800-607-6875

### B. Applicable To Sponsoring Company

1. The coverage afforded by this Policy shall terminate upon the earlier of:
  - a. The expiration date of the **Policy Period**; or
  - b. Cancellation as provided by Paragraph **C.** below.
2. The **Sponsoring Company** may terminate the Policy by sending written notice to the **Insurer** with the effective date of termination being not less than 30 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Sponsoring Company** terminates the Policy, the **Insurer** shall be deemed to have fully earned the premium for the Policy.

### C. Applicable To Insurer

1. This Policy may be terminated by the **Insurer**, for other than failure to pay a premium when due, by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 60 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Insurer** terminates the Policy, the **Sponsoring Company** shall receive a return of premium to be computed on a short rate basis proportional to the length of time from the inception date of the **Policy Period** to the termination date.
2. This Policy may be cancelled by the **Insurer** because of failure to pay a premium when due by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 10 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice.

Nothing contained herein shall limit, abrogate or negate the rights of the **Insurer** under law and equity to declare that the Policy is void based on material misrepresentations or omissions contained in the **Application**.

## SECTION XV – OTHER INSURANCE

- A. If any **Insured** has other insurance for a **Claim** made and reported during the **Policy Period**, or as allowed by Section **X** – Notice Of Claim, or Extended Reporting Period, if applicable, then this Policy shall be excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
- B. The foregoing shall not apply if such other insurance is specifically intended to be excess over the coverage afforded by this Policy.

# Specimen Policy

- C. If a **Claim** is covered by this Policy and another policy issued by the **Insurer** or any company or entity affiliated with the **Insurer**, regardless of the **Insured** included in a **Claim**, then a single Limit Of Liability and single Deductible shall apply under both policies to the **Claim**. The single Limit Of Liability applicable to the **Claim** shall be the largest such Limit Of Liability under the policies. The Deductible applicable to the **Claim** shall likewise be the largest under the policies.

## SECTION XVI – SUBROGATION

- A. In the event that the **Insurer** pays **Damages** or **Claim Expenses** on behalf of any **Insured**, the **Insurer** shall be subrogated to all of the **Insured's** rights of recovery, contribution, indemnification and apportionment against any third party implicated in a **Claim**. The **Insured** shall do nothing before or after the **Insurer's** payment of **Damages** or **Claim Expenses** that would waive, prejudice or impair the **Insurer's** subrogated rights of recovery, contribution, indemnification or apportionment.
- B. The **Insured** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of recovery, contribution, indemnification or apportionment which the **Insured** may have, including the execution of such documents as are necessary to enable the **Insurer** to commence proceedings in any **Insured's** name. The **Insured** shall provide all other assistance and cooperation which the **Insurer** may reasonably require.

## SECTION XVII – OTHER PROVISIONS

### A. Entire Agreement

The terms and provisions of this Policy shall not be waived, changed or modified, unless by endorsement. Notices to, by or from any agent, representative or servant of any **Insured** or the **Insurer** shall not affect a waiver, change or modification of the Policy and shall not prevent the **Insurer** from asserting any rights under the Policy.

### B. Assignment

This Policy and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

### C. Authorization

By acceptance of this Policy, the **Sponsoring Company** agrees to act on behalf of the **Insureds** for all purposes including but not limited to the negotiation of the terms of the Policy, payment of or return of premiums, receipt and acceptance of any endorsement issued to form a part of the Policy and giving and receiving notice of cancellation, termination or non-renewal of the Policy.

### D. Action Against The Insurer

1. No action shall be taken against the **Insurer** unless, as a condition precedent thereto, an **Insured** has fully complied with all the terms and provisions of this Policy. In addition, no action shall be taken against the **Insurer** until the amount of an **Insured's** obligation or liability to a third party has been finally determined by an award or judgment against an **Insured** in an actual adjudicatory proceeding.
2. No person, organization or entity shall have the right under this Policy to join any **Insured** in any action or proceeding against an **Insurer** to determine the **Insurer's** liability nor shall the **Insurer** be impleaded in an action or proceeding by any **Insured** or the legal representative of such **Insured**.

### E. Bankruptcy

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the **Insurer** of any of its obligations hereunder.

### F. Conformance to Statute

Terms of this Policy which are in conflict with the statutes of the State wherein this Policy is issued are hereby amended to conform to such statutes.

### G. Headings

The descriptions in the headings and any subheading of this Policy (including any titles given to any endorsement attached hereto) are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### AGENTS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed that the following is added to Section IV. DEFINITIONS:

**Associated Person** shall have the same meaning as the term affiliated person or person associated with an investment advisor as those terms are defined in the Investment Company Act of 1940, the Investment Advisers Act of 1940, or any similar state statutes or regulations.

**Multiple Employer Welfare Arrangements** shall have the same meaning as the term used by the Employee Retirement Income Security Act of 1974, and any amendments thereto. However, **Multiple Employer Welfare Arrangements** shall not include placement of coverage where the direct contract for providing benefits is between the recipient of the benefit and an insurance company (i) recognized as an admitted carrier by the insurance regulatory agency in the applicable state or jurisdiction and (ii) appropriately licensed to provide the coverage in the state or jurisdiction where the coverage is in force.

Furthermore, the following is added to Section V. EXCLUSIONS:

**A Multiple Employer Welfare Arrangement;**

Provided however, this Exclusion does not apply if:

1. Such plan was funded in whole or in part by coverage issued by National Life Group or was administered through NRPA (National Retirement Plan Advisors, Inc.) or Pentegra Retirement Services; or
2. The **Agent** is a National Life Career Agent with a minimum of 15 years of service.

Furthermore, it is agreed that Section V. EXCLUSIONS, K. is deleted in its entirety.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### CYBER MANAGEMENT COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

#### SCHEDULE

Cyber Management Limits Of Liability:	\$100,000	Each Claim
	\$100,000	Agent Aggregate
	\$1,000,000	Coverage Aggregate
Cyber Management Deductible:	\$5,000	

A. The following is added to Section I – Insuring Agreements:

#### Cyber Management

1. The **Insurer** shall pay, on behalf of the **Agent**:

- a. **Cyber Management Expenses** incurred by an **Agent** with the **Insurer's** prior written consent that are a direct result of a **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations**, provided the **Cyber Management Expenses** are reported to the **Insurer** during the **Certificate Period**, or as allowed by Section X – Notice of Claim, or during an Extended Reporting Period, if applicable;
- b. **Damages** and **Claim Expenses** which an **Agent** shall become legally obligated to pay because of actual monetary loss by the **Agent's** client as the direct result of a **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations**, provided a **Claim** is both made against the **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section X – Notice of Claim, or during an Extended Reporting Period, if applicable; and
- c. **Credit Monitoring Costs** incurred by an **Agent** with the **Insurer's** prior written consent that are the direct result of a **Network Security Breach** or **Privacy Violation** that directly results in theft or unauthorized copying of **Personal Information** and may reasonably be expected to result in **Identity Theft**, provided the **Credit Monitoring Costs** are reported to the **Insurer** during the **Certificate Period**, or as allowed by Section X – Notice of Claim, or during an Extended Reporting Period, if applicable.

2. This **Cyber Management** coverage applies only if:

- a. Such **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
- b. As of the inception date of this Policy as shown in the Master Policy Declarations, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations** could result in **Cyber Management Expenses, Damages, Credit Monitoring Costs** or any loss that may be sustained by a client.

# Specimen Policy

B. For the purpose of this endorsement, the following definitions in Section IV – Definitions are amended:

F. **Claim Expenses** do not include **Cyber Management Expenses** or **Credit Monitoring Costs**.

U. **Wrongful Act** also means **Network Security Breach**, **Privacy Violation** or any **Interrelated Breaches/Violations** of an **Agent**, but only with respect to **Cyber Management** coverage.

C. For the purpose of this endorsement, the following definitions are added to Section IV – Definitions:

**Agent's Computer System** means any computer hardware, software or firmware, and components thereof including data stored thereon, that is owned or leased by an **Agent** and is under the direct operational control of an **Agent**.

**Credit Monitoring Costs** means the costs for retaining a third party service provider approved by the **Insurer** and with the **Agent's** prior written consent to provide **Credit Monitoring Services** to those individuals who were victims of theft or unauthorized copying of **Personal Information**.

**Credit Monitoring Services** means the services that allow individuals to access and review their credit reports to determine if **Identity Theft** has occurred.

**Cyber Management Expenses** means necessary and reasonable expenses to hire an attorney, selected from the **Insurer's** panel counsel, to determine whether any breach notice laws apply and the obligations of any such applicable laws including the drafting of letters to satisfy the applicable law, including the cost to notify those effected by the **Network Security Breach** or **Privacy Violation**, or to provide **Credit Monitoring Services** to the **Agent's** clients. **Cyber Management Expenses** shall also include approved expenses incurred by the **Agent** to respond to a regulatory action commenced or pending solely against the **Agent** and not involving the **Sponsoring Company**, and the hiring of a public relations firm to communicate with the **Agent's** clients in order to mitigate the reputational damage of the **Agent** directly resulting from a **Network Security Breach** or **Privacy Violation**.

**Identity Theft** means the theft or unauthorized copying of **Personal Information** of a client of the **Agent**, and use of such **Personal Information** to open new financial accounts for the purpose of fraudulently impersonating such individual, including without limitation, payment card accounts, bank accounts, loan accounts, health insurance accounts and insurance accounts.

**Interrelated Breaches/Violations** means **Network Security Breaches** and/or **Privacy Violations** that are:

1. Similar, repeated or continuous; or
2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy or one or more series of causally or logically related facts, circumstances, situations, transactions, causalities, events, decisions or policies.

**Network Security Breach** means:

1. The actual failure and inability to prevent:
  - a. Unauthorized access to or unauthorized use of **Personal Information** stored in the **Agent's Computer System**; or
  - b. The theft or unauthorized copying of **Personal Information** on the **Agent's Computer System**; or
2. The actual failure and inability to prevent the theft of **Personal Information** as a result of the physical theft by a person other than an **Insured** of the **Agent's Computer System** from premises occupied and controlled by the **Agent**.

**Personal Information** means:

1. The name of an **Agent's** client in combination with any one or more of the following:
  - a. Social security number;
  - b. Driver's license number or any other state identification number;
  - c. Medical or healthcare data, including protected health information; or
  - d. Any financial account number, credit or debit card number in combination with any required password, access code or other security code that would permit access to the financial account;not including any lawfully available data accessible by the general public; or
2. Non-public personal information as defined in any **Privacy Regulation**.

# Specimen Policy

**Privacy Regulation** means those parts of the following statutes or regulations regulating the use and protection of non-public personal information (as defined in such statutes or regulations):

1. Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the rules and regulations promulgated thereunder, as amended;
2. Gramm-Leach Bliley Act of 1999 (GLBA) and the rules and regulations promulgated thereunder, as amended;
3. Consumer protection and unfair and deceptive trade practice laws enforced by state Attorneys General or the Federal Trade Commission, including but not limited to, Section 5(a) of the FTC Act 15;
4. Security breach notification laws that require notice to individuals of the actual or potential theft of their non-public personal information, including but not limited to, the California Security Breach Notification Act of 2003 (CA SB 1386); or
5. Other state, federal or foreign privacy laws requiring reasonable security for non-public personal information, or a privacy policy limiting the sale, disclosure or sharing of non-public personal information or providing individuals with the right to access or correct non-public personal information.

**Privacy Violation** means any:

1. Theft of **Personal Information** while in the care, custody or control of an **Agent**; or
2. Violation of a **Privacy Regulation**.

**D.** For the purposes of this endorsement, the following are added to Section **V** – Exclusions:

This Policy shall not apply to, and the **Insurer** shall pay neither **Cyber Management Expenses, Credit Monitoring Costs, Damages** nor **Claim Expenses**:

1. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
  - a. Costs or expenses for the reprinting, reposting, recall, removal or disposal of any online content or any other information, content or media, including any media or products containing such online content, information, content or media;
  - b. Wear and tear or gradual deterioration of any data saved on an **Agent's Computer System**;
  - c. Costs or expenses incurred by any **Insured** or others:
    - (1) To recall, repair, withdraw, replace, upgrade, supplement or remove the **Agent's** online content, products or services from the marketplace, including but not limited to products or services which incorporate the **Agent's** online content, products or services; or
    - (2) For any loss of use by any **Insured** or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplement or removal;
  - d. Failure to use best efforts to install commercially available software product updates and releases, or to apply security related software patches, to the **Agent's Computer System**;
  - e. Seizure, confiscation, destruction or nationalization of **Agent's Computer System**; or any data accessed by or on behalf of any governmental or public authority;
  - f. Interruption, suspension, failure or outage of any component of the Internet, including without limitation, any hardware or software infrastructure supporting the Internet;
  - g. Fine or penalty arising out of any agreement by any **Insured** to comply with or follow the PCI Standard or any Payment Card Company rules, or to implement, maintain or comply with any security measure(s) or standards related to any payment card data;
  - h. Unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, pop-up or pop-under Internet advertising or fax-blasting, direct mailing or telemarketing, or actual or alleged violations of the Telephone Consumer Protection Act of 1991, as amended, the CAN-SPAM Act of 2003, as amended, and any other federal, foreign or state anti-spam statutes, or federal, foreign or state statute, law or regulation relating to a person's right to seclusion;

# Specimen Policy

- i. Unauthorized or illegal collection of **Personal Information**, including but not limited to the collection of **Personal Information** using cookies, spyware, or other malicious code, or the failure to provide adequate notice that **Personal Information** is being collected;
  - j. Liability of the **Sponsoring Company**; or
  - k. Data in the control of the **Sponsoring Company**;
2. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any Section 605 (requirements relating to information contained in consumer reports) or Section 616 (civil liability for willful noncompliance) of the Fair Credit Reporting Act, or any other similar federal, state or local laws or regulations, including but not limited to any laws or regulations requiring truncation of payment card numbers on, or the removal of the expiration date from, payment card receipts; or
  3. Covered in whole or in part under any other insurance.
- E. For purposes of this endorsement, the following is added to Section **VII** – Limits Of Liability:

## **Cyber Management Limits Of Liability**

The Cyber Management Limits Of Liability are subject to Paragraphs **A.** and **B.** of Section **VII** – Limits Of Liability.

Subject to the Cyber Management Limits Of Liability Agent Aggregate and Coverage Aggregate, the limit of the **Insurer's** liability for **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in each **Network Security Breach** or **Privacy Violation** reported by an **Agent** to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice of Claim, or Extended Reporting Period, if applicable, shall not exceed the Cyber Management Limit Of Liability Each Claim shown in the Schedule of the endorsement. The inclusion of multiple **Agents** or clients in **Interrelated Breaches/Violations** shall not increase the Cyber Management Limit Of Liability Each Claim shown in the Schedule of this endorsement.

The Limit Of Liability for all **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in all **Network Security Breaches** or **Privacy Violations** submitted by an **Agent** in writing during the **Certificate Period** shall not exceed the Cyber Management Limit Of Liability Agent Aggregate shown in the Schedule of this endorsement.

The Cyber Management Limit Of Liability Each Claim and Cyber Management Limit Of Liability Agent Aggregate are part of, subject to and do not increase the Cyber Management Limit Of Liability Coverage Aggregate as shown in the Schedule of this endorsement.

The **Insurer's** obligations under this Policy, including the duty to defend, shall cease after the applicable Limit Of Liability has been paid by the **Insurer** for all **Cyber Management Expenses, Damages, Credit Monitoring Costs** or **Claim Expenses**.

The Cyber Management Limits Of Liability shown in the Schedule of this endorsement are part of, and not in addition to the Limits Of Liability shown in the Certificate Of Insurance.

- F. The following is added to Section **VIII** – Deductible:

The Cyber Management Deductible shown in the Schedule of this endorsement applies to **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in each **Network Security Breach, Privacy Violation** or **Interrelated Breaches/Violations**.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### SCHEDULE OF APPROVED DEFENSE COUNSEL ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is hereby understood and agreed that Defense Counsel listed below, which were proposed by the **Insured**, are approved for the defense of **Claims** under this endorsement.

#### Defense Counsel

Derek Anderson  
Sandy Dawn Grannum  
Eric Michaels  
Miles Hart  
Stephen Cohen  
Paul Tyrrell  
Kenneth Ashton  
Michelle Arbitrio

#### Firm

Anderson & Associates  
Faegre Drinker Biddle & Reath LLP  
Saretsky Hart Michaels + Gould  
Saretsky Hart Michaels + Gould  
Sidley Austin  
Sidley Austin  
Sidley Austin  
Wood Smith Henning & Berman

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### MANAGING AGENT EMPLOYMENT PRACTICES COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed that coverage as is afforded by this policy is extended to **Employment Practices Claims** against a **Managing Agent** (whether such **Claims** are brought by a past, present or prospective **Employee** or **Employees**, whether directly or by class action or by any state or federal governmental authority regulating employment practices, or by any other person or entity) subject to both the terms, conditions and exclusions of this Endorsement and the other terms, conditions and exclusions of the Policy.

It is further understood and agreed that such coverage as is afforded hereunder shall be subject to a \$250,000 sub-limit of liability per **Claim** and \$250,000 per **Managing Agent** in the aggregate, inclusive of **Damages** and **Claim Expenses**. Such Sub-Limit of Liability shall be part of and not in addition to the Limit of Liability as set forth in the Declarations.

It is further understood and agreed that the Deductible as stated in the Declarations shall be amended as follows:

Deductible: \$5,000 (applicable to Damages)

For the purposes of this Endorsement only, the following Definitions shall apply:

- (1) **Employment Practices Claims** shall mean a **Claim** relating to a past, present or prospective **Employee** of a **Managing Agent** for or arising out of any actual or alleged wrongful dismissal, discharge or termination either actual or constructive of employment, employment-related misrepresentation, wrongful failure to employ or promote, wrongful deprivation of career opportunity, wrongful discipline, failure to grant tenure or negligent **Employee** evaluation, sexual or workplace harassment of any kind (including the alleged creation of a harassing workplace environment), unlawful discrimination, whether direct, indirect intentional or unintentional (to extent permissible by the applicable law), or failure to provide adequate **Employee** policies and procedures.

**Employment Practices Claims** shall include **Claims** brought under state, local or federal law (whether common or statutory).

- (2) **Employee** means an individual whose labor or service is engaged by and directed by a **Managing Agent**. This includes part-time, seasonal and temporary **Employees**, as well as an individual employed in a supervisory, managerial or confidential position. Independent contractors are not **Employees**.
- (3) **Benefits** shall mean any advantage, perquisite or privilege which is granted in addition to an **Employee's** salary but is part of said **Employee's** total compensation package.

The **Insurer** shall not be liable for that part of any settlement or judgment:

- (a) Which constitutes **Benefits** due or to become due, or the equivalent value of such **Benefits**;
- (b) Which is based upon, arises from, or is in consequence of the employment reinstatement of the claimant by a **Managing Agent** or the continued employment of the claimant; or
- (c) Which constitutes front pay, future damages or other future economic relief, or equivalent thereof, if a **Managing Agent** has the option pursuant to a judgment or a final adjudication, to reinstate the claimant as an **Employee** but the **Managing Agent** fails to do so.

# Specimen Policy

It is understood and agreed to for purposes of this endorsement only, Section V. - Exclusion N. is deleted in its entirety.

## EXCLUSIONS

It is understood and agreed that as respects coverage granted by virtue of this endorsement, this Policy does not apply to any **Claim**:

- (1) made against a **Managing Agent** alleging, arising out of, based upon or attributable to any pending or prior litigation as of May 1, 2019 or the inception date of the first policy that the **Managing Agent** has been afforded coverage, whichever is later, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation;
- (2) made against a **Managing Agent** for any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, or omission or act committed prior to May 1, 2019 or the inception date of the first policy that the **Managing Agent** has been afforded coverage, whichever is later, if a **Managing Agent(s)**, as of such date, knew or could have reasonably foreseen that such breach of duty, neglect, error, misstatement, misleading statement, omission or act might have expected to be the basis of a **Claim** or suit;
- (3) based upon, arising out of or any way involving the violation of the responsibilities, obligations or duties imposed in the United States by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retaining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, or any rules or regulations promulgated there under and amendments thereto;
- (4) based upon, arising out of or any way involving any actual or alleged violation of the responsibilities, obligations or duties imposed by similar provisions of (3) above in any other country;
- (5) based upon, arising out of or any way involving the actual or alleged obligation of any **Managing Agent** pursuant to any workers' compensation, unemployment insurance, social security, old age security, disability benefits or similar law, provided, however, this exclusion shall not apply to any **Claim** based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by a **Managing Agent** on account of the claimant's exercise of rights pursuant to any such law;
- (6) based upon, arising out of or any way involving any lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations;
- (7) based upon, arising out of or any way involving any liability or costs incurred by a **Managing Agent** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person;
- (8) based upon, arising out of or any way involving any civil or criminal fines or penalties: nonmonetary relief, punitive or exemplary damages including the multiplied portion of multiple damages, or matters which may be deemed uninsurable according to the applicable law pursuant to which this policy shall interpreted;
- (9) based upon, arising out of or in any way involving the design, construction, content, supervision or maintenance of an internet site, computer chat room or bulletin board, or e:lectronic mail services: including but not limited to the publication or release of personal or financial information through same;
- (10) based upon, arising out of or in any way involving a publication in the course of or related to advertising, broadcasting or telecasting activities; and
- (11) based upon, arising out of or in any way involving disputes by or between **Insured's** or any other insurance company, insurance agent or broker, including but not limited to, disputes concerning commissions, fees, client lists or entitlements; however, this Exclusion shall not apply to a **Claim** in the form of a suit brought by an **Agent** against an **Managing Agent**.

## COINSURANCE CLAUSE

The Insurer shall be liable to pay 90% of loss excess of the Deductible amount stated in this Endorsement, up to the Sub-Limit of Liability stated in this Endorsement, it being a condition of this insurance that the remaining 10% of each and every loss shall be carried by the **Managing Agent** at their own risk and be uninsured.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### FORMER AGENT COVERAGE EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed that:

I. Section IV. – DEFINITIONS, H., is amended with the addition of the following:

H. **Insured** means:

7. Any **Former Agent**.

The following definition is added to Section IV. – DEFINITIONS:

**Former Agent** means an **Agent** or registered representative of the **Sponsoring Company** or **Broker/Dealer**, whose contract terminated after January 1, 1988 but prior to April 30, 2014 by reason of:

1. retirement from the business of providing **Professional Services** in accordance with formal retirement procedures of **Sponsoring Company**;
2. having found to be totally and permanently disabled in accordance with formal disability procedures of the **Sponsoring Company**; or
3. death,

provided that such **Agent** or registered representative was enrolled in a life agents errors and omissions policy sponsored by the **Sponsoring Company** at the time of their contract termination. Such individuals shall be specifically designated by name and their names shall be on file with the Company.

II. The following is added to Section VII. – LIMITS OF LIABILITY

Notwithstanding above, the total Limit of Liability for any **Former Agent** shall not exceed the Limit of Liability such individual purchased under the life agents errors and omissions policy sponsored by the **Sponsoring Company** at the time of his/her retirement, disability, or death.

III. The following is added to Section XV – OTHER INSURANCE

Notwithstanding subsections 1., 2., and 3. above:

If a **Former Agent** contract with the **Sponsoring Company** terminated after January 1, 1988 but prior to December 31, 2000 and they have other applicable, valid and collectible insurance available to them, coverage provided under this Policy shall apply only as excess over such insurance even if such other insurance is stated to be primary, excess, contingent, or otherwise. We will pay only our share of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b. The total Deductible amounts under such other insurance.

# Specimen Policy

If a **Former Agent** contract with the **Sponsoring Company** terminated after December 31, 2000 but prior to April 30, 2014 and they have other applicable, valid and collectible insurance available to them, there is no coverage under this policy.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### LIBERALIZATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is here by understood and agreed that:

- A. If there is an inconsistency between a state amendatory endorsement attached to this Policy and any term or condition of the Policy, the **Insurer** shall apply whichever term or condition is more favorable to the **Insured**, unless application of such term or condition is against public policy or applicable state law.
- B. For the purposes of this Endorsement, it is further understood that in the event the terms, conditions or exclusions of the **Expiring Policy** would grant coverage for a **Claim** that is not covered under the terms, conditions or exclusions of this Policy (including endorsements to this Policy), then the terms, conditions and exclusions of the **Expiring Policy** will apply to such **Claim**. However, the coverage granted by this Endorsement will not apply if such **Claim** is not covered under this Policy by virtue of the **Policy Period**, Limit of Liability, Retention, Policy **Retroactive Date** or the name of the **Insured** shown in the Declarations of this Policy.

For the purposes of this Endorsement, the term **Expiring Policy**, whenever used in this Policy, shall mean Policy Number EOC 9156370-04 Issued by Zurich American Insurance Company.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### LIMITED SELLING AWAY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

#### SCHEDULE

Limit Of Liability:	\$1,000,000	Each Selling Away Claim
Limit Of Liability:	\$1,000,000	Selling Away Aggregate
Retention:	\$75,000	Each Selling Away Claim
Retroactive Date:	May 1, 2019	

A. For the purpose of this Endorsement, Paragraph **U.** of Section **IV** – Definitions is replaced by the following:

**Wrongful Act** means a negligent act or omission, including a **Personal Injury Act**, committed by an **Insured** in the rendering of or failing to render **Professional Services** to a client, including the failure of the **Broker/Dealer** to supervise its **Registered Representatives** with respect to **Selling Away** activities, but only if the **Broker/Dealer** did not have knowledge of this activity prior to the policy inception date and did not acquiesce in this activity after its discovery and subsequent to the policy inception date.

**Wrongful Act** does not mean the **Selling Away** activity of a **Registered Representative**.

B. For the purpose of this Endorsement, Section **IV** – Definitions -- is amended to include the following:

**Selling Away** means the sale, attempted sale or servicing of any **Securities** which are not approved or authorized by and actually processed through the **Broker/Dealer**.

C. For the purpose of this Endorsement, Paragraph **R.** of Section **V** – Exclusions -- does not apply to a **Wrongful Act** of the **Broker/Dealer** in failing to supervise its **Registered Representative** with respect to **Selling Away** activities. Said exclusion, however, shall continue to apply to **Claims** against **Registered Representatives**.

D. For the purpose of this Endorsement, coverage is only provided as a result of products/activities that are not otherwise excluded in Section **V** – Exclusions; however, this does not apply to a **Wrongful Act** of the **Broker/Dealer** in failing to supervise its **Registered Representative** with respect to **Selling Away** activities involving Promissory Notes.

It is agreed that **Selling Away** activities involving Promissory Notes is subject to a Sub-Limit of Liability in the amount of \$500,000 each **Claim** and \$1,000,000 in the aggregate for each **Registered Representative** enrolled hereunder for the **Policy Period**. Such Sub-Limit of Liability are included in, and are not in addition to, the Limits of Liability otherwise provided to each such **Registered Representative** under this Endorsement.

E. For the purpose of this Endorsement, the following is added to Section **VII** – Limits Of Liability:

Subject to the Limit Of Liability Each Claim, Limit Of Liability Aggregate, and Policy Aggregate Limit Of Liability, the:

1. Limit Of Liability Each Selling Away Claim shown in the Schedule of this Endorsement is the limit of the **Insurer's** liability for each **Selling Away Claim** made against the **Broker/Dealer** and reported to the **Insurer** in writing during the **Policy Period**, or as allowed by Section **X** – Notice Of Claim, or Extended Reporting Period, if applicable;

# Specimen Policy

2. Limit Of Liability Selling Away Aggregate shown in the Schedule of this Endorsement is the limit of the **Insurer's** liability for the sum of all **Damages** and **Claim Expenses** for all **Selling Away Claims** made against the **Broker/Dealer** and reported to the **Insurer** in writing during the **Policy Period**, or as allowed by Section **X** – Notice Of Claim, or Extended Reporting Period, if applicable.
  3. The Selling Away Limits Of Liability, as shown in the Schedule of this Endorsement shall be part of, and not in addition to **Broker/Dealer** Limit Of Liability and Policy Aggregate Limit Of Liability shown on the Declarations.
  4. In the event that a **Claim** implicates both the Selling Away Limits Of Liability stated in this Endorsement and the **Broker/Dealer** Limits Of Liability per **Claim** stated in the Declarations, then the lower Limits Of Liability shall apply to such **Claim**.
- F. For the purpose of this Endorsement, the following is added to Section **VIII** – Deductible:

The **Broker/Dealer** shall pay **Damages** and **Claim Expenses** up to the amount of the applicable Selling Away Retention shown in the Schedule of this Endorsement, for each **Selling Away Claim** made against such **Broker/Dealer** and reported to the **Insurer** in writing during the **Policy Period**, or as allowed by Section **X** – Notice Of Claim, or Extended Reporting Period, if applicable. The **Insurer's** obligations under this Policy shall not commence until the applicable Selling Away Retention has been satisfied by the **Broker/Dealer's** payment of **Damages** or **Claim Expenses**. The Selling Away Retention shall be the sole responsibility of the **Broker/Dealer** and will remain uninsured. The **Insurer** shall pay all covered **Damages** and **Claim Expenses** incurred in each **Selling Away Claim** that exceed the applicable Selling Away Retention up to the applicable limit of liability.

In the event that a **Claim** implicates both the Selling Away Retention stated in this Endorsement and the **Broker/Dealer** Retention stated in the Declarations, then larger Retention shall apply to such **Claim**.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### SOCIAL ENGINEERING CLAIM COVERAGE ENDORSEMENT

CLAIM EXPENSES, AS WELL AS DAMAGES, ARE INCLUDED WITHIN AND WILL REDUCE THE LIMITS OF LIABILITY.

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

#### SCHEDULE

Social Engineering Claim Limits Of Liability:	\$250,000	Each Claim
	\$250,000	Agent Aggregate
	\$2,000,000	Coverage Aggregate
Social Engineering Claim Deductible:	\$5,000	

A. The following is added to Section I – Insuring Agreements:

#### Social Engineering Claim

The **Insurer** shall pay, on behalf of an **Agent**, **Damages** which an **Agent** becomes legally obligated to pay because of a **Social Engineering Claim** that is both made against an **Agent** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section X – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Wrongful Act** or **Interrelated Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by an **Agent**, provided:

- Such **Wrongful Act** or any **Interrelated Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
- As of the inception date of this Policy as shown in the Master Policy Declarations, or the effective date of the **Agent's** enrollment for coverage hereunder as shown in the Certificate Of Insurance, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Wrongful Act** or any **Interrelated Wrongful Act** could result in a **Social Engineering Claim**.

B. For the purpose of this endorsement, the following definitions are added to Section IV – Definitions:

**Deceptive Communication** means an electronic, facsimile or written document or telephone contact received by an **Agent** from a third-party which:

- directly relates to a life insurance or other product referenced in the Definition **IV.P (Professional Services)** that is serviced by an **Agent** on behalf of a client and in which a third party has no legal right or interest;
- contains a misrepresentation of material fact concerning a client of an **Agent**, which is reasonably relied upon by an **Agent** in believing that the document or contact is from his or her client or the client's authorized representative; and
- requests the withdrawal, surrender or transfer of fund held in the client's life insurance or other product referenced in the Definition **IV.P (Professional Services)**.

# Specimen Policy

**Social Engineering Claim** means a **Claim** arising from a third party misleading an **Agent** through a **Deceptive Communication**, which is reasonably relied upon by an **Agent** as genuine and results in an **Unauthorized Transfer**.

**Unauthorized Transfer** means theft, conversion or misappropriation of funds held in a client's life insurance or other products referenced in the Definition **IV.P (Professional Services)** by a third party solely because of such party's **Deceptive Communication** with an **Agent** and without knowledge of and actual or implied consent by a client.

C. For the purposes of this endorsement, the following are added to Section **V** – Exclusions:

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for any **Social Engineering Claim**:

1. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
  - a. Costs or expenses for the reprinting, reposting, recall, removal or disposal of any online content or any other information, content or media, including any media or products containing such online content, information, content or media;
  - b. Costs or expenses incurred by any **Insured** or others:
    - (1) To recall, repair, withdraw, replace, upgrade, supplement or remove the **Agent's** online content, products or services from the marketplace, including but not limited to products or services which incorporate the **Agent's** online content, products or services; or
    - (2) For any loss of use by any **Insured** or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplement or removal;
  - c. Fine or penalty arising out of any agreement by any **Insured** to comply with or follow the PCI Standard or any Payment Card Company rules, or to implement, maintain or comply with any security measure(s) or standards related to any payment card data; or
  - d. Unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, pop-up or pop-under Internet advertising or fax-blasting, direct mailing or telemarketing, or actual or alleged violations of the Telephone Consumer Protection Act of 1991, as amended, the CAN-SPAM Act of 2003, as amended, and any other federal, foreign or state anti-spam statutes, or federal, foreign or state statute, law or regulation relating to a person's right to seclusion; or
  - e. Unauthorized or illegal collection of any data or information, including but not limited to the collection of any data or information using cookies, spyware, or other malicious code, or the failure to provide adequate notice that data or information is being collected; or
  - f. Liability of the **Sponsoring Company**.
2. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any Section 605 (requirements relating to information contained in consumer reports) or Section 616 (civil liability for willful noncompliance) of the Fair Credit Reporting Act, or any other similar federal, state or local laws or regulations, including but not limited to any laws or regulations requiring truncation of payment card numbers on, or the removal of the expiration date from, payment card receipts; or
3. Covered in whole or in part under any other insurance.

D. For purposes of this endorsement, the following is added to Section **VII** – Limits Of Liability:

## **Social Engineering Claim Limits Of Liability**

The **Social Engineering Claim** Limits Of Liability are subject to Paragraphs **A.** and **B.** of Section **VII** – Limits Of Liability.

Subject to the **Social Engineering Claim** Limits Of Liability Agent Aggregate and Coverage Aggregate, the limit of the **Insurer's** liability for **Damages** and **Claim Expenses** incurred in each **Social Engineering Claim** reported by an **Agent** to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice of Claim, or Extended Reporting Period, if applicable, shall not exceed the **Social Engineering Claim** Limit Of Liability Each Claim shown in the Schedule of the endorsement. The inclusion of multiple **Agents** or clients in **Interrelated Wrongful Acts** shall not increase the **Social Engineering Claim** Limit Of Liability Each Claim shown in the Schedule of this endorsement.

# Specimen Policy

The Limit Of Liability for all **Damages** and **Claim Expenses** incurred in all **Social Engineering Claims** submitted by an **Agent** in writing during the **Certificate Period** shall not exceed the **Social Engineering Claim** Limit Of Liability Agent Aggregate shown in the Schedule of this endorsement.

The **Social Engineering Claim** Limit Of Liability Each Claim and **Social Engineering Claim** Limit Of Liability Agent Aggregate are part of, subject to and do not increase the **Social Engineering Claim** Limit Of Liability Coverage Aggregate as shown in the Schedule of this endorsement.

The **Insurer's** obligations under this Policy, including the duty to defend, shall cease after the applicable **Social Engineering Claim** Limits Of Liability has been paid by the **Insurer** for all **Damages** and/or **Claim Expenses**.

The **Social Engineering Claim** Limits Of Liability shown in the Schedule of this endorsement are part of, and not in addition to the Limits Of Liability shown in the Certificate Of Insurance.

**E.** The following is added to Section **VIII** – Deductible:

The **Social Engineering Claim** Deductible shown in the Schedule of this endorsement applies to **Damages** and **Claim Expenses** incurred in each **Social Engineering Claim** or **Social Engineering Claim** arising from **Interrelated Wrongful Acts**.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### EXCLUSION – SPECIFIC PRODUCT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

#### SCHEDULE

Product(s):	<ol style="list-style-type: none"><li>1. Callable Certificates of Deposit; however this exclusion shall not apply to Callable CDs approved by the <b>Broker/Dealer</b> subsidiary of the <b>Sponsoring Company</b>;</li><li>2. Any investment involving ATM machines, payphones or ETS payphones;</li><li>3. Debentures; however the exclusion shall not apply to Debentures approved by the <b>Broker/Dealer</b> subsidiary of the <b>Sponsoring Company</b>;</li><li>4. DBSI Management Products;</li><li>5. Provident Royalties;</li><li>6. Medical Capital Note Program;</li><li>7. Black Diamond Program;</li><li>8. Desert Capital REIT;</li><li>9. IMH Secured Loan Fund, LLC;</li><li>10. Geneva Exchange LLC/The Geneva Organization; or</li><li>11. GPB Capital Holdings, LLC and/or any company, corporation, parent, subsidiary, partnership or other business entity directly or indirectly owned or controlled by or associated with any of the foregoing;</li></ol>
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Section **V** – Exclusions is amended to include the following:

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving the purchase, sale or the giving of advice regarding any Product(s) shown in the Schedule of this endorsement.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### TRADING ERROR OR COST OF CORRECTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed as follows:

#### I. INSURING AGREEMENTS

For purposes of this Endorsement, Policy Section I. INSURING AGREEMENTS is amended by adding the following

##### Trading Error Reimbursement

The Insurer shall reimburse the **Insured** or **Broker/Dealer** all **Trading Loss** which the **Insured** or **Broker/Dealer** first becomes aware of during the **Policy Period** and reported during the **Policy Period** or an Extended Reporting Period, if applicable, for a **Trading Error** committed on or after the **Retroactive Date** by an **Insured** or **Broker/Dealer** solely in the rendering or failing to render **Professional Services**. The Insurer authorizes the **Sponsoring Company** to correct a **Trading Error** or settle a non-litigated **Trading Loss** up to an amount not to exceed \$50,000. The Insurer will not raise the **Sponsoring Company's** failure to obtain the Insurer's prior written consent as a defense to coverage for such correction or payment. For trading errors in excess of \$50,000, the **Insured** should notify the **Insurer** as soon as practicable.

#### II. DEFINITIONS

For purposes of this Endorsement, Policy Section IV., DEFINITIONS, is amended as follows:

A. Policy Section IV. E., Claim, is amended to add the following:

With respect to the coverage provided under Section I. TRADING ERROR REIMBURSEMENT only, **Claim** shall include **Trading Error**.

B. The following definitions are added:

**Trading Error** means the **Insured** or **Broker/Dealer's** negligent act, error or omission when purchasing or selling products defined in Section P. 1. b., d., e. and h. and which if not corrected, will likely result in a **Claim** as defined in Section E. 1., 2. or 3.

**Trading Loss** means the actual cost of correcting the transaction for the **Insured** or **Broker/Dealer's** client. **Trading Loss** shall not include any *ex gratia* payments or amounts for which the **Insured** or **Broker/Dealer** is not legally liable.

#### III. LIMITS OF LIABILITY

Coverage under this Endorsement shall be subject to the Limits of Liability set forth in the Declarations as applicable to the **Insured** or **Broker/Dealer**. Such Limits of Liability are included in, and are not in addition to, the Limits of Liability otherwise provided to the **Insured** or **Broker/Dealer** under the Policy.

All other terms and conditions of the Policy remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### VICARIOUS LIABILITY ENDORSEMENT (CPA Advantage Program)

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed that:

I. The following is added to Section I. – INSURING AGREEMENTS:

D. Vicarious Liability – CPA's

The **Insurer** shall pay on behalf of the **Additional Insured – CPA**, subject to the shared Limits of Liability, all sums in excess of the Deductible shown on the Declarations that the **Additional Insured – CPA** is legally obligated to pay **Damages** and **Claim Expenses** because of a **Claim** first made against the **Additional Insured – CPA** and reported to the **Insurer** in writing during the **Certificate Period**, or any applicable Extended Reporting Period of this Policy, provided that:

1. The liability of the **Additional Insured – CPA** arises solely out of:
  - a. the negligent act, error or omission of the **Insured** in the performance of or failure to perform **Professional Services**; or
  - b. a **Personal Injury Act** offense caused by the **Insured** in the rendering of or failure to render **Professional Services** that was committed on or after the **Retroactive Date** and would otherwise be covered under SECTION I – INSURING AGREEMENTS, A., and B.;
2. The Limits of Liability available to the **Additional Insured – CPA** for such **Claim** shall be shared with the Limits of Liability that are applicable to the **Insured**. Such Limits of Liability shall not be in addition to the **Insured's** Limits of Liability;
3. The **Additional Insured – CPA** shall be subject to all of the terms, conditions, limitations and exclusions of the Policy to the same extent as the **Insured** and shall not be entitled to any rights greater than those available to the **Insured**.

II. Section IV. – DEFINITIONS is amended as follows:

A. Subsection Q. is replaced with the following:

**Retroactive Date** means December 31, 1999 or the Certified Public Accountant and participates in the CPA Advantage Program. Such individuals are identified on a roster maintained by the **Insurer**.

B. The following definition is added:

**Additional Insured – CPA** means any natural person who is a Certified Public Accountant and participates in the CPA Advantage Program. Such individuals are identified on a roster maintained by the **Insurer**.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### CRYPTO CURRENCY AND NFT EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

Section **V** – Exclusions, is amended to include the following:

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving, in whole or in part, individually or in conjunction with other matters, **Crypto Currency** and/or **NFT**; however this Exclusion shall not apply to mutual funds or securities registered with the Securities and Exchange Commission that are publicly traded on a national exchange.

Section **IV** – Definitions, is amended to include the following:

**Crypto Currency** means digital, computerized or on-line medium of exchange, including, but not limited to, any kind of virtual or electronic currency, that: (i) is not issued or guaranteed by a government central bank, domestic or foreign government or other public authority; or (ii) not adopted or authorized by a domestic or foreign government as a part of its currency.

**NFT** means a non-fungible token, which is any digital or virtual asset or unit of data stored on blockchain or other digital or virtual ledger, which represents a tangible or intangible item, such as, without limitation, graphic art, GIF, music, video or collectible, and grants or certifies the holder's ownership rights to such item, in whole or in part.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### EXPANDED DISCRETIONARY AUTHORITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed that Section V. EXCLUSIONS, T., is deleted in its entirety and replaced with the following:

- T. Arising out of the **Insured's** activities in exercising discretionary authority, management or control over a customer's account; however, this exclusion shall not apply to an **Associated Person** of a Registered Investment Adviser that is a **Subsidiary** of the **Sponsoring Company** who has been approved by the **Sponsoring Company** to exercise discretionary authority for:
1. rebalancing a portfolio that is in variance, bringing it back into alignment with the original allocation or replacing a holding with a like holding that has the same risk profile (as defined by Investnet);
  2. transactions that are part of the ESI Compass program through Investnet; or
  3. investments with a third-party money manager approved by and made available on the ESI platform.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### REGISTERED ADMINISTRATOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed that:

I. Section IV. – DEFINITIONS, H., is amended with the addition of the following:

**H. Insured** means:

8. A Registered Administrator who was or is an employee or independent contractor of an **Agent** or **Managing Agent** or the business entity of an **Agent** or **Managing Agent**, only while acting on behalf of an **Agent** or **Managing Agent**.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### PREMIUM FINANCE EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is agreed that Section V. EXCLUSIONS, is amended with the addition of the following:

Based upon, arising out of, or in any way involving any sale, attempted sale, or servicing of any life insurance policy issued after 5/1/2023 using premium financing. Premium financing includes the payment or financing of any premium, in whole or in part, through any premium financing company, financial institution or any other premium financing mechanism. However, this exclusion shall not apply to:

1. Any claim involving a life insurance policy issued by a National Life Group company; or
2. Any claim brought against a **Managing Agent** pursuant to Insuring Agreement Section I.B.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### VERMONT AMENDATORY

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

**I.** The following is added to Section **I** – Insuring Agreements:

If the **Insurer** appeals a judgment without obtaining the express consent of the **Sponsoring Company, or Agent, or Managing Agent**, then the **Insurer** shall be liable for the amount of such judgment in excess of the Limit of Liability.

**II.** The following is added to Section **VII** – Limits of Liability:

The Limits of Liability for any optional Extended Reporting Period shall be equal to the Limit of Liability Aggregate shown in the Certificate of Insurance or Master Policy Declarations.

**III.** Section **XIII** – Extended Reporting Periods is amended as follows:

**A.** Paragraph **4.** of **A.** Optional Group Extended Reporting Period is replaced by the following:

The Extended Reporting Period provided herein shall not increase or affect the applicable Limits Of Liability nor extend the **Policy Period**.

**B.** Paragraph **3.** of **D.** Optional Agent Or Managing Agent Extended Reporting Period Due to Disability, Retirement Or Death is replaced by the following:

The Extended Reporting Period provided herein shall not increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.

**IV.** Section **XIV** – Termination of Coverage is amended as follows:

**A.** Paragraph **1.** of **C.** Applicable To Insurer is replaced by the following:

This Policy may be terminated by the **Insurer**, for other than failure to pay a premium when due, by providing certified written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 60 days thereafter. Proof of certified mailing the notice of termination shall be sufficient proof of such notice. If the **Insurer** terminates the Policy, the **Sponsoring Company** shall receive a return of premium to be computed on a short rate basis proportional to the length of time from the inception date of the **Policy Period** to the termination date.

If this Policy has been in effect for more than 60 days or is a renewal of a policy issued by the **Insurer**, the **Insurer** may cancel this Policy only for any of the following reasons:

1. Fraud or material misrepresentation affecting the policy or in the presentation of a claim thereunder;
2. Violation of any of the terms or conditions of the policy; or
3. Substantial increase in hazard provided that cancellation for this reason shall be effective only after prior approval of the Commissioner.

Cancellation set forth in the above paragraph does not apply to any policy which has been in effect for less than 60 days and is not a renewal of a previously existing policy. In the case of a policy in effect for less than 60 days and not a renewal of a previously existing policy, the policy may be canceled for any reason by providing the

# Specimen Policy

**Sponsoring Company** at least 60 days written notice of cancellation except where the reason for cancellation is nonpayment of premium, in which case not less than 15 days written notice will be provided.

**B.** Paragraph **2.** of **C.** Applicable To Insurer is replaced by the following:

This Policy may be canceled by the **Insurer** because of failure to pay a premium when due by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 15 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice.

**C.** The following provision is added to Section **XIV** – Termination of Coverage:

This policy may be nonrenewed by the **Insurer** by mailing or delivering certified written notice to the **Sponsoring Company** at the address shown in the Declarations with the effective date of termination being not less than 45 days thereafter. Proof of certified mailing the notice of termination shall be sufficient proof of such notice.

This provision does not apply:

1. If the **Insurer** indicated a willingness to renew;
2. In the case of nonpayment of premium; or
3. If the **Sponsoring Company** does not pay any advanced premium required by the **Insurer** for renewal.

**V.** The following provision is added to Section **XVII** – Other Provisions:

## Renewal

1. If the **Insurer** elects to renew this Policy, and has the necessary information to issue a renewal policy, the **Insurer** will confirm in writing at least 45 days before it expires the **Insurer's** intention to renew this Policy and the premium at which this Policy will be renewed.
2. If the **Insurer** does not comply with the provisions of Paragraph **1.** the **Sponsoring Company** will have renewal coverage. The renewal coverage will be at the rates in effect under the expiring or expired policy on the expiration date. The renewal coverage will be on a pro rata basis and shall continue for 45 days after the **Insurer** confirms renewal coverage and premium. If the **Sponsoring Company** does not accept the renewal policy, this Paragraph **2.** does not apply.

All other terms and conditions remain unchanged.



## MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### TRADE OR ECONOMIC SANCTIONS

The following is added to this policy:

#### **Trade Or Economic Sanctions**

This insurance does not provide any coverage, and we (the Company) shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose us (the Company) to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited to, those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms and conditions remain unchanged.