

Sponsored Insurance Agents Errors and Omissions Liability Policy

This is a Claims Made and Reported Policy. Please read it carefully.

CLAIMS MADE AND REPORTED NOTICE FOR POLICY

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. "CLAIMS" MUST FIRST BE MADE AND REPORTED IN WRITING TO THE INSURER DURING THE "CERTIFICATE PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD OF THIS POLICY. THE PAYMENT OF "DEFENSE COSTS" REDUCES THE LIMITS OF LIABILITY.

PLEASE READ AND REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE BROKER.

This Policy provides insurance to the "Agent" shown in Item 1. of the "Certificate of Insurance" subject to the "Master Policy" Declarations issued to the "Policyholder". Unless otherwise stated, the phrase the Policy or this Policy shall refer only to the insurance evidenced by the "Certificate of Insurance" and shall not refer to the "Master Policy" Declarations. Similarly, the phrase Limits of Liability shall refer to the Limits of Liability identified in the "Certificate of Insurance". The word Insurer shall refer to the company providing this insurance.

Various provisions in this Policy restrict coverage. Read the Policy carefully to determine an "Insured's" rights, duties and what is and is not covered. Refer to Section II. – DEFINITIONS for the special meanings of words and phrases that appear in quotation marks.

In consideration of the payment of the premium, in reliance on all statements in the "Application" and all other information provided to the "Insurer", and subject to all provisions of this Policy, the Insurer, the "Sponsoring Organization" and the "Insureds" agree as follows:

I. Insuring Agreements

A. Coverage - Errors and Omissions Liability

The Insurer shall pay on behalf of the "Insured" all "Damages" and "Defense Costs" in excess of the deductible amount identified in the "Insured's" "Certificate of Insurance" which the "Insured" shall become legally obligated to pay because of a "Claim" first made against the "Insured" during the "Policy Period" or an Extended Reporting Period, if applicable, for a "Wrongful act" committed on or after the "Retroactive Date" by the "Insured" solely in the rendering or failing to render "Professional Services".

B. Coverage – Vicarious Liability

The Insurer shall pay on behalf of the "Sponsoring Organization", named in Item 1. b. of the "Master Policy" Declarations, all "Damages" and "Defense Costs" which the "Sponsoring Organization" shall become legally obligated to pay because of a "Claim" first made during the "Policy Period" or an Extended Reporting Period, if applicable, solely arising out of a "Wrongful act" of an "Agent" committed on or after the "Retroactive Date" solely in the rendering or failing to render "Professional Services". The "Wrongful act" must be attributable solely to an "Agent" in the rendering or failing to render "Professional Services" and not due to any actual or alleged independent wrongdoing or bad faith of the "Sponsoring Organization".

II. Definitions

Whether in the singular or plural form in this Policy, the following terms shall have the meanings indicated below. For purposes of this Policy:

- A. "Agent" means an individual as shown in Item 1. of the "Certificate of Insurance" and as defined in the Professional Services Endorsement attached to this Policy.

- B. "Application" means all signed applications and any attachments and materials submitted therewith for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Policy is a renewal or replacement.
- C. "Broker/Dealer" means an entity acting as a "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 is registered with the U.S. Securities and Exchange Commission and any applicable state regulatory organization and is a member of the Financial Industry Regulatory Authority (FINRA).
- D. "Certificate of Insurance" means the certificate issued in accordance with the "Master Policy" to the "Agent".
- E. "Certificate Period" means the period of time shown in Item 5. of the "Certificate of Insurance" or any shorter period resulting from a cancellation or nonrenewal of the "Master Policy" or the termination of the contract between an "Agent" and the "Sponsoring Organization".
- F. "Claim" means a written demand received by an "Insured" seeking "Damages" or a civil adjudicatory or arbitration proceeding for "Damages". "Claim" does not include a demand or proceeding for non-monetary or injunctive relief or criminal proceeding.
- G. "Damages" means a compensatory monetary amount for which an "Insured" is legally liable, including sums paid as judgments, awards or settlements, and any taxes, fines or penalties incurred by a third party and included in such third party's "Claim" against the "Insured". However, "Damages" do not include:
1. Fines or penalties imposed by law, or taxes levied on or against an "Insured" or "Sponsoring Organization";
 2. Punitive, exemplary or treble damages;
 3. The return, restitution, offset or withdrawal of fees, premiums, commissions or brokerage charges, including but not limited to, surrender charges and contingent deferred sales charges;
 4. Non-pecuniary or injunctive relief; or
 5. Judgments or awards from acts deemed uninsurable by law.
- H. "Defense Costs" mean:
1. All reasonable and necessary fees charged by any lawyer designated by the Insurer for the defense of a "Claim";
 2. All other reasonable fees, costs and expenses resulting from the investigation, adjustment or defense of a "Claim";
 3. The premiums for appeal, attachment or similar bonds, if incurred by the Insurer or by the "Insured" or "Sponsoring Organization" with the Insurer's written consent. However, the Insurer shall have no obligation to apply for or to furnish any such bond; and
 4. Interest on the full amount of any judgment that accrues after entry of the judgment and before the Insurer has paid, offered to pay, or deposited in court the amount available for the judgment under this Policy.
- However, "Defense Costs" does not include remunerations of an "Insured's" or the Insurer's regular employees or officials or independent adjusters.
- I. "General Agent" means an "Insured" as defined in Section II. K. 1 and 2 and who maintains a General Agent contract with the "Sponsoring Organization".
- J. "Interrelated Claims" means all "Claims", regardless if they are made against more than one "Insured" or by more than one claimant, arising out of a single "Wrongful act" or a series of "Wrongful acts" that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- K. "Insured" means:
1. an "Agent";
 2. a corporation, partnership or other business entity owned and controlled by an "Agent" but solely with respect to the liability of such organization as it arises out of the "Agent" rendering or failing to render "Professional Services";
 3. an employee acting in his or her capacity as such and on behalf of an "Agent" but solely with respect to liability of such employee as it arises out of the "Agent" rendering or failing to render "Professional Services";
 4. heirs, executors, administrators or legal representatives of an "Agent" in the event of death, incapacity or bankruptcy; and
 5. the "Sponsoring Organization" but only with respect to coverage provided under Section I.B.
- L. "Master Policy" means the "Master Policy" Declarations issued to the "Policyholder". The "Master Policy" provides the "Agents" no insurance separate and apart from the coverage evidenced by the "Certificate of Insurance".
- M. "Multiple Employer Welfare Arrangement" shall have the same meaning as the term used by the Employee Retirement Income Security Act of 1974, and any amendments thereto. "Multiple Employer Welfare Arrangement" does not include an arrangement where the direct contract for providing benefits is between the recipient of the benefit and an insurance company: (1) recognized as an admitted insurer by the insurance regulatory agency in the applicable state or jurisdiction; and (2) appropriately licensed to provide the coverage in the state or jurisdiction where the coverage is in force.

- N. "Personal Injury" means injury, including consequential bodily injury, arising out of:
 1. false arrest, detention or imprisonment;
 2. malicious prosecution; or
 3. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services. However, there shall be no coverage for any such publication or utterance made in the course of or related to any form of advertising activities, including but not limited to, conduct by or on behalf of an "Insured".
- O. "Policyholder" means the entity shown in Item 1. a. of the "Master Policy" Declarations.
- P. "Policy Period" means the period of time shown in Item 2. of the "Master Policy" Declarations or any shorter period resulting from a cancellation or nonrenewal of the "Master Policy".
- Q. "Pollutants" means any solid, liquid, gaseous, electromagnetic or thermal irritant or contaminant, including, but not limited to: smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos containing materials, lead, lead containing materials, and waste.
- R. "Professional Services" mean those services listed in the Professional Services Endorsement attached to this Policy.
- S. "Retroactive Date" means the inception date of the "Agent's" first claims-made insurance agents professional liability policy from which date coverage has been maintained in force without interruption. The "Retroactive Date" for the "Sponsoring Organization" and "Insureds" defined in Section II. K. 2 through 4 shall be the same as applicable to the "Agent" whose "Wrongful act" gave rise to the "Claim" or the "Agent" who is responsible for the "Wrongful act" of such other "Insureds".
- T. "Sponsoring Organization" means the organization listed in Item 1. b. of the Declarations and any "Subsidiaries".
- U. "Subsidiary" means a corporation in which the "Sponsoring Organization" listed in Item 1. b. of the Declarations:
 1. owns as of the inception date of the "Policy Period" more than fifty percent (50%) of the issued and outstanding voting stock either directly or indirectly through one or more of its "Subsidiaries" and which corporation is engaged in "Professional Services"; or
 2. forms or acquires on or after the inception date of the "Policy Period", if the "Sponsoring Organization" listed in Item 1. of the Declarations owns, directly or indirectly through one or more of its "Subsidiaries", more than fifty percent (50%) of the issued and outstanding voting stock and which corporation is engaged in "Professional Services". Such corporation is automatically covered as of the date of formation or acquisition if the number of agents of such corporation total less than twenty percent (20%) of the total number of "Agents" of the "Sponsoring Organization" as of the inception date of the "Policy Period". The "Sponsoring Organization" shall provide the Insurer with full particulars of the new "Subsidiary" within ninety (90) days of the date of formation or acquisition.
- V. "Wrongful act" means a negligent act, error or omission committed by an "Insured", including any "Personal Injury", arising solely from the performance of "Professional Services".

III. Exclusions

- This Policy does not apply to any "Claim" based upon, arising out of, directly or indirectly, or in any way involving:
- A. Any fact, circumstance or situation which has been the subject of any written notice given under any policy of which this Policy is a direct or indirect renewal or replacement or which preceded this Policy;
 - B. Any "Wrongful act" occurring prior to the date of the "Agent's" initial enrollment as an "Insured" under this Policy or a previously issued policy by the Insurer if on the date of initial enrollment the "Agent" had knowledge of any "Wrongful act" which could reasonably be expected to result in a "Claim";
 - C. Any prior or pending litigation against any "Insured" filed on or before the inception date of this Policy or under any other policy of which this Policy is a renewal, whichever is earlier, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;
 - D. Any dishonest, fraudulent, criminal, malicious or purposeful act, error or omission committed by or at the direction of an "Insured"; however, notwithstanding the foregoing, the "Insured" shall be afforded "Defense Costs", subject to the terms of this Policy, until the allegations are subsequently proven by a final adjudication adverse to an Insured. In such event, the "Insured" shall reimburse the Insurer for all "Defense Costs" incurred by the Insurer;
 - E. Any "Insured" gaining, in fact, any profit, remuneration or pecuniary advantage to which the "Insured" was not legally entitled;
 - F. Any willful violation of the rules or regulations of the National Association of Securities Dealers, Securities and Exchange Commission, Securities Act of 1933, Securities Exchange Act of 1934, Investment Company Act of 1940, or the Investment Advisors Act of 1940 and any amendments thereto, or of any state securities statute or state regulatory agency;
 - G. Any commingling of or improper use of client funds;

- H. Any investment products partially or totally owned by the "Insured";
- I. Any bodily injury, sickness, disease or death of any person, or damage to or destruction of any tangible property, including loss of use thereof;
- J. Any alleged discrimination as defined by federal, state or local statute, regulation, law or ordinance;
- K. Any liability of others assumed by the "Insured" under any contract or agreement unless such liability would have attached to the "Insured" even in the absence of such agreement;
- L. Any pension, profit sharing, health and welfare, or other employee benefit plan or trust sponsored by the "Insured" as an employer;
- M. Any insolvency, receivership, bankruptcy, or inability to pay of any organization in which the "Insured"
 - 1. Has placed or obtained a client's coverage;
 - 2. Has placed a client's funds; or
 - 3. Has recommended a client invest.However, this exclusion shall not apply if the "Claim" is based upon the insolvency, receivership, liquidation or inability to pay of any insurance company that was rated as A- or better by A.M. Best Company at the time the business was placed, obtained or recommended;
- N. Any "Insured's" inability or refusal to pay or collect premium, claim or tax monies;
- O. Or brought or maintained by or on behalf of:
 - 1. an "Insured";
 - 2. any insurance company or "Broker/Dealer";
 - 3. any insurance agent or broker;
 - 4. any individual or entity that is not a client of an "Insured"; however, this Exclusion O.4. shall not apply to a "Claim" brought by an individual or entity who is an alleged beneficiary or heir, executor or administrator of a deceased client of an "Insured";
 - 5. any enterprise that owns, operates, controls or manages an "Insured";
 - 6. an enterprise which an "Insured" owns, operates, controls or manages; or
 - 7. any governmental or quasi-governmental official or agency in any capacity, including but not limited to the Securities and Exchange Commission, National Association of Securities Dealers, the Securities Investor Protection Corporation, or any state or federal securities or insurance commission or agency; however, this Exclusion shall not apply to a "Claim" brought by or on behalf of such official or entity in its capacity as a client of an "Insured";
- P. The actual or alleged use, misuse or disclosure of:
 - 1. any confidential or private information by an "Insured", including but not limited to such use for the purpose of replacement of coverage;
 - 2. or non-public information in a manner prohibited by the laws of the United States, including, but not limited to:
 - a. The Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, any similar laws of any other jurisdiction, or any rules or regulations promulgated under any of the foregoing, all as amended;
 - b. The Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) ("HIPAA"), and the rules and regulations promulgated thereunder as they currently exist and as amended;
 - c. The Gramm-Leach-Bliley Act of 1999 ("G-L-B"), and the rules and regulations promulgated thereunder as they currently exist and as amended; or
 - d. State privacy protection laws, as they currently exist now or in the future.
- Q. Any placement of a client's coverage or funds directly or indirectly with any organization, entity or vehicle of any kind, nature or structure which is not licensed to do business in the state or jurisdiction with authority to regulate such business; however, this Exclusion shall not apply to any "Claim" arising from or contributed to by the placement of a client's coverage or funds directly or indirectly with such organization, entity or vehicle which is an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;
- R. Any "Insured" violation of:
 - 1. The Federal Telephone Consumer Protection Act (47 U.S.C. sec 227), Drivers Privacy Protection Act (18 U.S.C. sec. 2721-2725) or Controlling the Assault of Non-Solicited Pornography and Marketing Act (15 U.S.C. sec. 7701, et seq.); or
 - 2. Any other federal, state or local statute, regulation or ordinance that imposes liability for the:
 - a. Unlawful use of telephone, electronic mail, internet, computer, facsimile machine or other communication or transmission device; or
 - b. Unlawful use, collection, dissemination, disclosure or redisclosure of personal information in any manner by an "Insured" or on behalf of any "Insured";
- S. Any "Insured's" activities in exercising discretionary authority, management or control over a customer's account;

- T. Any infringement of patent, copyright, trademark, service mark, trade dress, trade secret or trade name, unfair competition or piracy, theft or wrongful taking of concepts including using another's advertising ideas or other intellectual property;
- U. Any "Personal Injury":
 1. Sustained by any "Insured" or "Sponsoring Organization";
 2. Caused by or at the direction of the "Insured" with the knowledge that the offense would violate the rights of another and would inflict "Personal Injury";
 3. Arising out of oral or written publication of material, if done or at the direction of the "Insured" with knowledge of its falsity;
 4. Arising out of an electronic chatroom, social networking site, or bulletin board the "Insured" uses, hosts, owns or over which the "Insured" exercises any control; or
 5. Arising out of the unauthorized use of another's name or product in the "Insured's" email address, domain name or metatag, or any other similar tactics to mislead another's potential customer;
- V. Any ownership, formation, operation, administration, advice, referral, recommendation or placement of coverage with any health maintenance organization, preferred provider organization, risk retention group, "Multiple Employer Welfare Arrangement", self insurance program or purchasing group;
- X. Any failure to comply with any governmental or administrative order or regulation;
- Y. Any "Professional Services" for which the "Agent" is not properly licensed; or
- Z.
 1. the actual, alleged, or threatened discharge, dispersal, disposal, seepage, migration, release or escape of "Pollutants",
 2. any direction or request to test for, monitor, cleanup, remove, contain, treat, detoxify, or neutralize "Pollutants" or in any way respond to or assess the effects of "Pollutants";
 3. nuclear fission, nuclear fusion or radioactive contamination or emission;
 4. electromagnetic frequency radiation or emission.

IV. Limit of Liability, Master Policy Aggregate, Interrelated Claims and Deductible Amount

- A. Limit of Liability (Including Defense Costs) – "Agent"
 1. Aggregate Limit of Liability Each "Claim": The Limit of Liability of the Insurer for all "Damages" and "Defense Costs" for each "Claim" first made during the "Policy Period" and Extended Reporting Period, if applicable, shall not exceed the amount stated in Item 4. of the "Agent's" "Certificate of Insurance" for Each "Claim".
 2. Aggregate Limit of Liability Each "Agent": The Limit of Liability of the Insurer for all "Damages" and "Defense Costs" for all "Claims" first made against each "Agent" during the "Policy Period" and Extended Reporting Period, if applicable, shall not exceed the amount stated in Item 4 of the "Agent's" "Certificate of Insurance" as Aggregate Each "Agent".
 3. Aggregate Limit of Liability "Sponsoring Organization" and other "Insureds": No additional Limits of Liability are provided to the "Sponsoring Organization" under Section I.B. or to "Insureds" as defined in Section II. K. 2 through 4. The Limit of Liability of the Insurer for "Damages" and "Defense Costs" for all "Claims" first made against the "Sponsoring Organization" and "Insureds" as defined in Section II. K. 2 through 4 during the "Policy Period" or Extended Reporting Period, if applicable, shall be that Limit of Liability applicable to the "Agent" whose "Wrongful act" gave rise to the "Claim" or the "Agent" who is responsible for the "Wrongful act" of such other "Insureds".
- B. The Master Policy Aggregate identified in Item 3. a. of the "Master Policy's" Declarations is the maximum limit of the Insurer's liability for all "Damages" and "Defense Costs" arising out of all "Claims" covered under the "Master Policy" which are reported to the Insurer in accordance with the terms herein. The "Master Policy Aggregate" applies regardless of the number of "Insureds", "Claims", or "Wrongful acts".
- C. Interrelated Claims: All "Interrelated Claims" shall be deemed a single "Claim", subject to a single Each "Claim" Limit of Liability, if covered, and such "Claim" shall be considered first made on the date the earliest such "Interrelated Claim" is first made against an "Insured", regardless of whether such date is before or during the "Policy Period".
- D. Deductible Amount: The Deductible Amount stated in Item 6 of the "Certificate of Insurance" is applicable to each "Claim" and applies only to the payment of "Damages". The Limits of Liability set forth in Item 4. of the "Agent's" "Certificate of Insurance" and Item 2. of the "Master Policy" Declarations are in addition to and in excess of any applicable Deductible amount.

V. Extended Reporting Periods

- A. EXTENDED REPORTING PERIODS - CANCELLATION OR NONRENEWAL OF THE MASTER POLICY
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1. Automatic Extended Reporting Period: In the event of cancellation or nonrenewal of the "Master Policy", other than for nonpayment of premium, an "Agent" shall have a period of ninety (90) days after the expiration of the "Policy Period" to report in writing to the Insurer any "Claim" which is first made during said ninety (90) day period, and arises out of a "Wrongful act" committed on or after the "Retroactive Date" and prior to the end of the "Policy Period".

This Automatic Extended Reporting Period shall not be available if the "Agent" has any other applicable insurance, including any policy issued subsequent to this Policy. This Automatic Extended Reporting Period shall be included within the Optional Extended Reporting Period described in paragraph A. 2. below, if such is purchased.

2. Optional Extended Reporting Period: In the event of cancellation or nonrenewal of this Policy by the Insurer, the "Sponsoring Organization", acting on behalf of all "Insureds" shall have the right to purchase an Optional Extended Reporting Period upon payment of an additional premium equal to 200% of the total annual premium which is the sum of the original annualized premium and the fully annualized amount of any additional premiums charged by the Insurer during the "Policy Period". Pursuant to such Optional Extended Reporting Period, the "Insured" shall have a period of three (3) years from the effective date of such cancellation or nonrenewal to give written notice to the Insurer of a "Claim" which is first made during such three year period and which arises out of a "Wrongful act" committed on or after the "Retroactive Date" and prior to the end of the "Policy Period". The rights contained in this section shall terminate unless written notice of such election together with the additional premium due is received by the Insurer within thirty (30) days after the effective date of cancellation or nonrenewal.

3. If the Insurer cancels this Policy because the "Sponsoring Organization" failed to pay a premium when due, the "Insureds" shall not have the right to the Automatic Extended Reporting Period or to purchase the Optional Extended Reporting Period as described in paragraphs A. 1. and 2. above.

4. The quotation of a different premium, deductible amount, limit of liability or policy terms or conditions for renewal shall not constitute a cancellation or nonrenewal for purposes of paragraph A.2 above.

B. INDIVIDUAL EXTENDED REPORTING PERIODS - AGENT

1. Automatic Individual Extended Reporting Period due to the termination of the contract between an "Agent" and the "Sponsoring Organization": The insurance under this Policy shall cease as of the date of termination of the contract between the "Agent" and the "Sponsoring Organization". In such event, the "Agent" shall be entitled to an Extended Reporting Period as follows:

a. 90 Day Extended Reporting Period

The "Agent" shall have a period of ninety (90) days after the date of termination of the contract or to the end of the "Policy Period", whichever is greater, to give written notice to the Insurer of any "Claim" which is first made before the end of the "Policy Period", and arises out of a "Wrongful act" committed on or after the "Retroactive Date" and before the date of termination of the contract between the "Agent" and the "Sponsoring Organization". This Individual Extended Reporting Period shall be limited to "Claims" solely involving products issued by the "Sponsoring Organization" or sold through its "Broker/Dealer" "Subsidiary". The "Agent" shall not be entitled to this Individual Extended Reporting Period if the "Sponsoring Organization" terminated the contract for disciplinary reasons.

2. Automatic Extended Reporting Period Due to Disablement, Retirement, or Death

If the "Agent" becomes disabled, retires from the business of providing "Professional Services" pursuant to and in accordance with formal retirement procedures of the "Sponsoring Organization" or dies, the "Agent" or the legal representative of a deceased "Agent", shall be entitled to a period of two (2) years after the date of termination of the contract between the "Agent" and the "Sponsoring Organization" by reason of disablement, retirement or death to give written notice to the Insurer of any "Claim" which is first made during said two (2) year period and arises out of a "Wrongful act" committed on or after the "Retroactive Date" and before the date of termination of the contract between the "Agent" and the "Sponsoring Organization".

The "Agent" shall not be entitled to any of the Automatic Extended Reporting Periods described in paragraphs A. 1. and B. 1. and 2. if the "Agent" has any other insurance which applies to any "Damages" or "Defense Costs".

3. Optional Extended Reporting Periods

a. An "Agent" who becomes disabled or retires from the business of providing "Professional Services" pursuant to and in accordance with formal retirement procedures of the "Sponsoring Organization" or the legal representative of a deceased "Agent" may elect to purchase an Extended Reporting Period for "Claims" which are first made against an "Insured" and reported in writing to the Insurer within:

(i) three (3) years of the date of termination of the contract between the "Agent" and the "Sponsoring Organization", if the "Agent" or the legal representative of the deceased "Agent" pays an additional premium equal to 200% of the "Agent's" last annual premium within sixty (60) days of the date of termination of the contract between the "Agent" and the "Sponsoring Organization"; or

(ii) five (5) years of the date of termination of the contract between the "Agent" and the "Sponsoring Organization", if the "Agent" or the legal representative of the deceased "Agent" pays an additional premium equal to 300% of the "Agent's" last annual premium within sixty (60) days of the date of termination of the contract between the "Agent" and the "Sponsoring Organization";

(iii) or an unlimited amount of time after the date of termination of the contract between the "Agent" and the "Sponsoring Organization", if the "Agent" or the legal representative of the deceased "Agent" pays an additional premium equal to 500% of the "Agent's" last annual premium within sixty (60) days of the date of termination of the contract between the "Agent" and the "Sponsoring Organization".

b. These Optional Extended Reporting Periods shall be in addition to any Automatic Extended Reporting Periods described in V. A. and B above.

C. The Extended Reporting Periods do not extend the "Policy Period" nor reinstate or increase the Limit of Liability beyond the limits shown in Item 4. of the "Agent's" "Certificate of Insurance" or Item 3.a. of the "Master Policy" Declarations.

D. "Claims" which are properly reported during an Extended Reporting Period will be deemed to have been made on the last day of the "Policy Period".

VI. Notice, Cooperation, Defense and Settlement

A. Notice of Claim

1. As a condition precedent to coverage, if a "Claim" is made against an "Insured", the "Insured" shall, as soon as practicable, notify the Insurer during the "Policy Period" and forward to the Insurer every demand, notice, summons, or other process received. Notwithstanding the requirement that the "Claim" must be first made and reported to the Insurer during the "Policy Period", if continuous coverage is in effect pursuant to consecutive policies issued by the Insurer, a "Claim" may be made against the "Insured" during one "Policy Period" and may be reported to the Insurer in writing during the consecutive, immediately following "Policy Period" without constituting a violation of this provision, so long as the "Insured" gave notice to Insurer as soon as practicable. The "Policy Period" in effect on the date which the "Claim" is reported to the Insurer shall apply.

In no event will the Insurer be responsible to pay any "Damages" or "Defense Costs" in connection with any default judgment entered against an "Insured" prior to notice to the Insurer or as a result of untimely notice to the Insurer nor shall the Insurer be responsible to pay any "Damages" or "Defense Costs" in connection with any claim in which the Insurer's interests have been prejudiced because of the "Insured's" failure to provide timely notice to the Insurer. Coverage will be forfeited if the Insurer's interests were prejudiced due to late notice by an "Insured".

2. The "Insured" shall not agree to arbitration or mediation, admit liability, make any payment, consent to any judgment, settle any "Claim" or incur any "Defense Costs" without the written consent of the Insurer.

3. The "Insured" shall immediately forward to the Insurer copies of demands, reports, investigations, pleadings and related papers, and provide other such information, assistance and cooperation as the Insurer may reasonably request in the investigation, settlement and defense of a "Claim".

4. The "Insured" shall further cooperate with the Insurer and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that the "Insured" may have.

5. All written notices provided for in this Policy shall be in writing and addressed to the Insurer at:

For Claims and potential Claims:
Attn: Claim Manager, Berkley Professional Liability
E-mail address: AgentClaims@Berkleypro.com

All Other Notices: Attn: Vice President – Sponsored Agents
Berkley Professional Liability
757 Third Avenue
10th Floor
New York, NY 10017

B. Notice of Circumstance

If during the "Policy Period", an "Insured" becomes aware of a "Wrongful act" that could give rise to a "Claim" against an "Insured" and gives written notice to the Insurer prior to the end of the "Policy Period" of the following:

1. the names of all potential claimants; and
2. the names of each "Insured" that committed the "Wrongful act"; and
3. a detailed description of the "Wrongful act"; and
4. the damage which has or may result from the "Wrongful act"; and
5. the circumstances by which the "Insured" first became aware of such "Wrongful act".

Then any "Claim" which subsequently arises out of such "Wrongful act" shall be treated as a "Claim" first made during the "Policy Period".

C. **Defense and Settlement**

The Insurer shall have the right and duty to defend any "Claim" against the "Insured" seeking sums payable under this Policy, even if the allegations of the "Claim" are groundless or false. The Insurer has the right to select counsel for the defense of any "Claim" against an "Insured". The Insurer shall make such investigation and settlement of any "Claim" as it deems expedient and need not obtain the consent of the Insured. The Insurer shall not be obligated to pay any "Claim" or judgment or continue to defend any "Claim" after the applicable Limit of Liability has been exhausted by payment of "Damages" or "Defense Costs".

VII. General Conditions

A. Territory

This Policy applies to "Wrongful acts" committed anywhere in the world provided that both the "Claim" and any subsequent litigation is made against the "Insured" in the United States of America, its territories or possessions.

B. Other Insurance

If the "Insured" has any other insurance which applies to any "Damages" or "Defense Costs" insured under this Policy, this Policy shall be excess over any other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written as specific excess insurance over this Policy.

This provision will not apply if the "Insured" has other insurance with the Insurer, or an Affiliate of the Insurer. In such event, the "Insured" must elect the Policy under which the "Claim" will be made. If an "Insured", other than the "Agent", is entitled to coverage for the "Claim", the "Agent" whose "Wrongful act" is the basis of the "Claim" or who is legally responsible for such "Wrongful act" shall be entitled to make the election and such election shall be binding on all other "Insureds".

We will have no duty to defend the "Insured" against any "Claim" if any other insurer has a duty to defend the "Insured" against that "Claim". If no other insurer defends, we will undertake to do so, but we will be entitled to an assignment of the "Insured's" rights against all those insurers.

C. Subrogation and Recovery

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to any "Insured's" rights of recovery, and the "Insured" and "Sponsoring Organization" shall execute and deliver instruments and all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer to bring suit in the name of the "Insured" and/or "Sponsoring Organization".

D. Changes

Notices to any agent or representative, or knowledge possessed by any agent, representative or any other person shall not effect a waiver or a change in any part of this Policy or prevent the Insurer from asserting any rights under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsements issued to form a part of this Policy.

E. No Action Against the Insurer

No action shall lie against the Insurer unless, as a condition precedent thereto, all "Insureds" have fully complied with all the terms of this Policy and not until the amount of all "Insured's" obligations to pay have been fully and finally determined either by judgment against all "Insureds" or by written agreement of the "Insured", the claimant and the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the Insurer as a party to any action against the "Insured" to determine the "Insured's" liability, nor shall the Insurer be impleaded by the "Insured" or the "Insured's" legal representative.

F. Assignment of Interest

The interest of the "Insured" under this Policy shall not be assignable. In the event of death or incompetency of the "Agent", this Policy shall cover the "Agent's" legal representative as an "Insured" as respects to any liability previously incurred and covered by this Policy.

G. Cancellation and Termination

1. Termination: This Policy shall terminate at the earliest of the following times:

a. upon expiration of the "Policy Period" as set forth in Item 3. of the Declarations, or the effective date of cancellation, if earlier;

b. ten (10) days after receipt by the "Sponsoring Organization" of a written notice of cancellation from the Insurer for failure to pay a premium when due; or

c. as to the "Agent", upon termination of the contract between the "Agent" and the "Sponsoring Organization".

2. Cancellation:

a. This Policy may be cancelled by an "Agent" by providing written notice of cancellation to the Insurer stating when thereafter cancellation shall be effective. In no event may the requested date of cancellation be greater than ten days prior to the date the request is received by the Insurer. If this Policy is cancelled by an "Agent", the Insurer shall retain the customary short rate proportion of the premium.

b. The "Master Policy" may be cancelled by the "Sponsoring Organization" acting on behalf of all "Insureds" by surrender of the "Master Policy" to the Insurer or by providing written notice to the Insurer stating when thereafter cancellation shall be effective. If this Policy is cancelled by the "Sponsoring Organization", the Insurer shall retain the customary short rate proportion of the premium. In no event may the requested date of cancellation be greater than ten days prior to the date the request is received by the Insurer.

c. The Policy or "Master Policy" may be cancelled by the Insurer for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or misrepresentation affecting the Policy or the "Master Policy";
- (3) Violation of any of the terms or conditions of the Policy; or
- (4) Substantial increase in hazard.

d. Written notice of cancellation, including the reasons for cancellation, shall be mailed or delivered by the Insurer to (1) an "Agent" in case of cancellation of this Policy and (ii) to the "Sponsoring Organization" at the address shown in the Declarations and to the broker of record in the case of cancellation of the "Master Policy", at least:

- (1) Ten (10) days prior to the effective date of cancellation, if this Policy or the "Master Policy" is cancelled for nonpayment of premium; or
- (2) Sixty (60) days prior to the effective date of cancellation, if this Policy or the "Master Policy" is cancelled for any other reason.

Proof of mailing the notice of cancellation shall be sufficient proof of notice and the "Master Policy" shall terminate on the date and time specified in such notice. If the Insurer cancels this Policy or the "Master Policy", the earned premium shall be calculated pro rata. Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation.

H. Changes in Ownership - Mergers, Acquisitions or Divestitures

1. Change of Control of "Sponsoring Organization"

If during the "Policy Period", the "Sponsoring Organization" consolidates with or merges into, or sells all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty percent (50%) of the voting power for election of directors of the "Sponsoring Organization", or acquires the voting rights of such an amount of securities, then the "Master Policy" shall continue in full force and effect as to "Wrongful acts" committed prior to the effective date of such event. The "Sponsoring Organization" shall give the Insurer written notice of any such event as soon as practicable but not later than thirty (30) days after the date of such event.

2. Cessation of "Subsidiaries"

If an organization ceases to be a "Subsidiary", coverage with respect to such "Subsidiary" shall continue until termination of this Policy. Such coverage continuation shall apply only with respect to "Claims" for covered "Wrongful acts" committed prior to the date such organization ceased to be a "Subsidiary".

I. Authorization Clause - Sole Agent

By acceptance of the "Master Policy", the first listed "Sponsoring Organization" named in Item 1.b. of the Declarations shall act of behalf of the "Insureds" for all purposes, including but not limited to the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation, termination or nonrenewal, or reimbursement to the Insurer of any Deductible Amount advanced and the exercise of the rights provided in Section V. Extended Reporting Periods or Section VI. Conditions Subsection G.

J. Proposal

BERKLEY INSURANCE COMPANY

The Insurer has issued this Policy in reliance of representations, warranties and agreements made in the written application and any materials submitted therewith for this Policy. Such representations, warranties and agreements are the basis for coverage afforded under this Policy and shall be incorporated herein.

In witness whereof, the Insurer has caused this Policy to be signed by its President and Secretary, but this Policy shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the Insurer.



President



Secretary

Professional Services Endorsement - Sponsored Life Insurance Agents Errors and Omissions Liability

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the Sponsored Insurance Agents Errors and Omissions Liability Policy.

In consideration of the premium paid for this Policy, it is understood and agreed that:

1. **Section II. Definitions**, Items A. and R. are deleted in their entirety and replaced by the following:

A. "Agent" means an individual as shown in Item 1. of the "Certificate of Insurance", who has complied with all of the following:

- 1. has or had maintained membership with the "Sponsoring Organization";
- 2. has or had elected to enroll for coverage under this Policy or any Policy issued by the Insurer of which this Policy is a renewal;
- 3. has paid his or her premium;
- 4. is licensed by the appropriate authorities to solicit and sell life insurance products and services; and
- 5. when required in rendering "Professional Services", is properly registered as a registered representative with the Financial Industry Regulatory Authority (FINRA).

Such individuals shall be specifically designated by name and their names shall be on file with the "Sponsoring Organization".

R. "Professional Services" mean:

- 1. The sale or servicing of:
 - a. Life insurance, accident and health insurance, disability income insurance, indexed annuities and fixed annuities, Medicare Advantage and Medicare Supplemental Insurance;
 - b. Variable insurance products, including but not limited to variable annuities, flexible and scheduled premium annuities and variable life insurance (if purchased);
 - c. Mutual funds registered with the U.S. Securities and Exchange Commission and sold by a licensed "Registered Representative" through a Financial Industry Regulatory Authority ("FINRA") licensed "Broker/Dealer" (if purchased); and
 - d. Financial planning, advice and consultation solely in connection with any of the products listed in Subsection 1.

2. **Section II. Definitions** is amended to add the following:

W. The term "Securities" is added to this Policy and shall have the same meaning as the term used by 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, as applicable, or any state securities laws, so long as such securities are offered for sale on a United States securities exchange.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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3. **Section III. Exclusions** is amended to add the following:

This Policy does not apply to any "Claim" based upon, arising out of, directly or indirectly, or in any way involving:

AA. Any professional services performed by the "Insured" as an actuary, accountant, attorney, real estate agent or real estate broker, or third party claims administrator; however, this Exclusion shall not apply to tax advice incidental to the sale of products listed in Section II. Q. 1 and 2 of the Professional Services Endorsement;

BB. Any offering, sale or servicing of structured settlements; however, this Exclusion shall not apply to a "Claim" arising out of the selling or servicing of the underlying covered product;

CC. Any ownership, formation, operation, administration, advice, referral, recommendation or placement of coverage with any health maintenance organization, preferred provider organization, risk retention group, "Multiple Employer Welfare Arrangement", self insurance program or purchasing group;

DD. Any loss alleged to have been sustained solely through fluctuation in market value of any security;

EE. Any "Securities" (other than variable annuities, variable life insurance and mutual funds);

- FF. 1. Any function of an "Insured" as a specialist or market maker for any "Securities";
- 2. an "Insured" failing to make a market for any "Securities"; or
- 3. the purchase, sale or failure to purchase or sell "Securities" when the "Insured" is a specialist or market maker for such "Securities";

GG. Any activities in connection with any equity security priced under five dollars (\$5.00) at the time of purchase;

HH. The purchase, sale or the giving of advice regarding:

- 1. Commodities, commodity future contracts, warrants, forward contracts, interest rate swaps or option contracts other than covered call option contracts or auction rate securities;
- 2. Promissory notes or other non-securitized evidence of debt;
- 3. Viatical settlements, life settlements, stranger owned life insurance policies, or any security backed by either viatical settlements, life settlements, stranger owned life insurance policies.
- 4. Reverse mortgages or similar transactions in which the present value of a conditional contract is exchanged or sold;
- 5. ETS pay phones or pay phone investments;
- 6. "Junk Bonds" or "High Yield Bonds". For the purposes of this exclusion, "Junk Bonds" or "High Yield Bonds" mean bonds which, at the time of purchase or sale were unrated or rated as below investment grade by any rating agency (including but not limited to Moody's rated bonds of Baa3 or lower or S&P rated bonds of BBB- or lower);
- 7. A qualified retirement plan (intended to be a plan) described in Section 412(i) of the Internal Revenue Code of 1986, as amended (the "Code") (prior to the amendments by the Pension Protection Act of 2006) or Section 412(e)(3) of the Code (after the amendments by the Pension Protection Act of 2006) or any successor thereto;

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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- 8. A single employer welfare benefit fund (intended to be a welfare benefit fund) described in Section 419(e) of the Internal Revenue Code of 1986, as amended or any successor thereto;
- 9. A multiple employer welfare benefit fund (intended to be a welfare benefit fund) described in Section 419(A)(f)(6) of the Internal Revenue Code of 1986, as amended or any successor thereto;
- 10. A Ponzi Scheme or Pyramid Scheme. Herein, "Ponzi Scheme" means an investment program in which investors are paid returns primarily out of the money paid by subsequent investors in the program. Herein, "Pyramid Scheme" means an investment program in which investors are paid returns primarily through the enrollment of others into the program; or
- 11. A beneficial interest of a life insurance policy for the purpose of an investment, or the creation of Trusts to give the appearance of an insurable interest and used to initiate policies for investors, or the transfer for investment of an investment in a Trust holding beneficial interest in a life insurance policy.

II. Brought by, or on behalf of, any clearing agency or arising out of any function of any "Insured" or "Sponsoring Organization" as a clearing agency;

- JJ.
 - 1. The actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of "Pollutants" into or on real or personal property, water or the atmosphere; or
 - 2. Any direction or request that the "Insured" tests for, monitors, cleans up, removes, contains, treats, detoxifies or neutralizes "Pollutants", or any voluntary decision to do so.

This pollution exclusion applies whether or not such "Pollutants" have any function in the "Insured's" business, operations, premises, site or location and regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to any "Damages" and "Defense Costs" associated with such "Pollutants"; or

KK. Based upon, arising out of, or attributable to the quality of care rendered by, lack of care rendered by, or the alleged malpractice of a participating provider of health-related services, its employees, physician, or other practitioner, of any Health Maintenance Organization or other Healthcare provider;

LL. The sale, servicing or investment in any Limited Partnership, Tenant in Common investments (pursuant to Section 1031 of the Internal Revenue Code), Real Estate Investment Trusts (REITS), issuer callable certificates of deposit, equipment sale-lease-buy-back transactions of any kind or security that is not registered with the Securities and Exchange Commission;

MM. Any life insurance policy in which the premium was paid for, in whole or in part, by or through any premium finance mechanism or any premium finance company;

NN. Investment advice provided by an "Agent" as a Fiduciary Advisor if such investment advice is not provided pursuant to and in accordance with all of the requirements of the Pension Protection Act of 2006 as it may be amended;

OO. Employment Practices including but not limited to discrimination or termination of employment;

PP. Any proprietary fund or investment products in which an "Agent" has any ownership interest;

QQ. The theft, loss, mishandling or misuse of client information in any manner.

RR. Class Action lawsuit or Mass Tort litigation; or

SS. Property and Casualty insurance.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Insurance Professionals Protection Group, Inc.	Policy Number BPRO8024271
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Deductible Applicable to Damages and Defense Costs

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the Sponsored Insurance Agents Errors and Omissions Liability Policy.

In consideration of the premium paid for this Policy, it is understood and agreed that:

- 1. **Section IV. Limit of Liability, Master Policy Aggregate, Interrelated Claims and Deductible Amount**, Item D. Deductible Amount, is deleted in its entirety and replaced by the following:
 - D. Deductible Amount: The Deductible Amount stated in Item 6 of the "Certificate of Insurance" is applicable to each "Claim" and applies to the payment of "Damages" and "Defense Costs". The Limits of Liability set forth in Item 4. of the "Agent's" "Certificate of Insurance" and Item 2. of the "Master Policy" Declarations are in addition to and in excess of any applicable Deductible amount.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Insurance Professionals Protection Group, Inc.	Policy Number BPRO8024271
Effective Date of This Endorsement 11/01/2016	Authorized Representative 

Definition of Insured Amendatory Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the Sponsored Insurance Agents Errors and Omissions Liability Policy.

In consideration of the premium paid for this Policy, it is understood and agreed that:

- 1. **Section II. Definitions** K. "Insured" is hereby deleted and replaced with the following:

K. "Insured" means:

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

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Insurance Professionals Protection Group, Inc.	Policy Number BPRO8024271
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**Insurance Professionals Protection Group, Inc.
Member of Risk Purchasing Group Endorsement**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the Sponsored Insurance Agents Errors and Omissions Liability Policy.

In consideration of the premium paid for this Policy, it is understood and agreed that:

1. **Section V. Extended Reporting Periods** is deleted in its entirety and replaced by the following:

A. EXTENDED REPORTING PERIODS - CANCELLATION OR NONRENEWAL OF THE MASTER POLICY

1. Automatic Extended Reporting Period: In the event of cancellation or nonrenewal of the "Master Policy", other than for nonpayment of premium, an "Agent" shall have a period of ninety (90) days after the expiration of the "Policy Period" to report in writing to the Insurer any "Claim" which is first made during said ninety (90) day period, and arises out of a "Wrongful act" committed on or after the "Retroactive Date" and prior to the end of the "Policy Period".

This Automatic Extended Reporting Period shall not be available if the "Agent" has any other applicable insurance, including any policy issued subsequent to this Policy.

2. If the Insurer cancels this Policy because the "Sponsoring Organization" failed to pay a premium when due, the "Insureds" shall not have the right to the Automatic Extended Reporting Period.

B. INDIVIDUAL EXTENDED REPORTING PERIODS - AGENT

1. Automatic Individual Extended Reporting Period due to the termination of the membership of an "Agent" with the "Sponsoring Organization": The insurance under this Policy shall cease as of the date of termination of the membership of an "Agent" with the "Sponsoring Organization". In such event, the "Agent" shall be entitled to an Extended Reporting Period as follows:

a. One (1) Year Extended Reporting Period

The "Agent" shall have a period of one (1) year after the date of termination of the membership to give written notice to the Insurer of any "Claim" which is first made before the end of the "Policy Period", and arises out of a "Wrongful act" committed on or after the "Retroactive Date" and before the date of termination of the membership with the "Sponsoring Organization".

2. Optional Extended Reporting Period

a. An "Agent" who becomes disabled or retires from the business of providing "Professional Services" or the legal representative of a deceased "Agent" may elect to purchase an Extended Reporting Period for "Claims" which are first made against an "Insured" and reported in writing to the Insurer within three (3) years of the date of termination of the membership of the "Agent" with the "Sponsoring Organization", if the "Agent" or the legal representative of the deceased "Agent" pays an additional premium equal to 200% of the "Agent's" last annual premium within sixty (60) days of the date of termination of the membership of the "Agent" with the "Sponsoring Organization".

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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- b. An "Agent" shall not be entitled to purchase an Optional Extended Reporting Period if the "Sponsoring Organization" or an insurance company or a "Broker/Dealer" or an insurance marketing organization has terminated its relationship with the "Agent" for disciplinary reasons due to the "Agent's" failure to comply with the written practices or procedures in effect at the time of the relationship.
 - c. This Optional Extended Reporting Period shall be in addition to any Automatic Extended Reporting Periods described in V. A. and B. above.
- C. The Extended Reporting Periods do not extend the "Policy Period" nor reinstate or increase the Limit of Liability beyond the limits shown in Item 4. of the "Agent's" "Certificate of Insurance" or Item 3.a. of the "Master Policy" Declarations.
- D. "Claims" which are properly reported during an Extended Reporting Period will be deemed to have been made on the last day of the "Policy Period".

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Insurance Professionals Protection Group, Inc.	Policy Number BPRO8024271
Effective Date of This Endorsement 11/01/2016	Authorized Representative 

**Amendment of Insuring Agreements –
Deletion of Coverage B. Vicarious Liability**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the Sponsored Insurance Agents Errors and Omissions Liability Policy.

In consideration of the premium paid for this Policy, it is understood and agreed that:

- Section I. Insuring Agreements, Item B. Vicarious Liability, is deleted in its entirety.**

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Insurance Professionals Protection Group, Inc.	Policy Number BPRO8024271
Effective Date of This Endorsement 11/01/2016	Authorized Representative 

Delaware Amendatory Endorsement

In consideration of the premium paid for this Policy, it is understood and agreed that:

1. **Section VII. General Conditions** Item G.2. is deleted in its entirety and replaced by the following:

G. 2. Cancellation:

- a. This Policy may be cancelled by an "Agent" by providing written notice of cancellation to the Insurer stating when thereafter cancellation shall be effective. In no event may the requested date of cancellation be greater than ten (10) days prior to the date the request is received by the Insurer. If this Policy is cancelled by an "Agent", the Insurer shall retain the customary short rate proportion of the premium.
- b. The "Master Policy" may be cancelled by the "Sponsoring Organization" acting on behalf of all "Insureds" by surrender of the "Master Policy" to the Insurer or by providing written notice to the Insurer stating when thereafter cancellation shall be effective. If this Policy is cancelled by the "Sponsoring Organization", the Insurer shall retain the customary short rate proportion of the premium. In no event may the requested date of cancellation be greater than ten (10) days prior to the date the request is received by the Insurer.
- c. The Policy or "Master Policy" may be cancelled by the Insurer for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misrepresentation or nondisclosure to the company of a material fact at the time of acceptance of the risk;
 - (3) Increased hazard or material change in the risk assumed which could not have been reasonably contemplated by the parties at the time of assumption of the risk;
 - (4) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
 - (5) Fraudulent acts against the company by the insured or its representatives that materially affect the nature of the risk insured;
 - (6) Lack of cooperation from the insured on loss control matters affecting insurability of the risk;
 - (7) Bona fide loss of or substantial changes in applicable reinsurance provided, however, the insurer shall give sixty days written notice to both the insured and the Insurance Commissioner and submit a statement outlining the measures taken by the insurer to retain reinsurance and to obtain alternative sources of reinsurance in the form provided;
 - (8) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract (provided that the insurer give sixty days written notice to the insured and the Insurance Commissioner); and
 - (9) Bona fide loss of or reduction in available insurance capacity (provided that the insurer give sixty days written notice to the insured and the Insurance Commissioner).
- d. Written notice of cancellation shall be mailed or delivered by the Insurer to (1) an "Agent" in case of cancellation of this Policy and (ii) to the "Sponsoring Organization" at the address shown in the Declarations and to the broker of record in the case of cancellation of the "Master Policy", at least:
 - (1) Ten (10) days prior to the effective date of cancellation, if this Policy or the "Master Policy" is cancelled for nonpayment of premium; or
 - (2) At least sixty (60) days but not greater than one hundred twenty (120) days prior to the effective date of cancellation, if this Policy or the "Master Policy" is cancelled for any other reason.

Proof of mailing the notice of cancellation shall be sufficient proof of notice and the "Master Policy" shall terminate on the date and time specified in such notice. If the Insurer cancels this Policy or the "Master Policy", the earned premium shall be calculated pro rata. Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation.

2. **Section VII. General Conditions** is amended to add the following:

- K. If the Insurer decides not to renew this Policy, the Insurer shall provide written notice to the entity stated in Item 1.b. of the Declarations at least sixty days but not more than one hundred twenty days prior to the end of the "Policy Period". A copy of the notice shall also be provided to the agent of record. Proof of mailing shall be sufficient proof of notice.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Insurance Professionals Protection Group, Inc.	Policy Number BPRO8024271
Effective Date of This Endorsement 11/01/2016	Authorized Representative 