

Specified Professions Professional Liability Product - Financial Planners Application

THIS APPLICATION IS FOR A CLAIMS MADE POLICY. PLEASE READ YOUR POLICY CAREFULLY. DEFENSE COSTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE.

I. QUOTE INFORMATION

Applicant's name: _____

Location address: _____ ☐ Same as mailing address or complete section III.

City: _____ State: _____ Zip code: _____

Web address: _____ E-mail address of primary contact: _____

Total annual revenue for the firm: \$ _____ Number of employees; Full-time: _____ Part-time: _____

II. UNDERWRITING INFORMATION

1. Is the applicant a registered investment advisor? ☐ Yes ☐ No
2. Is the applicant a registered representative? ☐ Yes ☐ No
3. Is each financial planner licensed for a minimum of three years? ☐ Yes ☐ No
4. Are more than 10 percent of revenues derived from commissions? ☐ Yes ☐ No
5. Do you have any client's assets under management? ☐ Yes ☐ No

If "Yes":

- a) Do you retain custody of any client's assets under an account you control? ☐ Yes ☐ No
- b) Average assets per client under the firm's management \$ _____
Maximum assets managed for any one client \$ _____
- c) Do you manage any client assets on a discretionary basis (no prior consent needed)? ☐ Yes ☐ No

6. Provide the approximate percentage of services in each of the following areas (must equal 100 percent):

Financial plan preparation/advice	_____ %	Insurance products	_____ %
Retirement planning	_____ %	Limited partnerships	_____ %
Estate planning	_____ %	Asset monitoring	_____ %
Divorce planning	_____ %	Accounting other than tax prep.	_____ %
Tax preparation	_____ %	Third party pension administration	_____ %
Tax planning advice	_____ %	Sale of securities	_____ %
Investment consulting	_____ %	Personal mgmt. services (bill payment)	_____ %

Other (explain): _____

Indicate which of the above is a referral service only: _____

7. Indicate percentage of client investment recommendations/referrals /assets managed for each of the following:

Mutual funds	_____ %	Junk bonds	_____ %
Variable annuities	_____ %	Private placements	_____ %
Life/Health/Disability/Long term care	_____ %	REITS	_____ %
Listed stocks	_____ %	Unregistered securities	_____ %
Investment grade bonds	_____ %	Unlisted stocks	_____ %
Unrated bonds	_____ %	Hedge funds	_____ %
Options	_____ %	Commodity futures	_____ %
Other (explain)	_____ %	Exchange traded funds	_____ %

8. Number of clients: _____ Number of financial advisors: _____
9. Number of planners/advisors who earn over \$150,000 in annual income (salary + bonus + commission): _____

10. Do you provide a written investment policy statement to each client? ☐ Yes ☐ No
11. Do you provide a client engagement agreement to each client? ☐ Yes ☐ No
- If yes, check the items below that the agreement contains:
- | | | |
|--|---|--|
| <input type="checkbox"/> services to be provided | <input type="checkbox"/> conflict of interest disclosures | <input type="checkbox"/> transactional authority |
| <input type="checkbox"/> dispute resolution | <input type="checkbox"/> clients responsibilities | <input type="checkbox"/> client signature |
| <input type="checkbox"/> planning objectives | <input type="checkbox"/> billing fees and commissions | <input type="checkbox"/> conditions of performance/limitations of responsibility |
12. Do you maintain documentation of all advice provided to clients? ☐ Yes ☐ No
13. What professional designations do you hold?
- | | |
|--|--|
| <input type="checkbox"/> Certified Financial Planner (CFP) | <input type="checkbox"/> Accredited Personal Financial Specialist (APFS) |
| <input type="checkbox"/> Chartered Financial Consultant (ChFC) | <input type="checkbox"/> Chartered Life Underwriter (CLU) |
| <input type="checkbox"/> Chartered Investment Counselor (CIC) | <input type="checkbox"/> Certified Investment Management Analyst (CIMA) |
| <input type="checkbox"/> Chartered Financial Analyst (CFA) | <input type="checkbox"/> Other _____ |
14. What license(s) does the applicant hold? _____
15. Expiring Information: Carrier: _____ Limits: _____ Retention: _____ Premium: _____ Retroactive date: _____
- (Attach a statement of details for all "Yes" answers to the following questions)**
16. Is any client of the applicant a corporation, partnership or LLC? ☐ Yes ☐ No
17. Does the applicant advise clients to invest in any enterprise in which the applicant or a member of the applicant's firm has an ownership interest? ☐ Yes ☐ No
18. Does the applicant provide any service(s) for which they are not licensed? ☐ Yes ☐ No
19. a) During the last five years, has any inquiry, complaint, notice of hearing, claim been made or suit brought against any person or entity proposed for insurance? ☐ Yes ☐ No
- b) Is any person(s) proposed for this insurance aware of any fact, circumstance, allegation, contention or incident which may result in a claim against the applicant or any person proposed for insurance? ☐ Yes ☐ No
20. Has any policy for professional liability insurance ever been cancelled or non-renewed? ☐ Yes ☐ No

Fraud Statement (All Other States): Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

The signer of this application acknowledges and understands that the information provided in this Application is material to the Insurer's decision to provide the requested insurance and is relied on by the Insurer in providing such insurance. The signer of this application represents that the information provided in this Application is true and correct in all matters. The signer of this Application further represents that any changes in matters inquired about in this Application occurring prior to the effective date of coverage, which render the information provided herein untrue, incorrect or inaccurate in any way will be reported to the Insurer immediately in writing. The Insurer reserves the right to modify or withdraw any quote or binder issued if such changes are material to the insurability or premium charged, based on the Insurer's underwriting guides. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a policy be issued and it will be attached and become a part of the Policy.

Applicant's signature: _____ Title: _____ Date: _____
Principal, Partner or Officer of the Firm

III. ADDITIONAL APPLICANT INFORMATION

Applicant's mailing address: _____
City: _____ State: _____ Zip code: _____

New York Disclosure Notice: This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged Wrongful Acts or Wrongful Employment Acts that took place prior to retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting period coverage unless the insured purchases additional extend reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The Insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration for this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

Virginia Notice: This Policy is written on a claims-made basis. Please read the policy carefully to understand your coverage. You have an option to purchase a separate limit of liability for the extended reporting period. If you do not elect this option, the limit of liability for the extended reporting period shall be part of the and not in addition to limit specified in the declarations. If you have any questions regarding the cost of an extended reporting period, please contact your insurance company or your insurance agent. Statements in the application shall be deemed the insured's representations. A statement made in the application or in any affidavit made before or after a loss under the policy will not be deemed material or invalidate coverage unless it is clearly proven that such statement was material to the risk when assumed and was untrue.

Minnesota Notice: Authorization or agreement to bind the insurance may be withdrawn or modified only based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

Florida and Illinois Notice: I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

Colorado Fraud Statement: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

District of Columbia Fraud Statement: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Florida Fraud Statement: You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

Kentucky Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Maine and Washington Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

New Jersey Fraud Statement: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Ohio Fraud Statement: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma Fraud Statement: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Tennessee and Virginia Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail agency name: _____ License #: _____

Main agency phone number: _____

Agency mailing address: _____

City: _____ State: _____ Zip code: _____