

Company Sponsored Insurance Agents
Professional Liability Insurance Policy

THIS IS A CLAIMS-MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS AND CONDITIONS, THIS POLICY ONLY COVERS **CLAIMS** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** OR **EXTENDED REPORTING PERIOD**, IF APPLICABLE, AND REPORTED TO THE COMPANY IN WRITING DURING THE **POLICY PERIOD**, BUT IN NO EVENT LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE **EXTENDED REPORTING PERIOD**, IF APPLICABLE. **CLAIMS EXPENSES** ARE INCLUDED WITHIN, AND WILL REDUCE, THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY, AND CONSULT WITH YOUR BROKER/AGENT OR OTHER PROFESSIONAL TO THE EXTENT YOU DO NOT UNDERSTAND ANY TERMS OR CONDITIONS OF THIS POLICY.

WORDS THAT APPEAR IN BOLD PRINT HAVE SPECIAL MEANINGS AND ARE DEFINED SEPARATELY. WHENEVER A SINGULAR FORM OF A WORD IS USED, THE SAME WILL INCLUDE THE PLURAL WHEN REQUIRED BY CONTEXT.

In consideration of the payment of the premium, and in reliance upon the **Application** which shall be the basis of this Policy and deemed to be incorporated herein, and subject to all the terms and conditions of this Policy, the Company and the **Insured** agree as follows:

I. INSURING AGREEMENT

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

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

II. EXTENSIONS OF COVERAGE

Subject to all other terms and conditions of this Policy, the following Extensions of Coverage shall apply:

A. Disciplinary Proceedings

- 1. In addition to the Limit of Liability, the Company shall reimburse the **Insured** for reasonable and necessary attorney's fees and costs incurred in responding to a **Disciplinary Proceeding** first commenced against an **Insured**, during the **Policy Period**, but in no event later than sixty (60) days after expiration or termination of this Policy, or during the **Extended Reporting Period**, if applicable.
- 2. The maximum payment by the Company pursuant to this Section II. A. **Extensions of Coverage**, shall be \$10,000 for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, regardless of the number of **Disciplinary Proceedings**.

3. Pursuant to this Section **II. A. Extensions of Coverage**:

- a. No payments made by the Company shall apply to the Deductible; and
- b. The Company shall not pay any amount until the conclusion of the **Disciplinary Proceeding** and only if such **Disciplinary Proceeding** has not resulted in the suspension or revocation of the **Insured's** license.

B. Subpoena Compliance

1. In addition to the Limit of Liability, the Company shall pay reasonable attorney's fees and costs, subject to Section **VI. Defense, Consent, and Settlement**, in connection with the receipt of a subpoena by the **Insured** during the **Policy Period** or during the **Extended Reporting Period**, if applicable, for document production or representation in giving sworn testimony related to **Professional Services**, which is issued in connection with a lawsuit which the **Insured** is not party.
2. The maximum payment by the Company pursuant to this Section **II. B. Extensions of Coverage**, shall be \$10,000 for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, regardless of the number of subpoenas.
3. Pursuant to this Section **II. B. Extensions of Coverage**, no payments made by the Company shall apply to the Deductibles.

C. Privacy Breach

1. The Company shall pay a **Privacy Breach** Sublimit of Liability on behalf of the **Insured** for all sums which the **Insured** shall become legally obligated to pay as **Damages** and **Claims Expenses** resulting from **Claims** first made against an **Insured** during the **Policy Period**, or **Extended Reporting Period**, if applicable, as a result of a **Privacy Breach**, arising solely from the rendering of or failure to render **Professional Services**, provided that such **Professional Services** were rendered or failed to be rendered on or after the **Retroactive Date** and before the expiration of the **Policy Period**.
2. The maximum payment by the Company pursuant to this Section **II. C. Extensions of Coverage**, for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, shall be \$25,000 per **Agent**.
3. Pursuant to this Section **II. C. Extensions of Coverage**:
 - a. A \$5,000 Deductible shall apply to each **Claim**; and
 - b. The **Privacy Breach** Sublimit of Liability shall be part of and not in addition to the Limits of Liability set forth in Item 3. of the Declarations of this Policy.

III. DEFINITIONS

A. Agent means an individual who:

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

- B. Application** means all signed applications, including attachments and other materials submitted therewith or referenced or incorporated therein, submitted by or on behalf of the **Insured** to the Company for this Policy or for any policy of which this Policy is a direct or indirect renewal or replacement. All such applications, attachments and materials are deemed attached to, incorporated into and made a part of this Policy.
- C. Broker-Dealer** 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 Advisers Act of 1940, as amended.
- D. Claim** means a demand for money or services received by an **Insured** alleging a **Wrongful Act**. **Claim** does not include a demand for non-monetary or injunctive relief or any criminal proceeding.
- E. Claims Expenses** means reasonable and necessary fees, costs and expenses incurred by the Company, or by the **Insured** with the prior written consent of the Company, consisting of fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, including the cost of appeal bonds, however, the Company shall not be obligated to apply for or furnish appeal bonds. **Claims Expenses** do not include salary charges, wages or expenses of partners, principals, officers, directors, members or employees of the **Insured** or the Company.
- F. Controlling Interest** means the right of an **Insured** or a member of an **Insured's Immediate Family**, directly or indirectly, to:
1. own 10% or more of an interest in an entity;
 2. vote 10% or more of the issued and outstanding voting stock in an incorporated entity;
 3. elect 10% or more of the directors of an incorporated entity;
 4. receive 10% or more of the profits of an unincorporated entity; or
 5. act as general partner of a limited partnership, managing general partner of a general partnership, or comparable position in any other business enterprise.
- G. Damages** means a compensatory monetary amount for which an **Insured** may be held legally liable, including judgments, awards, or settlements negotiated with the prior approval of the Company, provided that **Damages** shall not include:
1. Any disgorgement, return, withdrawal, restitution or reduction of any sums or fees, including any sums or fees which are or were in the possession or control of any **Insured**;
 2. Any amounts credited to any **Insured's** account;
 3. Fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;
 4. Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;
 5. Equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such equitable relief;
 6. Any amounts constituting a waiver of fees, charges, costs or any other monetary amounts the **Sponsoring Company** is contractually entitled to impose upon a client or customer;
 7. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, funds, premium or claim monies;

- 8. Any amounts resulting from disputes involving an **Insured's** client lists, or non-compete or similar agreements; or
 - 9. Any amounts resulting from disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation.
- H. Disciplinary Proceeding** means any proceeding commenced by a regulatory or disciplinary official, board or agency with the authority to regulate **Professional Services**, and whose obligation is to investigate charges of professional misconduct arising solely from the rendering of or failure to render **Professional Services**.
- I. Extended Reporting Period** means the applicable period of time after the expiration or termination of the **Policy Period** for reporting **Claims** arising out of **Wrongful Acts** committed prior to the expiration of the **Policy Period** and on or subsequent to the **Retroactive Date**, and otherwise covered by this Policy.
- J. Immediate Family** means:
- 1. the **Insured**; or
 - 2. the **Insured's**:
 - a. spouse;
 - b. parent(s), adoptive parent(s) or step-parent(s);
 - c. sibling(s) or step-sibling(s); or
 - d. child(ren), adoptive child(ren) or step-child(ren).
- K. Insured** means:
- 1. An **Agent**;
 - 2. An entity owned and controlled by an **Agent**, but solely in connection with **Professional Services** provided by the **Agent**;
 - 3. An employee of an **Agent** acting in his or her capacity as such on behalf of such **Agent**, but solely if the employee is not otherwise contracted as an agent with the **Sponsoring Company** or another insurer and solely in connection with **Professional Services** provided by such **Agent**;
 - 4. The legal heir, executor, administrator or legal representative of an **Agent** in the event of such **Agent's** death, incapacity or bankruptcy;
 - 5. The lawful spouse or domestic partner of any individual which qualifies as an **Insured** under Sub-sections **1.**, **3.**, or **4.**, above, for a **Claim** arising solely out of spousal or domestic partner status, and not out of any alleged independent **Wrongful Acts**, of such individual; or
 - 6. The **Sponsoring Company**, if the only allegation against it is for vicarious liability based upon the **Wrongful Acts** of an **Agent**. The **Sponsoring Company** shall not be an **Insured** if there is any allegation of a wrongful act committed by the **Sponsoring Company**, regardless of whether the **Sponsoring Company** is also alleged to be vicariously liable for the **Wrongful Acts** of an **Agent**.
- L. Interrelated Wrongful Acts** means **Wrongful Acts** that are temporally, logically or causally connected by any common nexus of any fact, circumstance, situation, or event, or which are the same, related or continuous acts, regardless of whether the **Claim** or **Claims** alleging such acts

involve the same or different claimants, **Insureds** or legal causes of action including, but not limited to, any insurance products of any entity which becomes the subject of any bankruptcy, insolvency, liquidation or reorganization proceeding.

- M. Personal Information** means an individual's identity with any one or more of the following: social security number; medical or healthcare data, or other protected health information; drivers license number or state identification number; credit card number or debit card number in combination with any required security code, access code or password that would permit access to that individual's financial account, or other nonpublic **Personal Information** as defined in a **Privacy Regulation**.
- N. Personal Injury** means false arrest, detention or imprisonment, or malicious prosecution; libel, slander, oral or written publication of defamatory or disparaging material; wrongful entry or eviction; or invasion of the right of private occupancy.
- O. Policy Period** means the period of time set forth in Item 2 of the Declarations or any shorter period that may occur as a result of a termination in accordance with Section **VI. G. GENERAL CONDITIONS**.
- P. Privacy Breach** means a violation of a **Privacy Regulation** or right of privacy, arising solely from the rendering of or failure to render **Professional Services**.
- Q. Privacy Regulation** means any statute or regulation associated with the control, use, disclosure and/or dissemination of personally identifiable financial, medical or other sensitive information, including identity theft and privacy protection legislation that requires commercial entities that collect **Personal Information** to post privacy policies, adopt specific privacy controls, or notify individuals in the event that **Personal Information** has potentially been compromised.
- R. Professional Services** means the solicitation, sale or servicing of life, health, disability, long-term care insurance, or fixed annuities.
- S. Retroactive Date** means the inception date of the **Agent's** first claims-made life insurance agents professional liability policy from which coverage has been maintained in force without interruption.
- T. Securities** 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, as amended, and shall include, but not be limited to, stocks, mutual funds, bonds, variable annuities, and variable life insurance.
- U. Sponsoring Company** means the entity set forth in Item 1 of the Declarations.
- V. Wrongful Act** means any negligent act, error or omission committed by an **Insured**, including any **Personal Injury** or **Wrongful Supervision**, arising solely from the performance of **Professional Services** for others, or **Wrongful Termination**.
- W. Wrongful Supervision** means a negligent act, error or omission by an **Insured** manager of an agency arising out of the supervision and/or training of an **Agent**, arising solely from the performance of **Professional Services** by the **Agent**.
- X. Wrongful Termination** means any act, error or omission (except for alleged discrimination as defined by federal, state or local statute, regulation, law or ordinance) arising out of the termination of an agency contract between an **Insured** manager of an agency and an **Agent**.

IV. EXCLUSIONS

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

- A.** Any intentional wrongdoing, fraud, dishonesty, or malicious **Wrongful Acts** by an **Insured**, if a judgment or other final adjudication adverse to the **Insured** establishes such conduct, or if the **Insured** admits to such conduct. The Company shall continue to defend the **Insured**, if these allegations arise out of **Wrongful Acts** otherwise covered under this Policy, but the **Insured** shall reimburse the Company for **Claims Expenses** if such conduct is established as a matter of fact in a civil, arbitration, criminal or other proceeding, or is admitted to by an **Insured**.
- B.** Any **Claim** brought or maintained, directly or indirectly, by or on behalf of any:
1. **Insured**; provided that this Exclusion shall not apply to any alleged **Wrongful Termination**;
 2. Company or **Broker-Dealer**;
 3. Insurance agent or broker;
 4. Entity that is not a client of an **Insured**; provided that this Exclusion shall not apply to any **Claim** brought by an entity who is a beneficiary, heir, executor, conservator, or administrator of a deceased client of an **Insured**, and it shall further not apply to any alleged **Wrongful Termination**;
 5. Entity:
 - a. Wherein the **Insured** has a **Controlling Interest**;
 - b. In which the **Insured** is:
 - i. An officer;
 - ii. A director; or
 - iii. A partner; or
 - c. Which wholly or partly owns, operates, or manages the **Insured**;
 6. Governmental or quasi-governmental entity, or Self-Regulatory Organization including, but not limited to, any state or federal insurance or securities commission or agency, or the Financial Industry Regulatory Authority or the Securities and Exchange Commission; provided that this Exclusion shall not apply to a **Claim** brought by or on behalf of such entity in its capacity as a client of an **Insured** and does not limit the availability of coverage pursuant to Section II. A. **EXTENSIONS OF COVERAGE**.
- C.** Any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the Inception Date set forth in Item 2.(A) of the Declarations, was the subject of any notice given under any insurance policy issued by any insurer or any policy of which this Policy is a direct or indirect renewal or replacement.
- D.** Any **Claim**, demand, suit, litigation or other proceeding pending against, or order, decree or judgment entered for or against any **Insured** which was pending on or existed prior to the Inception Date set forth in Item 2.(A) of the Declarations, or the same or substantially the same facts, circumstances, situation or allegations underlying or alleged therein.
- E.** Any actual or alleged services as an accountant, tax preparer or advisor, actuary, architect, engineer, lawyer, real estate agent or broker, property or casualty insurance agent, title insurance agent, or third-party claims administrator.
- F.** Any actual or alleged placement of a client's coverage or funds directly or indirectly with any entity which is not licensed to conduct business in the state or jurisdiction with authority to regulate such business; provided that this Exclusion shall not apply to the placement of a client's coverage or

funds directly or indirectly with an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business.

- G.** Any actual or alleged ownership, formation, sale, servicing, operation, or administration of or administration of claims for any insurance company, health maintenance organization, preferred provider organization, captive, risk retention group, self-insurance group/program, purchasing group, Professional Employer Organization (PEO), or any pool, syndicate, association or other similar group combination formed for the purpose of providing insurance or benefits.
- H.** Any actual or alleged sale, servicing, or administration of, or advice or planning with respect to, any Multiple Employer Welfare Arrangement.
- I.** Any pension, profit sharing, health, welfare or other employee benefit plan, insurance plan or trust, organized for the benefit of employees of any **Insured**.
- J.** Any financial inability or refusal to pay, insolvency, receivership, conservatorship, bankruptcy, or liquidation of any entity in which an **Insured** has placed or recommended to be placed, coverage or the funds of a client; provided that this Exclusion shall not apply to any insurer that was rated A- or better by A.M. Best at the time of the **Insured's** acts.
- K.** Any actual or alleged liability of others assumed by an **Insured** under any written or oral contract or agreement, provided that this Exclusion shall not apply to the extent that the **Insured** would have been liable in the absence of such contract or agreement.
- L.** The **Insured** making representations, promises or guarantees as to the future value of any investment including but not limited to, representations, promises or guarantees as to interest rates, fluctuation in interest rates, future premium payments or market value(s).
- M.** Any actual or alleged gaining of personal profit or advantage to which an **Insured** is not legally entitled.
- N.** Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation.
- O.** Any actual or alleged commingling, conversion, misappropriation, or defalcation of any funds by any **Insured**.
- P.** Any actual or alleged willful violation of the rules or regulations of the Financial Industry Regulatory Authority, 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.
- Q.** Any **Securities**.
- R.** Any insurance or financial product owned in whole or in part by an **Insured**.
- S.** Any structured settlements; provided that this Exclusion shall not apply to an underlying covered product.
- T.** Any promissory notes, commodities, futures contracts, or option contracts.
- U.** Any viatical or life settlements, reverse mortgages, or any similar product in which the present value of a condition contract is exchanged or sold.
- V.** Any corporate owned life insurance, bank owned life insurance, or any other type of policies where the purchaser of the life product does not have an insurable interest in the **Insured** under such life product.

- W. Any accident and/or health insurance products sold into or part of an IRS Section 412(i) and/or 419 plan or the tax status or lack of eligibility relative to any IRS or other governmental ruling concerning IRS Section 412(i) or 419 plans.
- X. Any bodily injury, including sickness, injury, disease or death of any person; or injury to or destruction of any tangible property, including loss of use thereof.
- Y. Any actual or alleged discrimination, harassment, or misconduct:
 - 1. By an **Insured** because of race, creed, color, age, gender, sex, sexual preference or orientation, national origin, religion, disability, handicap, marital status, or any other class protected under federal, state, local or other law; or
 - 2. By an employee, former employee, or job applicant of an **Insured** in their capacity as such
- Z. Any actual or alleged infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name; or any patent or trade secret; or any unfair competition, deceptive advertising, anticompetitive acts, restraint of trade, price fixing, or antitrust.
- AA. Any allegation of a pattern or practice of wrongful act or conduct by the **Sponsoring Company** including, but not limited to, any class action allegation.
- BB. Any actual or alleged violation of :
 - 1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law,
 - 2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law, or
 - 3. Any statute, ordinance or regulation other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating, or distribution of material or information.
- CC. Any notary services performed in the absence of the physical presence of the person whose signature is notarized.

V. REPORTING AND NOTICE

A. Reporting of Actual Claims

In the event of a **Claim**, the **Insured** shall, as a condition precedent to exercising any right to coverage afforded by this Policy, forward to the Company, as soon as practicable, every demand, notice, summons and/or pleading received by such **Insured**.

B. Reporting of Potential Claims

If, during the **Policy Period**, or any Extended Reporting Period, if exercised, an **Insured** first becomes aware of a **Wrongful Act** which might reasonably be expected to give rise to a **Claim**, and during the **Policy Period** gives written notice to the Company of such **Wrongful Act** as required below, then any **Claim** subsequently made against the **Insured** arising from such **Wrongful Act** or **Interrelated Wrongful Act** shall be deemed to have been first made during the **Policy Period**.

C. Reporting Requirements of Actual and Potential Claims

Written report of a **Claim** and a potential **Claim** must include:

1. The specific facts and circumstances which constitute the **Wrongful Act**, including the

date(s) thereof, and the **Insured** and clients involved;

2. The date and circumstances by which the **Insured** became aware of such **Wrongful Act**; and
3. The **Damages** that may reasonably result therefrom.

D. Notice

1. Notice shall be forwarded to:

Aspen Specialty Insurance Management Co.
Newport Office Center III
499 Washington Boulevard, 8th Floor
Jersey City, NJ 07310
Attention: Financial Services Professional Liability Claims Department
E-mail: Professionalliability.claims@aspenspecialty.com

2. All correspondence should make reference to the Policy number set forth in the Declarations of this Policy. (All other notices under this Policy shall be given to the same addressee but to the attention of the Professional Liability Department.
3. If notices are mailed, the date of mailing of such notice shall constitute the date such notice was given and proof of mailing shall be sufficient proof of notice.

VI. DEFENSE, CONSENT, AND SETTLEMENT

- A. The Company has the sole right to appoint defense counsel and the right and duty to defend any **Claim** covered by this Policy, made against an **Insured**, as set forth in Section III. I. 1., 2., 3., 4. and 5. **DEFINITIONS**, provided that with respect to the **Sponsoring Company**, the Company shall have no duty to appoint defense counsel, no duty to defend and no obligation to pay **Claims Expenses**, unless the sole allegation made against the **Sponsoring Company** is based upon its alleged vicarious liability for the **Wrongful Acts** of an **Agent**.
- B. The Company may make any investigation it deems necessary and may, with the consent of the **Insured**, make any settlement of any **Claim** it deems expedient.
- C. As a condition precedent to exercising any right to coverage afforded by this Policy, the **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Claims Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not be liable for any element of **Loss** incurred, for any obligation assumed, or for any admission made, by any **Insured** without the Company's prior written consent.
- D. The **Insured** must take all reasonable actions within its ability to prevent or mitigate any **Claim** which would be covered under this Policy.
- E. If the **Insured** refuses to consent to a settlement acceptable to the claimant that the Company recommends, then, subject to the Limit of Liability set forth in the Declarations, the Company's liability for such **Claim** shall not exceed the amount for which such **Claim** could have been settled, plus **Claims Expenses** incurred up to the date the **Insured** refused to consent to the settlement, and the Company shall have the right to withdraw from the further defense of such **Claim** by tendering control of the defense thereof to the **Insured**.
- F. The **Insured** shall provide the Company with such cooperation, assistance and information as the Company may request, all without charge to the Company.

VII. TERRITORY

This Policy applies to **Wrongful Acts** committed by an **Insured** anywhere in the world, provided that any **Claim** made as a result of such **Wrongful Acts** must be brought and held against the **Insured** in the United States of America, its territories or possessions.

VIII. GENERAL CONDITIONS**A. Limits of Liability, Deductible, and Claims First Made****1. Limits of Liability**

- a. The Company's maximum liability for all **Damages** and **Claims Expenses** resulting from each **Claim** arising from a **Wrongful Act** or **Interrelated Wrongful Acts** shall be the Limits of Liability for Each **Claim** set forth in Item 3.(A) of the Declarations.
- b. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** made against any one **Agent** covered by this Policy shall be the **Agent** Aggregate set forth in Item 3.(B) of the Declarations.
- c. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** covered by this Policy shall be the Maximum Policy Aggregate set forth in Item 3.(C) of the Declarations.
- d. The Limits of Liability of the Company for any **Extended Reporting Period** shall be part of, and not in addition to, the Limits of Liability of the Company for the **Policy Period**.
- e. The Company shall have no obligation to pay **Damages**, including **Claims Expenses**, or to defend or continue to defend any **Claim** after the Company's applicable Limit of Liability with respect to such **Claim** has been exhausted. If the Company's Limit of Liability set forth in Item 3. of the Declarations is exhausted prior to the expiration of this Policy, the Policy premium will be deemed fully earned.

2. Deductible

The Company shall only be liable for **Damages** and **Claims Expenses** which are in excess of the Deductible(s) set forth in Item 4 of the Declarations. The Deductible(s) shall apply separately to each **Claim** and shall be borne by the **Insured** and remain uninsured. For purposes of the Deductible(s), **Claims** arising out of one **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as arising out of one **Wrongful Act**, and only one Deductible amount shall apply thereto. The Deductible shall not reduce or increase the Limits of Liability.

3. Claims First Made

All **Claims** arising out of the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the earliest date that:

- a. Any of the **Claims** were first made, regardless of whether this Policy was in effect at the time; or
- b. Notice was given by the **Insured** under this Policy or any prior policy of any **Wrongful Act** or **Interrelated Wrongful Act** which underlies such **Claim**.

B. Extended Reporting Periods

1. Group Extended Reporting Period

a. Automatic Extended Reporting Period.

- (i) An Automatic **Extended Reporting Period** is provided without additional charge. This period starts at the date of the Policy termination or the expiration of the **Policy Period**, whichever is earlier, and lasts for sixty (60) days.
- (ii) The Automatic **Extended Reporting Period** applies to **Claims** arising out of a **Wrongful Act** or **Wrongful Termination** that was committed during the **Policy Period** or after the **Retroactive Date**, if any, as set forth in the Declarations, and which are first made against the **Agent** during the **Policy Period** or within sixty (60) days after Policy termination or expiration of the **Policy Period**, whichever is earlier, and reported to the Company, in writing, within sixty (60) days after Policy termination or the expiration of the **Policy Period**, whichever is earlier.

This Automatic Extended Reporting Period shall not be available if the **Insured** 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 B.1.b. and B.2, below, if such Optional Extended Reporting Period is purchased.

b. Optional Extended Reporting Period.

In the event of cancellation or non-renewal of this Policy by the Company, for reasons other than non-payment of premium, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

- c. The right to purchase the Optional **Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable Optional **Extended Reporting Period**, as well as payment of all premiums due the Company. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.

2. Individual Agent Extended Reporting Period

a. Automatic Extended Reporting Period Due to Termination of Agent Contract.

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

- (a) With respect to all covered products, the **Agent** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or

after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

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

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

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

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

c. Optional **Extended Reporting Period**.

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

3. Extended Reporting Periods – Other Terms and Conditions

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

C. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated to all of the **Insured's** rights of recovery against any person or organization, and the **Insured** shall execute and deliver instruments and papers required, and shall do everything necessary to preserve and secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured**. The **Insured** shall do nothing to prejudice such rights.

Any amount so recovered shall be apportioned as follows: Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any **Claims Expenses** and/or **Damages** paid by the **Insured** in excess of any deductible; third, to any claims expenses and/or damages payments by an excess carrier on behalf of the **Insured**; fourth, to any claims expenses and/or damages payments by any primary carrier on behalf of the **Insured**; and last, to repayment of the **Insured's** deductible.

D. Changes in Exposure

If during the **Policy Period**, the **Sponsoring Company** consolidates with, or merges into, or sells all or substantially all of its assets to any other entity; or if the **Sponsoring Company** acquires a controlling ownership interest in any other entity; or if another entity acquires a controlling ownership interest in the **Sponsoring Company**, then this Policy shall continue in full force and effect as to **Wrongful Acts** committed prior to the effective date of such event. The **Sponsoring Company** shall give the Company written notice of any such event as soon as practicable prior to the effective date of such event, and the Company in its sole discretion may determine whether any other terms and/or conditions shall apply.

If an entity ceases to be a subsidiary of the **Sponsoring Company**, coverage with respect to such subsidiary shall continue until the termination of the Policy, but only with respect to **Wrongful Acts** committed prior to the date the entity ceased being a subsidiary.

E. Allocation

If a **Claim** includes both covered and uncovered allegations, or gives rise to both covered **Damages** and uncovered damages, the **Insured** and the Company shall use their best efforts to allocate **Claim Expenses** and **Damages** between covered and uncovered matters. If no agreement can be reached between the Company and the **Insured**, the Company shall pay **Claims Expenses** which it reasonably believes to be covered under this Policy until a different allocation is negotiated or determined. Any negotiated or determined allocation of **Claims Expenses** in connection with a **Claim** shall be applied retroactively, notwithstanding any allocation applied with respect to any prior advancement. Any allocation or advancement of **Claims Expenses** in connection with a **Claim** shall not apply to or create any presumption with respect to any other allocation.

F. Reimbursement of the Company

If the Company has paid any **Damages** and/or **Claims Expenses** in excess of the applicable Limits of Liability, within the amount of the applicable Deductible or subject to the right to seek repayment, the **Insured** shall be liable to the Company for any and all such amounts and, upon demand, shall pay such amounts to the Company promptly. If it is negotiated or determined that any **Damages** or **Claims Expenses** are not covered under this Policy, the **Insured** agrees to repay the Company the amount of such **Damages** or **Claims Expenses** not covered.

G. Termination

This Policy shall terminate at the earliest of the following event:

1. Upon expiration of the **Policy Period** set forth in Item 2 of the Declarations, or the effective date of cancellation, if earlier;
2. Ten (10) days after receipt by the **Sponsoring Company** of a written notice of cancellation from the Company for failure to pay a premium due; or
3. As to an **Agent**, upon termination of an **Agent** contract.

H. Cancellation

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the

Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

I. **Sponsoring Company - Sole Agent**

The **Sponsoring Company** shall be the sole agent of all **Insureds** hereunder for the:

1. Purpose of effecting or accepting any amendments to or cancellation of this Policy;
2. Purpose of receiving such notices as may be required by law and/or any provision(s) of this Policy;
3. Completing of any **Application** and the making of any representations;
4. Payment of any premium and the receipt of any return premium that may become due under this Policy;
5. Payment of any Deductible obligation, and
6. The exercising or declining to exercise any right under this Policy, including declining or exercising any **Extended Reporting Period**.

J. **Alteration and Assignment**

No change in, modification of, or assignment of, interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Company.

K. **Action Against the Company**

No action shall be taken against the Company unless, as a condition precedent thereto, the **Insured** has fully complied with all the terms and conditions of this Policy. In addition, no action shall be taken against the Company until the amount of any **Insured's** obligation or liability to a third party has been finally determined by an award or judgment against any **Insured** in an actual adjudicatory proceeding.

No person or entity shall have any right under this Policy to join any **Insured** in any action or proceeding against the Company to determine the Company's liability nor shall the Company be impleaded in an action or proceeding by any **Insured** or its legal representative.

No person or entity shall have any right under this Policy to join the Company as a party to any action against any **Insured** to determine such **Insured's** liability.

L. **Dispute Resolution Process**

In the event a dispute arises out of this Policy, the Company and the **Insured** shall participate in a non-binding mediation. The parties shall share costs, but bear their own legal fees and expenses. Either the Company or the **Insured** may commence a judicial proceeding or binding

arbitration proceeding after ninety (90) days has passed from the termination of the mediation, provided that in the event that both the Company and the **Insured** commence either a judicial proceeding or binding arbitration, the party commencing first shall be entitled to have its proceeding take precedence over the party not filing first, and such party not filing first shall withdraw its judicial or binding arbitration proceeding until such time the proceeding filed by the party filing first has received a final determination. In the event of a binding arbitration, such proceeding shall be pursuant to such rules and procedures as the parties may agree. If the parties cannot agree, the arbitration shall be administered by the American Arbitration Association in accordance with its then prevailing Commercial Arbitration Rules. The arbitration panel shall consist of one arbitrator selected by the **Insured**, one selected by the Company, and the third independent arbitrator selected by the two party-appointed arbitrators. In any such arbitration, each party will bear its own legal fees and expenses. The arbitration or any court proceeding shall take place in New York, New York and New York law shall apply, without application of any applicable conflict of law analysis.

M. Changes

Notices to any **Agent** shall not effect a waiver or a change in any part of this Policy or prevent the Company from asserting any rights under the terms of this Policy, nor shall the terms of this Policy be waived or changed, unless endorsed hereon.

N. Entire Agreement

It is agreed that this Policy, together with the Declarations, endorsements and the **Application** as of the Inception date of this Policy, constitute the entire agreement existing between the Company and the **Insureds**.

O. Titles

The titles of paragraph, sections or any endorsements to this Policy are intended solely for convenience and reference, and are not deemed in any way to modify the provisions to which they relate.



Aspen American Insurance Company

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Secretary and countersigned where required by law on the Declarations page by its duly Authorized Representative.

A handwritten signature in black ink, appearing to be a stylized set of initials or a name.

Secretary

A handwritten signature in black ink that reads "Bruce Ealy" in a cursive script.

President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BICE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **IV.K. EXCLUSIONS** is hereby deleted in its entirety and replaced with the following:

K. Any:

1. Liability of others assumed by an **Insured** under any contract or agreement, unless such liability would have attached to an **Insured** even in the absence of such an agreement. The coverage provided by this Endorsement includes, but is not limited to, liability resulting from the US Department of Labor's Rules regarding Best Interest Contracts including, but not limited to, DOL Section DOL 84-24; or
2. Guarantees or warranties.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIM/ENTITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **IV. EXCLUSIONS** is hereby amended by the addition of the following exclusion:

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

- Bernard L. Madoff or Bernard L. Madoff Investment Services, LLC.
- Stanford International Bank, Stanford Group Company, or Stanford Capital Management.
- DBSI, Inc.
- Land America Financial Group, Inc.
- Leverage Exchange Traded Funds or Inverse Exchange Traded Funds.
- Medical Capital Corporation, Medical Capital Holdings, Inc., or Medical Provider Funding Corporation VI.
- Provident Royalties, LLC, Provident Asset Management, LLC, Provident Energy 1, LP, Provident Resources 1, LP, Provident Energy 2, LP, Provident Energy 3, LP, or Provident Operating Company, LLC.
- Shale Royalties, Inc., Shale Royalties II, Inc, or Shale Royalties 3-22.
- Somerset Lease Holdings, Inc. or Somerset Development, Inc.
- MetCap Securities, LLC.
- Reserve Fund – Primary Fund.
- GEM Financial Associates, Inc.
- CRI Securities, LLC.
- Advantus Capital Management, Inc.
- Acorn Capital Management.
- Maximum Return Investments, Inc.
- Market Street Advisors.
- Gemini Fund 1, LP
- DISP, LLC.
- North Hills Fund.
- WG Trading Company, WG Trading Investors Co.
- Westridge Capital Management, Inc.
- The Woodbridge Group of Companies and any past or present insured or applicant that has sold any products issued by these companies.
- Smartt Wealth Solutions, LLC.
- LJM Growth and Preservation Fund.
- Isaiah Vasquez/Relief Tax & Retirement

Or any related or affiliated entity of any of the foregoing.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 2

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENDED REPORTING PERIOD AMENDMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **VIII.B.2.a. GENERAL CONDITIONS** is hereby deleted in its entirety and replaced with the following:

- a. Automatic **Extended Reporting Period** Due to Termination of **Agent** Contract.
- (i) Termination of **Agent** for Non-disciplinary Reasons. If, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract for non-disciplinary reasons, coverage for such **Agent** shall continue until the end of the **Policy Period**. With respect to all covered products, the **Agent** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.
- (ii) Termination of **Agent** for Disciplinary Reasons. If the **Agent** is terminated for disciplinary reasons, coverage for such **Agent** shall cease upon the date of such termination, and the **Agent** shall not be entitled to any Automatic **Extended Reporting Period**.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 3

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSOLVENCY EXCLUSION AMENDMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **IV.J. EXCLUSIONS** is hereby deleted in its entirety and replaced with the following:

- J.** Any, insolvency, receivership, bankruptcy, liquidation of any entity or financial inability to pay of a natural person, any company, organization, entity, insurer, reinsurer, benefit plan, risk retention group, captive, vehicle or arrangement of any nature in which any **Insureds** placed or recommended to be placed funds; however, this Exclusion shall not apply to a **Claim** in connection with the investment of stock in any such entity, or with respect to any insurer, self-insurer, insurance plan, trust or any other vehicle or instrumentality which provides coverage or benefits or in which an **Insured** has placed or obtained insurance coverage, or placed the funds of a client, provided at the time the **Insured** placed or obtained insurance coverage or placed the funds of a client, the insuring entity was rated B+/B++ or better by A. M. Best.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 4

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CLAIMS ENDORSEMENT

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **V.D.1. NOTICE** is hereby deleted and replaced with the following:

1. Notice shall be forwarded to:

Lancer Claims Services, 681 South Parker, Suite 300, Orange, CA, 92868, Attention: Financial Services Professional Liability Department. All other notices under this Policy shall be given to Aspen American Insurance Company., Attention: Professional Liability Department, One World Trade Center, 285 Fulton Street, Suite 46-A, New York, NY 10007-0091.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 5

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OFAC ENDORSEMENT

In consideration of the premium paid, it is agreed and understood that payment of **Damages** and/or **Claims Expenses** under this Policy shall only be made in full compliance with all United States of America economic or trade sanctions or other laws or regulations, including sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 6

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **VIII.A.1. GENERAL CONDITIONS** is hereby amended to add the following:

- f.** However, the Limits of Liability for Each **Claim** identified in Item 3.(A) of the Declarations and the **Agent** Aggregate identified in Item 3.(B) of the Declarations, available under this Policy to an **Agent** who is domiciled or who has his/her principal place of business in New York, shall only be reduced by the payment of **Damages** and/or **Claims Expenses** on behalf of such **Agent**, and shall not otherwise be affected by any exhaustion of the Maximum Policy Aggregate identified in Item 3.(C) of the Declarations or payment on behalf of any other **Agent**.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 7

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROFESSIONAL SERVICES AMENDMENT I
ENDORSEMENT**

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **III.R. DEFINITIONS** is hereby deleted in its entirety and replaced with the following but solely with respect to those **Insureds** that have elected and paid for this coverage:

- R. Professional Services** means the solicitation, sale or servicing of:
1. Medicare Supplement and Medicare Advantage (including Medicare Part D); or
 2. Prescription Drug Plans; or
 3. Supplemental Dental, Vision, Hearing, Cancer and Hospital Indemnity Plans; or
 4. Final expense and guaranteed final expense.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 8

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROFESSIONAL SERVICES AMENDMENT II
ENDORSEMENT**

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **III.R. DEFINITIONS** is hereby deleted in its entirety and replaced with the following but solely with respect to those **Insureds** that have elected and paid for this coverage:

- R. Professional Services** means the solicitation, sale or servicing of life, health, disability, long term care insurance or fixed annuities as an **Agent** or when these services are conducted by an Insurance Consultant as designated by the state of Oregon.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 9

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIFIC PRODUCTS AND ACTIVITIES EXCLUSION
ENDORSEMENT**

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **IV. EXCLUSIONS** is hereby amended to add the following exclusions:

1. Any Stranger Owned Life Insurance (STOLI), Speculator Initiated Life Insurance (SPINLIFE), or any other type of policies where the purchaser of the life product does not have an insurable interest in the insured under such life product.
2. Any Accident and/or Health insurance products sold into or part of an IRS Section 412(l) and/or 419 plan; or the tax status or lack of eligibility relative to any IRS or other governmental ruling concerning IRS Section 412(l) and/or 419 plans or based upon any Tax Opinion of any party.
3. Any unauthorized access to, or breach of, an **Insured's** computers or network security, including the loss, theft or unauthorized disclosure or dissemination of **Personal Information**, or the damage, destruction, or theft of confidential information of any **Insured**, except as otherwise provided by the Section **II. C. Extensions of Coverage, Privacy Breach** Coverage Extension.
4. Any loss of client or customer funds in reliance upon fraudulent instructions.
5. Any life insurance policy with respect to which the premium was paid for in whole or in part by or through any premium finance mechanism or any premium finance company; however, this Exclusion shall not apply to any Life Settlements that may be otherwise covered under this Policy.
6. Any violation of the Telephone Consumer Protection Act (TCPA) or any amendments thereto.
7. Any violation of the CAN-SPAM Act of 2003, or any amendments thereto.
8. Any statute, ordinance or regulation other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COVER OREGON INCREASED LIMITS OF LIABILITY
ENDORSEMENT**

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

Section **VIII. GENERAL CONDITIONS** is hereby amended to include the following:

Cover Oregon Increased Limits of Liability

1. Cover Oregon is the State of Oregon's public corporation which operates the Oregon Health Insurance Exchange (hereinafter "OHIE"), as provided for under the laws of the State of Oregon.
2. The State of Oregon and Cover Oregon require that all insurance agents transacting business with the OHIE maintain minimum errors and omissions insurance coverage of \$1,000,000 each Claim and \$3,000,000 in the aggregate.
3. The Limits of Liability afforded to **Agents** insured under this Policy shall operate to comply with the OHIE (hereinafter "OHIE Limits of Liability"), but solely with respect to **Claims** made arising out of business transacted involving **Professional Services** with the OHIE.
4. Such OHIE Limits of Liability are part of and not in addition to the Limits of Liability otherwise provided by the Policy.

Section **IV. EXCLUSIONS** is hereby amended to include the following exclusions:

Activities of an **Insured**, or any other individual or entity, as a Navigator or Assister as defined under the Affordable Care Act, unless such Navigator or Assister is appropriately certified under the Act.

Transactions which, with regard to OHIE and/or Cover Oregon, do not include commercially reasonable written disclosures and signed acknowledgements from the client.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:
Company Sponsored Insurance Agents Professional Liability Insurance Policy

In consideration of the premium charged, it is agreed that:

1. Paragraph **E. Claims Expenses** of Section **III. DEFINITIONS** is deleted in its entirety and replaced by the following:

Claims Expenses means reasonable and necessary fees, costs and expenses incurred by the Company, or by the **Insured** with the prior written consent of the Company, consisting of fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, including the cost of appeal bonds, however, the Company shall not be obligated to apply for or furnish appeal bonds. **Claims Expenses** shall also include the **Insured's** share of the costs, disbursements, and prejudgment interest, as defined under section 549.09 of the Minnesota Statutes, included in any judgment against an **Insured**; provided that if such costs, disbursements and prejudgment interest when added to the principal judgment exceed the limit of liability, such costs, disbursements and prejudgment interest shall be in excess of the applicable policy limits.

Claims Expenses do not include salary charges, wages or expenses of partners, principals, officers, directors, members or employees of the **Insured** or the Company.

2. Paragraphs **A. Reporting of Actual Claims**, **B. Reporting of Potential Claims**, and **C. Reporting Requirements of Actual and Potential Claims** of Section **V. REPORTING AND NOTICE** are hereby deleted in its entirety and replaced with the following:

A. Reporting of Actual Claims

In the event of a **Claim**, the **Insured** shall, as a condition precedent to exercising any right to coverage afforded by this Policy, forward to the Company orally or in writing, as soon as practicable, every demand, notice, summons and/or pleading received by such Insured. Notification of a **Claim** to an agent of the Company is notice to the Company.

B. Reporting of Potential Claims

If, during the **Policy Period**, or any **Extended Reporting Period**, if exercised, an **Insured** first becomes aware of a **Wrongful Act** which might reasonably be expected to give rise to a **Claim**, and during the **Policy Period** gives written notice to the Company orally or in writing of such **Wrongful Act** as required below, then any **Claim** subsequently made against the **Insured** arising from such **Wrongful Act** or **Interrelated Wrongful Act** shall be deemed to have been first made during the **Policy Period**.

C. Reporting Requirements of Actual and Potential Claims

Written or Oral report of a **Claim** and a potential **Claim** must include:

1. The specific facts and circumstances which constitute the **Wrongful Act**, including the date(s) thereof, and the **Insured** and clients involved;
2. The date and circumstances by which the **Insured** became aware of such **Wrongful Act**; and
3. The **Damages** that may reasonably result therefrom.

3. Paragraph **A.3. Claims First Made** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

3. **Claims** will be deemed to have been made at the earlier of the following times:

- a. When notice of such **Claims**, after being received by the **Insured**, is reported to the Company or an agent of the Company, orally or in writing; or
- b. When **Claims** against the **Insured** is made directly to the Company in writing.

Claims received by the **Insured** during the **Policy Period** and reported to the Company or an agent of the Company, within sixty (60) days after the end of the **Policy Period** will be considered to have been reported within the **Policy Period**. However, this sixty (60) day grace period does not apply to **Claims** that are covered under any applicable Extended Reporting Period or any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such **Claims**.

4. The following is added to Paragraph **C. Subrogation** of Section **VIII. GENERAL CONDITIONS**:

The Company's subrogation rights do not apply against any person or organization insured under this or any other policy the Company issues with respect to the same **Wrongful Act**.

5. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is hereby deleted in its entirety and replaced with the following:

H. Cancellation/Non-Renewal

1. This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or any of its authorized representatives, or by giving written notice to the Company or any of its authorized representatives, stating when thereafter such cancellation shall be effective. The Company shall retain the pro-rata proportion of the premium hereon. In no event may the requested date of cancellation be greater than ten (10) days prior to the request is received by the Company.
2. If this Policy has been in effect for less than ninety (90) days, the Company may cancel for any reason by mailing to the **Sponsoring Company** at least:
 - a. twenty (20) days before the effective date of cancellation, if the company cancels for nonpayment of premium; or
 - b. thirty (30) days before the effective date of cancellation, if the Company cancels for any other reason.

at the address identified in Item 1. of the Declarations. Such notice shall state the reason for cancellation and if applicable be accompanied by a refund of any unearned premium, except for a premium that has been financed.

3. If the Policy has been in effect for ninety (90) or more days, or is a renewal of a Policy the Company issued, the Company may cancel solely for the following reasons:
 - a. Nonpayment of premium;
 - b. Material misrepresentation, material omission, or fraud made by the **Insured** or with the **Insured's** knowledge in obtaining the Policy or in pursuing a claim under the Policy;
 - c. An act or omission by the **Sponsoring Company** that substantially increases or changes the risk insured;
 - d. Refusal by the **Sponsoring Company** to eliminate known conditions that increase the potential for loss after notification by the Company that the condition must be removed;

- e. Substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the contract;
- f. Loss of reinsurance by the Company which provided coverage to the Company for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal; or
- g. A determination by the commissioner that the continuation of the Policy could place the Company in violation of the Minnesota insurance laws.

If the Company cancels subject to **3.a.** through **3.g.** above, the Company shall mail written notice of cancellation by certified mail to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, and mail to the producer of record, if any. Written notice of cancellation shall take effect fifteen (15) days from the date of mailing for non-payment of premium. If the Company cancels for nonpayment of premium, the cancellation notice shall contain the information regarding the amount of premium due and the due date and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation. If the Company cancels the policy subject to 3.a. through 3.g. above, the Company will give notice at least sixty (60) days before the effective date of cancellation.

- 4. Notice of cancellation shall state the effective date of cancellation. The **Policy Period** shall end on that date.
- 5. If notice is mailed, proof of mailing shall be sufficient proof of notice.
- 6. If coverage is cancelled, the Company will send the **Sponsoring Company** any premium refund due. If the Company cancels, the refund will be pro rata. If the **Sponsoring Company** cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- 7. If the Company decides not to renew this coverage, the Company may do so by giving the **Sponsoring Company** and any agent of the Company, written notice of our intent not to renew at least 60 days before the expiration date of this policy. Such notice will be delivered or mailed by first class mail at the address identified in Item 1. of the Declarations. Proof of mailing of any notice shall be sufficient proof of notice.
- 8. The Company shall not send the **Sponsoring Company** named in Item 1. of the Declarations notice of non-renewal or conditional renewal if such **Sponsoring Company**, the producer of record, or another insurer of the **Sponsoring Company** named in Item 1. of the Declarations mails or delivers notice that the **Sponsoring Company** has:
 - a. Insured elsewhere;
 - b. Accepted replacement coverage; or
 - c. Agreed not to renew this Policy.

6. Subparagraph **B.1.b. Optional Extended Reporting Period** of Section **VIII. GENERAL CONDITIONS** is hereby deleted in its entirety and replaced with the following:

b. Optional Extended Reporting Period

In the event of cancellation or non-renewal of this Policy by the Company, for reasons other than nonpayment of any applicable deductible or non-payment of premium, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an **Optional Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

7. The following is added to Section **VIII. GENERAL CONDITIONS** and supersedes anything to the contrary:

P. Bankruptcy

Bankruptcy, insolvency or dissolution of the **Insured** or of the **Insured's** estate will not relieve the Company of obligations under this policy, and in case an execution against the **Insured** on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this policy against the Company to the same extent that the **Insured** would have, had the **Insured** paid the final judgment.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRA7EE824

Issued by: Aspen American Insurance Company

Issued to: Agents affiliated with Gradient Insurance Brokerage, LLC;
Members of the Financial Sales Professionals Purchasing Group

Effective date: 9/01/2024

Endorsement no.: 12

**MINNESOTA NOTICE OF POLICYHOLDER RIGHTS IN AN INSOLVENCY UNDER THE
MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW**

**NOTICE CONCERNING POLICYHOLDER RIGHTS IN INSOLVENCY UNDER THE
MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW**

The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability insurance policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes insolvent, you may have protection from the Minnesota Insurance Guaranty Association as described below but to the extent that your policy is not protected by the Minnesota Insurance Guaranty Association or if it exceeds the guaranty association's limits, you will only have the assets, if any, of the insolvent insurer to satisfy your claim.

Residents of Minnesota who purchase property and casualty or liability insurance from insurance companies licensed to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes insolvent. This protection is provided by the Minnesota Insurance Guaranty Association.

Minnesota Insurance Guaranty Association
7600 Parklawn Ave # 460
Edina, MN 55435-5137
(952) 831-1908

The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. This limit does not apply to workers' compensation insurance. Protection by the guaranty association is subject to other substantial limitations and exclusions. If your claim exceeds the guaranty association's limits, you may still recover a part or all of that amount from the proceeds of the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The guaranty association assesses insurers licensed to sell property and casualty or liability insurance in Minnesota after the insolvency occurs. Claims are paid from the assessment.

**THE PROTECTION PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A
SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT
ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE
COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE
GUARANTY ASSOCIATION.**