



**Come
On In!**

**Take 5 Minutes,
Go Online & Enroll Today!**
www.calsurance.com/CPS

CalSurance
E&O Programs Specialist
California License # 0B02587

Brown & Brown of California, Inc. dba CalSurance Associates
(dba CalSurance Brokerage in New York)

681 South Parker Street
Orange, CA 92868

Phone: 800-745-7189 Email: info@calsurance.com

E&O

Enroll Today!

Available to Producers of
CPS Insurance Services
Group Sponsored E&O Program

- ▶ Rates starting at \$510
- ▶ Two Tiers of coverage mean you only pay for the coverage You need
- ▶ Installment plans are available using your credit card or ACH (Debit to Checking) online
- ▶ Low deductible of \$500 per claim for products of CPS Insurance carriers

CPS  **INSURANCE SERVICES**

Visit www.calsurance.com/CPS for details.

CalSurance Customer Care:
Phone: 800-745-7189

**Affiliated Agents of CPS Insurance Services
E&O Program - Outline of Coverage**

Policy Period:

July 1, 2010 to July 1, 2011

Insurer:

American Automobile Insurance Company
A Fireman's Fund Insurance Company
2010 A.M. Best's A (Excellent): XV
(January 12, 2010)

"The information obtained from A.M. Best dated January 12, 2010 is not in any way CalSurance's warranty or guaranty of the financial stability of the insurer in question, and that the information is current only as of the date of publication."

Policy Number:

ME07318401

Risk Purchasing Group Membership:

By applying for this insurance, agents are applying for membership in the Financial Sales Professionals Risk Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901et seq.). There is no additional charge for this membership.

Limit of Liability (including Defense Costs):

\$1,000,000 Per Claim

\$1,000,000 Annual Aggregate each Agent

Deductible (Applicable to Damages and Defense):

\$ 500 per Claim Products of CPS Insurance Services Carriers

\$2,500 per Claim per all other products

Retroactive Date:

Date of first continuous claims made Life Insurance Agents' Errors & Omissions Liability Policy

Additional Insureds:

Insured Agent's Business Entity Partners
Administrators

Coverage

Agents Errors and Omissions Liability: The carrier will pay on the Agent's behalf all Loss which such Agent is legally obligated to pay as a result of a Claim first made against such Agent or its Agency/Agency Staff and reported during the Policy Period, provided that such Claim is for a Wrongful Act in the rendering of or failure to render Professional Services in connection with a Covered Product if that Wrongful Act occurs wholly after the Retroactive Date.

Professional Services:

Those services identified below rendered in connection with a Covered Product by the Agent or its Agency/Staff to a Client in the conduct of such agent's profession as a properly licensed life or A&H insurance agent, general agent, broker or Registered Representative.

1. Soliciting, negotiating, placing, recommending, selling or servicing a Covered Product; but not including the sale, surrender, conversion or any alteration of a Covered Product, in order to acquire or invest in anything other than a Covered Product;

Professional Services: (cont'd)

2. Providing advice or consultation related to a Covered Product, including financial planning or consulting solely related to a Covered Product, but not including any advice or recommendation to, in any way, sell, convert, surrender or alter a Covered Product, in order to acquire or invest in anything other than a Covered Product;
3. Assisting a client to secure premium financing for a Covered Product through an Equity not affiliated with any Insured.

Covered Products

Level I:

1. Life Insurance, other than Variable Life Insurance products;
2. Accident & Health Insurance;
3. Long Term Care Insurance;
4. Medicare Supplemental Insurance;
5. Disability Income Insurance;
6. Group Life, Accident & Health or Disability Plans provides such plans are fully insured at all times, but not including Group or Ordinary Pension or Profit Sharing Plans, Individual Retirement Accounts, Keogh Plans, 401(k) or 501(b) Plans.

Coverage (cont'd)

Level II adds:

1. Fixed Annuities;
2. Equity Indexed Annuities;

Covered Products do not include any 412(i) or 419 plans or any plan or arrangement operating as a Multiple Employer Welfare Arrangement (as defined in ERISA, as amended).

Extended Reporting Period:

An optional ERP is available for an additional premium charge for agents who were terminated for any reason other than cause. The optional ERP begins when the automatic ERP ends, but will not go into effect unless the additional premium is paid when due and is deemed fully earned at the inception date of the optional ERP. One to five years and a ten year ERP options are set forth in the Extended Reporting Period Endorsement.

- 1 year at 100% of expiring annual premium;
- 2 years at 150% of expiring annual premium;
- 3 years at 200% of expiring annual premium;
- 4 years at 250% of expiring annual premium;
- 5 years at 300% of expiring annual premium;
- 10 years at 500% of expiring annual premium.

Claims Administration:

Lancer Claim Services
681 S. Parker Street, Suite 200
Orange, CA 92869
(800) 821-0540

Program Administration:

Brown & Brown of California, Inc. dba CalSurance Associates
(dba CalSurance Brokerage in New York)
California License Number 0B02587

This document is a summary of the coverage provided. All statements contained herein are subject to all of the terms, Conditions, and Exclusions of the actual Policy. A copy of the policy is available at www.calsurance.com/MNL.

Exclusions: We shall not be liable to make any payment for Loss in connection with any Claim:

- A. Based upon or arising out of any dishonest, fraudulent, criminal, malicious, intentional or willful act or omission by any Insured or any loss expected or intended by any Insured; provided, however, this exclusion shall not apply unless there is a judgment, final adjudication or admission adverse to such Insured establishing that such Insured committed such conduct;
- B. Based upon or arising out of any Insured gaining in fact any personal profit or advantage to which such Insured was not legally entitled;
- C. Based upon, arising out of or in any way involving:
 - 1. Bodily injury, including sickness, injury, disease or death of any person; provided, however, this exclusion shall not apply to emotional distress or mental anguish solely based upon or arising out of the Insured's rendering of or failure to render Professional Services; or
 - 2. Damage to or destruction of any property, including loss of use thereof;
- D. Based upon, arising out of or in any way involving any actual or alleged infringement of copyright, patent, trademark, trade name, trade dress, service mark or misappropriation of ideas or trade secrets, piracy or plagiarism;
- E. Based upon, arising out of or in any way involving:
 - 1. Any pension, welfare or benefit plan organized for the benefit of employees of the Insured; or
 - 2. Any Insured's obligations or services as a fiduciary or trustee under the Employee Retirement Income Security Act of 1974, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Pension Benefits Act, including any rules or regulations promulgated under any of the foregoing, or any similar provisions of any state statutory law or common law;
- F. Based upon, arising out of or in any way involving any Insured's actions, activities, responsibilities or duties as a third party administrator of any plan, whether insured or self insured;
- G. Based upon, arising out of or in any way involving any:
 - 1. Liability of others assumed by any Insured in a written or oral contract or agreement; or
 - 2. Actual or alleged liability of any Insured under any written or oral contract or agreement; Provided, however this exclusion shall not apply to liability of any Insured which would exist in the absence of such contract or agreement;
- H. Based upon, arising out of or in any way involving any actual or alleged warranty, promise, guarantee or representation as to the value or yield of any Covered Products or as to non-guaranteed interest rates or future premium payments;
- I. Based upon, arising out of or in any way involving any actual or alleged:
 - 1. Liability for any employment-related practices, acts or omissions, whether in violation of contract or statutory or common law, including without limitation: refusal to employ; wrongful termination of employment; discrimination or harassment of any kind; breach of employment contract; wrongful demotion, evaluation, reassignment or discipline; defamation, slander or libel; invasion of privacy, infliction of emotional distress; invasion of privacy; or retaliation; or
 - 2. Discrimination or harassment of any kind, other than any discrimination or harassment excluded in 1. above, against any person or entity;
- J. Based upon, arising out of or in any way involving any services performed by the Insured, whether or not the Insured is licensed as such, as:
 - 1. an accountant, architect, actuary, tax preparer or advisor except for tax advice provided directly concerning a Covered Product, attorney, real estate agent or broker;
 - 2. engineer, a financial planner or registered investment adviser, except as to services directly related to a Covered Product.
 - 3. securities broker or dealer;
- K. Based upon, arising out:
 - 1. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, or premium;
 - 2. Any dispute with another insurance agent or broker, including, but not limited to, any dispute concerning commissions, fees, client lists or entitlements; or
 - 3. Any commingling, misappropriation or conversion of Client funds;
- L. Based upon, arising out of or in any way involving any actual or alleged unauthorized use or release of any confidential or private information pertaining to any Client, any director, manager, partner, member, officer or employee of any Client or any family member of any such person;
- M. Based upon, arising out of or in any way involving any bankruptcy, receivership, conservatorship, insolvency, or financial inability to pay of any organization, including but not limited to a Product Provider, regardless of when the financial impairment of such organization began and whether or not any Insured was aware or could have been aware of the financial impairment of such organization; provide, however, this exclusion shall not apply if at the time of the Wrongful Act the Product Provider was:
 - 1. An admitted Property Casualty Insurance Company Rated B+ or better by A.M. Best Company, or a Life Insurance/Accident and Health Insurance Company rated A- or better by A.M. Best Company;
 - 2. A non-admitted insurance company rated A- or better by A.M. Best Company that is also authorized to conduct business in the applicable state in which the Covered Product involved was sold, placed or obtained; or;
 - 3. The Product Provider was guaranteed by a governmental body or bodies or operated by a governmental body or bodies (including but not limited to assigned risk plans, Joint Underwriting Association's, or fair plans) or was a County Mutual reinsured by carriers rated B+ or better by A.M. Best Company, or was part of the Iowa Communities Assurance Pools (ICAPS);
- N. Based upon, arising out of or in any way involving the direct or indirect placement of, or any recommendation to place, any Client's insurance, coverage, funds, premium, or product with or in any Product Provider, entity or vehicle not licensed to transact such business in the state or jurisdiction in which such business was conducted; provided, however, this exclusion shall not apply with respect to any Product Provider authorized or approved as a surplus lines insurer or carrier in the state or jurisdiction in which such business was conducted;
- O. Based upon, arising out of or in any way involving any promissory notes, viatical or life settlements investments or contracts or viatical investment pools or any securities (as defined in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940, and any amendments thereto) backed by viatical settlements, commodities, commodity future contracts, or option contracts;
- P. Based upon, arising out of or in any way involving the offering, sale or servicing of any structured settlement; provided, however, this exclusion shall not apply to a Claim solely based upon or arising out of the selling or servicing of a Covered Product utilized to fund a structured settlement;
- Q. Based upon or arising out of:
 - 1. Any Wrongful Act or any fact, circumstance or situation which has been the subject of any notice given under any insurance policy prior to the inception date of this Policy;
 - 2. Any Wrongful Act whenever occurring, which, together with a Wrongful Act which has been the subject of such notice, would constitute Interrelated Wrongful Acts; or
 - 3. Any Wrongful Act of which the Insured had actual or constructive knowledge as of the Inception of this Policy and which could have reasonably been expected to result in a Claim;
- R. For Personal Injury based upon or arising out of:
 - 1. The oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity; or
 - 2. The oral or written publication of material whose first publication took place before the Retroactive Date;
- S. By or on behalf of the Sponsoring Company or any Agent; provided, however, this exclusion shall not apply to a Claim brought in the form of a cross-claim or third-party claim arising from a Claim made against such Sponsoring Company or Agent that is otherwise covered under this Policy;
- T. Based upon, arising out of or in any way involving any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous, thermal, or aural irritant, pollutant, contaminant, including but not limited to, noise, lead, asbestos, smoke, vapors, soot, fumes, acids, alkalis, chemicals, or waste materials (including those that are or are to be stored, recycled, reconditioned or reclaimed), into or upon land, air, water or property; or
- U. Based upon, arising out of or in any way involving any nuclear reaction, radiation, radioactive contamination or radioactive substance, in any form, no matter how emitted.

This document is a summary of the coverage provided. All statements contained herein are subject to all of the terms, Conditions, and Exclusions of the actual Policy. A copy of the policy is available at www.calsurance.com/MNL.

MNL_HL03152010v1

By purchasing this insurance, agents become members of the Financial Sales Professionals Risk Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901 et seq.). There is no additional charge for membership.

Instructions..... Complete ALL sections of this form and include your signature at the bottom.
Return this form along with your check to: Brown & Brown of California, Inc. dba CalSurance Associates, P.O. Box 7048, Orange, CA 92863-7048

Coverage Questions..... Call Brown & Brown of California, Inc. dba CalSurance Associates at (800) 745-7189 or email at info@calurance.com

Reminder..... ALL sections must be completed. Incomplete forms will take additional time to process.

Certificates of Insurance..... Call CalSurance at (800) 745-7189 or Go on-line: www.calurance.com/CPS - Certificate Reprinting - Sponsoring Group - CPS Insurance Services

Section 1 - Your Information (Please Print Clearly)

First Name Last Name Street Address

 City State Zip Code

 Mailing Address (if different than street address)

 Contact Phone Number Fax Number E-mail

Section 2 - Eligibility Questions

1. Have you had any claims within the last five years? Yes No
2. Do you have any knowledge of any circumstance that could give rise to a claim? Yes No
3. Have you ever been they subject of a reprimand, a regulatory or disciplinary action or criminal action by any federal, state or local authority or by self-governing, regulatory body as a result of your professional services? Yes No
4. Have you ever had an insurance company terminate your agent or general agent contract for "cause", as that term is defined by the insurance company or agent contract? Yes No
5. Are your total annual commissions more than \$1,000,000 dollars? Yes No
6. Are your annual commissions derived from the sale/servicing of life, accident & health, fixed annuities or variable annuity products less than 80% of your total annual commissions? Yes No
7. Are your annual commissions for group accident & health more than 25% of your total annual commissions? Yes No
8. Do you operate as a marketing organization or wholesaler? Yes No

IF YOU ANSWERED "YES" TO ANY OF THESE QUESTIONS, YOU ARE NOT ELIGIBLE FOR THIS PROGRAM.

Section 4 - Payment Options

- Check or Money Order:**
 Payment in Full Only. No installments.
 Please make check or money order payable to CalSurance Associates.
 Mail Check to: Brown & Brown of California, Inc. dba CalSurance Associates
 P.O. Box 7048
 Orange, CA 92863-7048
- OR:**
- Other payment options including installments by credit card or ACH (Debit to Checking) are available only online at:**
(A PAY PLAN)
www.calurance.com/CPS

Section 3 - Effective Date and Amount Due

Effective Date of Coverage (Must be completed) - -

NOTICE: Effective date of coverage cannot be prior to your date of contract with the sponsor and cannot be backdated to a prior month.

Limit of Liability: \$1,000,000 Each Claim / Aggregate

Coverage Level: **Coverage Level I:** Life (other than Variable Life Insurance Products) Accident & Health Insurance, Long Term Care Insurance, Medicare Supplemental Insurance, Disability Income Insurance, Group Life, Accident & Health or Disability Plans provided such plans are fully insured at all times, but not including Group or Ordinary Pension or Profit Sharing Plans, Individual Retirement Accounts, Keogh Plans, 401(k) or 501(b) Plans.
 Coverage Level II: All of Tier I including Fixed Annuities & Equity Indexed Annuities.

*Please refer to the "Outline of Coverage" for coverage level details.

Enter amount from **PREMIUM TABLE** (included in this packet) which corresponds to the above selections: \$

(Rates are inclusive of a \$50.00 non-refundable co-marketing fee and a \$35 non-refundable administration fee.)

Section 5 - Notices and Warranties - Signature Required

I understand and agree to the following: I must be a currently contracted agent with CPS Insurance Services to be eligible for this program. Otherwise, I may not be considered an insured under this policy, and claims made against me may not be covered. Should my contract with CPS Insurance Services terminate coverage will continue to the end of the policy period.

This is a claims made and reported policy. I have no knowledge of any pending claim or incident that could give rise to a claim under the proposed policy, and if any such claim exists, or knowledge or information exists and any claim or action arises there from, it is excluded from coverage for which this enrollment form applies. A potential gap in coverage may occur if I elect an effective date that is not continuous with my prior expiration date, and may result in denial of a claim.

Agent Signature (Required)

Today's Date

CPS INSURANCE SERVICES

Premium Table
Policy Period: July 1, 2010 to July 1, 2011

Effective Month	Limit	PAY IN FULL	
		Tier I	Tier II
7/1/2010	\$1MM/\$1MM	\$510.00	\$560.00
8/1/2010	\$1MM/\$1MM	\$474.58	\$520.42
9/1/2010	\$1MM/\$1MM	\$439.17	\$480.83
10/1/2010	\$1MM/\$1MM	\$403.75	\$441.25
11/1/2010	\$1MM/\$1MM	\$368.33	\$401.67
12/1/2010	\$1MM/\$1MM	\$332.92	\$362.08
1/1/2011	\$1MM/\$1MM	\$297.50	\$322.50
2/1/2011	\$1MM/\$1MM	\$262.08	\$282.92
3/1/2011	\$1MM/\$1MM	\$226.67	\$243.33
4/1/2011	\$1MM/\$1MM	\$191.25	\$203.75
5/1/2011	\$1MM/\$1MM	\$155.83	\$164.17
6/1/2011	\$1MM/\$1MM	\$120.42	\$124.58

Above premiums include a non-refundable marketing and an administration fee of \$85.
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