

National Ethics Bureau Sponsored Program

ERRORS & OMISSIONS INSURANCE

NEB Member Application



Marsh Consumer (a service of Seabury & Smith)

P.O. Box 14458

Des Moines, IA 50306

Phone (866) 795-2041 | Fax (515) 243-2331

Each Agent must meet the criteria contained within this application in order to be considered an insured under the policy.

By signing below, Agent hereby represents that the information contained herein is true, accurate and complete and that no material facts have been suppressed or misstated. Further, Agent understands and acknowledges that:

- 1. If Agent's enrollment is accepted, CNA will have relied upon, as representation, this application;
2. The misrepresentation of any material matter by the Agent will render such Agent's coverage under the Policy null and void;
3. Agent's failure to report during the policy period, either any claim made against any insured, or any act or omission known to any insured that may reasonably be expected to be the basis of a claim against any insured may create a lack of coverage. Submission of this application does not ensure coverage will be provided.

The Agent (hereafter "YOU") must be able to respond "NO" to each of the questions below in order to qualify.

Step 1 Proposed Insured (Applicant) Information

This application is for: New Policy [] Renewing Policy []

Name _____

Phone _____

Address _____

Fax _____

City _____

Email _____

State _____ Zip _____

NEB MEMBER # _____

Call NEB For Member Number (800) 282-1831

Expiration date of your most recent E&O coverage _____

How did you hear about us? (Required) _____

Step 2 Qualifying Questions (If any of the following are answered "YES", you are not eligible for this Program)

1. Within the last seven (7) years, have you had a state or federally regulated license revoked, restricted, or terminated for cause? YES [] NO []

4. Do you have any regulatory or consumer-related complaints that are pending or unsettled, or are you awaiting any arbitration or civil proceedings? YES [] NO []

2. Within the last seven (7) years, have you been a defendant or respondent to any consumer complaint or allegation that resulted in any type of settlement, adverse decision, enforcement action, adverse order, disciplinary sanction, or censure against you by any state or federal regulatory agency? YES [] NO []

5. Within the last seven (7) years, have you been convicted of any felony or business-related misdemeanor, or are you currently named as a defendant, respondent, or party to any such criminal or civil action? YES [] NO []

3. Within the last seven (7) years, have you been the subject of any investigation, inquiry, or complaint by any state or federal regulatory agency, or any other agency, alleging any violations of ethical conduct, prohibited sales practice, or breach of professional standards that resulted in any type of settlement, adverse decision, enforcement action, disciplinary sanction, or adverse order, such as a consent order, final order, or cease and desist-type order? YES [] NO []

6. Are you currently the subject of any investigation, inquiry, or complaint by any state or federal regulatory agency? YES [] NO []

7. Within the last seven (7) years, have you been censured, fined, reprimanded, or otherwise disciplined by a grantor of an accredited designation? YES [] NO []

8. Within the last seven (7) years, have you filed for or declared bankruptcy? YES [] NO []

9. Are you currently aware of, or involved in any fee dispute with any of your clients? YES [] NO []

I affirm that all questions answered on this application are true and correct to the best of my knowledge, information and belief.

X
Signature _____

Date _____

National Ethics Bureau Sponsored Program

COVERAGE OPTIONS

Step 3 Select Your Coverage

Carrier: Continental Casualty Company (CNA)

Limits of Liability:

\$1,000,000 each claim
\$2,000,000 individual insured annual aggregate

Retentions:

\$500 Per Insured for Life, Accident, Health Products
\$2,500 Per Insured for Indexed Annuities, Fixed Annuities
\$2,500 Per Insured for Disability Income Insurance
\$5,000 Per Insured for Mutual Funds, Variable Annuities
\$5,000 Per Insured for Registered Investment Advisor

Note: See Policy for complete list of coverage and exclusions at www.EOforLess.com/policy

Please Choose an E&O Coverage Package...

A

- Life
- Accident
- Health

\$395.⁰⁰

This price is the total cost of coverage, which includes the premium plus NEB admin fee (see below).*

B

- Life
- Accident
- Health

PLUS...

- Indexed Annuities
- Fixed Annuities

\$495.⁰⁰

This price is the total cost of coverage, which includes the premium plus NEB admin fee (see below).*

C

- Life
- Accident
- Health
- Indexed Annuities
- Fixed Annuities

PLUS...

- Mutual Funds
- Variable Annuities / Life

\$595.⁰⁰

This price is the total cost of coverage, which includes the premium plus NEB admin fee (see below).*

PLEASE CHECK E&O PACKAGE

A

B

C

→

Enter Amount Here

Additional Coverage Options (prices include the premium plus NEB admin fee.)*

- Disability Income Insurance Add \$50
- ¹ Registered Investment Advisor (Must purchase package "C" to add RIA coverage) Add \$400

ENTER TOTAL AMOUNT DUE

→

Enter Total Here

¹ For details on RIA (series 65) coverage, see Policy Highlights on page 4.

*NEB admin fees are calculated monthly and cover sponsorship and affiliation management, plus the administration of mandatory compliance, ethics, and business practice updates for the Preferred Risk E&O program. Monthly NEB admin fees for NEB members: Option (A) \$8.83; Option (B) \$10.58; Option (C) \$10.16; RIA coverage \$2.66; Disability coverage \$2. All prices (\$395/\$495/\$595) reflect the total cost of their respective coverage, which includes both premium and NEB admin fees listed above.

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PAYMENT METHOD

Step 4 Select Your Payment Method

OPTION 1 Pay Annually, With Your Credit Card

I authorize Marsh Consumer (a service of Seabury & Smith) to charge my total cost of coverage with my Credit Card. I understand that my annual payment due will be charged at the beginning of my effective date. I understand that if my premium changes, I will be notified and my authorization adjusted accordingly. I agree to notify Marsh Consumer should my account information change.

Visa MasterCard   **Total Amount Due** (see page 2) \$ _____

Name as it Appears on the Card _____

Card Number _____ Expiration Date _____

OPTION 2 Pay Annually, By Mailing a Check

To pay annually by check, send check payable to: **Marsh Consumer**
Send payment to address listed below.

Total Amount Due (see page 2) \$ _____

OPTION 3 Pay Monthly, With Your Checking Account or Credit Card

I authorize Marsh Consumer (a service of Seabury & Smith), to establish automatic bill payment to pay my monthly charge with either my credit card or checking account. Your annual charge will be payable in 10 installments. The 1st installment will be equal to 25% of your annual charge and the remaining 9 installments will each be equal to 1/12th of your annual charge. All installment payments will have a \$5 fee added. I also authorize my financial institution to charge my account accordingly. I understand that if my total monthly payment changes, I will be notified and my authorization adjusted accordingly. I agree to notify Marsh Consumer should my account information change.

**C
R
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T**

Pay by Credit Card (enter info below)

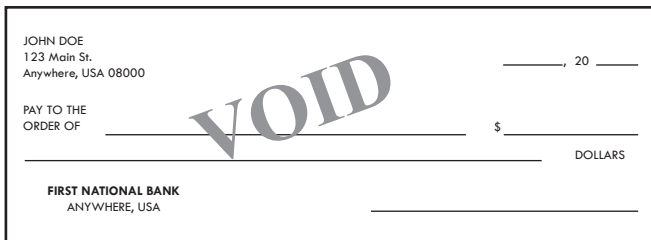
Visa MasterCard   **Total Amount Due*** (see page 2) \$ _____

Name as it Appears on the Card _____

Card Number _____ Expiration Date _____

Pay by Checking Account (attach voided check here) **Total Amount Due*** (see page 2) \$ _____

**C
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C
K
I
N
G**



*A \$5 service charge will be added to your monthly payment

Please Fax, Email, or Mail to:

MARSH CONSUMER
(a service of Seabury & Smith)

Fax:
(515) 243-2331

Email:
plsteam2@marshpm.com

Mail:
P.O. Box 14458
Des Moines, IA 50306
Phone: (866) 795-2041

Step 5 Sign and Fax or Send

This signature authorizes the payment option chosen above. I agree to receive all ethics and compliance updates from the National Ethics Bureau. I understand that Marsh Global Consumer may share my personal information with the National Ethics Bureau, including information in this application, to provide and market services. I expressly consent to this, but, if not, I will advise Marsh Global Consumer that it is to not share my information with the National Ethics Bureau.

X _____
Signature **Date**

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POLICY HIGHLIGHTS**Marsh Consumer (a service of Seabury & Smith)**

P.O. Box 14458

Des Moines, IA 50306

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Step 6 Review Policy Highlights**Underwritten by:**

Continental Casualty Insurance Company (CNA)

CNA is the 7th largest U.S. commercial insurer and the 13th largest U.S. property & casualty insurer. CNA provides insurance protection to more than 1 million businesses and professionals in the U.S. and internationally. Highlights include:

- \$10 billion in revenues
- 100+ years in business
- 9,400 employees
- U.S. and International operations
- "A" rated for financial strength by A.M. Best

Offered & Administered by:

The plan offerer & administrator is Marsh (a service of Seabury & Smith) is part of the family of MMC companies. With 24,000 employees and annual revenues approaching \$5 billion Marsh serves more clients in more industries worldwide than any other firm in our industry. Marsh works with businesses, public entities, organizations, and private clients in over 100 countries.

Limits of Liability:

\$1,000,000 each claim

\$2,000,000 individual insured annual aggregate

\$10,000,000 total policy aggregate all insured

Retentions:

\$500 - Life, Accident, Health

\$2500 - Disability Income, Fixed or Indexed Annuities

\$5000 - Mutual Funds, Variable Annuities, Investment Advisor (RIA)

Overview:

Depending on which coverage package is chosen, the following coverages are available: Protection against your liability for wrongful acts in the rendering of or failure to render professional services. This includes (but is not limited to) activities relating to the sale, attempted sale, or servicing of term life insurance, fixed universal life insurance, fixed whole life insurance, accident and health insurance, managed health care organization contracts, long term care insurance, Medicare supplemental insurance. Also activities relating to the sale, attempted sale or servicing of fixed annuities, indexed annuities, variable annuities, variable universal life insurance, variable whole life insurance, mutual funds registered by the SEC and offered through a FINRA-registered Broker/Dealer.

Optional Coverage if Purchased:

Includes (but is not limited to) activities relating to the sale, attempted sale, or servicing of disability income insurance and the Registered Investment Advisor coverage for Investment Advisory Services related to products covered under your policy and offered through a Registered Investment Advisor.

Extended Reporting Period:

Unlimited extended reporting period is granted to the insured in the event of retirement, disability, career change, or death (coverage extended to heirs) for no additional premium, but only for

policyholders having been insured in the Program for a minimum of 6 months and having paid applicable premium.

Retroactive Date:

Coverage back to the date of your first continuous E&O for agents and general agents.

Coverage back to the latest date contracted with Broker/Dealer for Registered Representatives and Registered Investment Advisers.

Plan Eligibility:

NEB Members are eligible to receive this coverage subject to their favorably answering all qualifying questions on the application. Non-Members who answer favorably to the questions on the application may also be enrolled into this program.

Features Include:

- Post-retirement claims for no additional premium "when qualified"
- Notary Public activity
- Legal fees, court costs, and costs of appeal
- Coverage extended to spouses, domestic partners, beneficiaries, estate, or legal representatives for claims arising out of their status as such
- Employees or administrative personnel if acting on behalf of insured
- Severability for all personal conduct exclusions
- Coverage for failure to supervise, manage, or train
- Fee-based financial planning services related to products covered under your policy and ancillary to professional services

Additional Features:

- Competitive rates
- Unlimited extended reporting period "when qualified"
- Individualized coverage options
- Optional coverage for the sale and servicing of mutual funds, variable products, stocks and bonds by a Registered Investment Advisor (series 65)
- Optional Coverage for discretionary authority is provided to Registered Investment Advisors for professional services defined under the policy

See Policy for complete list of coverage and exclusions at:

<http://www.EOforLess.com/policy>

Disclaimer: One or more of the CNA companies provide the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA is a service mark registered with the United States Patent and Trademark Office. Copyright © 2009 CNA. All rights reserved.

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Step 7 Authorization to Bind**THIS SIGNED FORM MUST ACCOMPANY YOUR APPLICATION.****PREFERRED RISK E&O INSURANCE****Authorization to Bind:**

In this transaction, Marsh is acting as the insurance agent and program administrator for Continental Casualty Insurance Company, one of the CNA companies (Insurer) for this type of coverage, and not as your insurance broker. Comparable insurance products may be available in the insurance market place. Marsh is only offering this selected carrier quote proposal.

Coverage is underwritten by Continental Casualty Insurance Company, one of the CNA companies and offered through Marsh Consumer, a service of Seabury & Smith, Inc. The program has been organized as a purchasing group (Marsh Financial Services Professional Risk Purchasing Group) a not-for-profit corporation located and domiciled in Iowa pursuant to legislation enacted by Congress known as the Federal Liability Risk Retention Act of 1986 as amended. You will automatically become a member of the Purchasing Group when your completed application has been approved and your payment has been received.

Marsh & McLennan Companies, Inc. and its subsidiaries own equity interests in certain insurers and have contractual arrangements with certain insurers and wholesale brokers. Information regarding such interests and contracts is available at <http://global.marsh.com/about/Transparency.php>.

Marsh earns and retains interest income on premium held by Marsh on behalf of insurers during the period between receipt of such payments from clients and the time such payments are remitted to the applicable insurer, where permitted by law.

The premium quoted includes 15% commission payable to Marsh. Your premium payment indicates your consent to bind coverage on your behalf and to this commission for this policy and subsequent renewals, including any changes in commission rates at any such renewal.

Your signature authorizes Marsh to bind coverage on your behalf for the above placement(s); this includes consent to Marsh's compensation as listed above.

Signature_____
Date