



National Life  
Group®

## National Life Group Sponsored E&O Program Independent Agents

### Program Advantages Include:

- A, XV rated carrier by A.M. Best  
Markel American Insurance Company\*
- First Dollar Defense
- Social Engineering Coverage
- Defense Costs in addition to the limit  
of liability (\$1,000,000 Cap)
- Easy online enrollment and instant  
certificate Issuance!

\*The information obtained from A.M. Best dated December 13, 2019 is not in any way CalSurance Associates' warranty or guaranty of the financial stability of the Insurer in question, and that the information is current only as of the date of the publication.



M-F 7:00 AM - 5:00 PM PST  
681 S. Parker St., Suite 300  
Orange, CA 92868

**Enroll today in the  
National Life Group  
Sponsored E&O Program  
at:**

**[www.calsurance.com](http://www.calsurance.com)**

**Login: NLG**

**Password: VT150**

If you have any questions,  
please call the  
CalSurance Customer Care Line  
at 866-226-9308

# National Life Group – Independent Agents E&O Program

## Outline of Coverage

### **Policy Period:**

May 1, 2020 to May 1, 2021

**Insurer:** Markel American Insurance Company (a member of Markel Corporation and an Admitted Carrier)

AM Best Rating: A (Excellent): XV\*

\*The information obtained from A.M. Best, dated December 13, 2019 is not in any way CalSureance Associates' warranty or guaranty of the financial stability of the insurer in question and the information is current only as of the date of publication.

**Policy Number:** MKLM7PLCA00027

### **Risk Purchasing Group Membership:**

By applying for this insurance, agents are applying for membership in the Financial Sales Professionals 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.

### **Limits of Liability:**

**each Claim/ Aggregate each Agent**

\$1,000,000/\$2,000,000

### **Deductibles (apply to Damages only):**

\$500 each Claim each Agent for products of National Life Group

\$2,500 each Claim each Agent for all other covered products

### **Coverage:**

Claims made and reported coverage for acts, errors, omissions, or Personal Injuries arising out of the rendering or failing to render Professional Services for others in the conduct of the Agent's profession as an Insurance Agent or broker.

### **Eligible Participants**

**(provided they maintain a contract with National Life Group and are not registered with ESI):**

- Independent Agents of National Life Group

### **Insureds:**

- Corporation/Partnership/Business Entity
- Partners/Officers/Directors/Stockholders
- Employees acting in an administrative capacity on behalf of the Agent
- Heirs/Executors/Administrators/Legal Representatives in the event of death or incapacity

**No additional limits of liability are provided to the Insureds listed above. The limits of liability shall be the limits of liability applicable to the Agent whose wrongful act(s) gave rise to the Claim or the Agent who is responsible for the wrongful act(s) of such Insured(s).**

### **Duty to Defend:**

Yes, to those "Claims" for which coverage applies.

### **Retroactive Date:**

Retroactive Date means the inception date of the claims made agent's professional liability policy from which date coverage has been maintained in force without interruption and for which written proof is provided to the Insurer.

### **Professional Services means:**

1. The solicitation, sale or servicing of the following:
  - a. Life insurance, accident and health insurance, disability income insurance, long term care insurance and fixed or indexed annuities;
  - b. Employee benefit plans funded with those products listed herein in Subsections 1.a;
  - c. Workers' compensation as part of a 24-hour accident and health insurance product;
  - d. Financial planning, advice and consultation solely in connection with any of the products listed in Subsection 1; or
  - e. Notary public services.
2. The consultation with participants in an employee benefit plan in order to explain the provisions of such plan and the handling of day-to-day ministerial functions required by such plan, including without limitation; enrollment, record keeping and filing reports with governmental agencies.

Please review the policy and program materials. A complete copy of the specimen policy is available by calling 866-226-9308 or by visiting [www.calsurance.com](http://www.calsurance.com) (Login: NLG Password: VT150). This document is a summary of the coverage provided. All statements contained herein are subject to all terms, conditions and exclusions of the actual policy. In all circumstances the actual policy language will prevail.

## National Life Group – Independent Agents E&O Program

### Outline of Coverage

#### ***Cancellation of Coverage or Contract Termination:***

Coverage automatically ceases on the date the Agent's contract terminates, regardless of the reason for such termination. The Agent will be responsible for any outstanding amount due if termination occurs.

#### ***Extended Reporting Period (ERP):***

ERP is provided for one year from the date of contract termination for National Life products and 90 days for all other covered products. ERP provides the Agent with the ability to report Claims arising out of Wrongful Act(s), which occurred after the Retroactive Date, but before the date of termination.

If the Agent's contract terminates due to retirement, disability, or death, the ERP described above will be extended to as long as the E&O program is renewed with Markel or a minimum of one year from the date of the Agent's retirement, disability or death.

The following ERP options will be available for purchase within 60 days of contract termination in the event of retirement, disability, or death:

- 3 years from contract termination for \$1,102
- 5 years from contract termination for \$1,653
- Unlimited amount of time from contract termination for \$2,204

Please note that any optional ERP is in lieu of and not in addition to the automatic ERP described above.

ERP does not reinstate or increase the limits of liability beyond the limits shown on the Certificate of Insurance, nor does it extend the Policy Period.

ERP will NOT be provided under the following circumstances:

- if other E&O insurance has been purchased to replace this Policy; or
- if the Agent is insured under any other professional liability insurance policy.

#### ***Claims Administration:***

Lancer Claims Services  
A Division of Brown & Brown Program Insurance Services, Inc.  
681 S. Parker Street, 3<sup>rd</sup> Floor  
Orange, CA 92868  
Phone: 800-821-0540

#### ***Program Administration:***

CalSurance Associates  
A Division of Brown & Brown Program Insurance Services, Inc.  
California License Number: 0B02587  
681 S. Parker Street, 3<sup>rd</sup> Floor  
Orange, CA 92868  
Phone: 866-226-9308

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## National Life Group –Independent Agents E&O Program

### Exclusions

(including, but not limited to)

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

- A. For any actual or alleged sickness, disease, death or other bodily injury, including, but not limited to, emotional distress and mental anguish, or damage to or destruction of property, including loss of use thereof;
- B. Against an **Insured**:
  - 1. By or on behalf of any other **Insured**, any enterprise that owns, operates or controls an **Insured** or any enterprise that an **Insured** owns, operates or controls, provided, however, that this Exclusion shall not apply to any **Claim** otherwise covered under Section I – Insuring Agreement B. Managing Agents Management Liability;
  - 2. By or on behalf of any individual, company or entity that is not a client of the **Insured**, including, but not limited to, an insurance company or insurance agent or broker; provided, however, that this exclusion shall not apply to a **Claim** brought by or on behalf of an actual or alleged beneficiary of a product referenced in Paragraph 1. of Definition P. **Professional Services** above;
- C. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
  - 1. Any **Wrongful Act** or **Management Wrongful Act** alleged in any **Claim** which has been reported, or any circumstance of which notice has been given, prior to the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage, under any other policy; or
  - 2. Any other **Wrongful Act** or **Management Wrongful Act**, whenever occurring, which together with a **Wrongful Actor Management Wrongful Act** which has been the subject of such **Claim** or notice, would constitute **Interrelated Wrongful Acts** or **Interrelated Management Wrongful Acts**, regardless of the legal grounds upon which such **Claim** is predicated upon any:
    - a. **Claim**, demand, suit, proceeding or investigation of which the **Insured** had knowledge, pending on or prior to the inception date of the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage hereunder; or
    - b. Fact, matter, circumstance, situation, transaction or event underlying or alleged in such demand, suit, proceeding, **Claim** or investigation, regardless of the legal grounds upon which such **Claim** is predicated;
- D. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any:
  - 1. Actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute, by, at the direction of or with the knowledge of any **Insured**; or
  - 2. Gaining of profit, remuneration or monetary advantage to which an **Insured** is not legally entitled. However, the **Insurer** shall continue to defend a **Claim** alleging any of the foregoing conduct until there is a judgment, final adjudication, adverse admission or finding of fact against any **Insured** as to such conduct, at which time the **Insured** shall reimburse the **Insurer** for the costs of defending the **Claim**. Moreover, an actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute of one **Agent** or **Managing Agent** will not be imputed to another **Agent** or **Managing Agent**;
- E. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged conversion, commingling, use, handling, entrustment, safeguarding, inability to pay or failure to pay premiums, funds or any form of money;
- F. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged liability of others assumed by any **Insured** under an agreement, contract, guarantee or warranty unless the **Insured** would be liable in the absence of such agreement, contract, guarantee or warranty;

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## National Life Group –Independent Agents E&O Program

### Exclusions

(including, but not limited to)

- G. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged rendering of services as an actuary, accountant, attorney, real estate agent, real estate broker, third-party claims administrator, property and casualty agent or broker or expert witness, regardless of whether such services are incidental to the rendering of **Professional Services**; however, this exclusion shall not apply to tax advice provided to a client as a necessary part of rendering **Professional Services**;
- H. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged placement of a client's coverage or funds, directly or indirectly with any organization, entity or vehicle of any kind, nature or structure which is not licensed or authorized to do business in the state or jurisdiction with authority to regulate such business; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement of insurance or coverage with an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;
- I. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged insolvency, receivership, conservatorship, liquidation, bankruptcy, failure or inability to pay of any company, organization, entity, vehicle or arrangement of any nature in which an **Insured** placed, recommended to be placed or obtained coverage or in which an **Insured** placed, recommended to be placed funds or an investment of any nature; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement, recommendation for placement or obtaining coverage with an insurance company rated by A.M Best's as B+ or better at the time when coverage is placed, recommended or obtained;
- J. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any pension plan, profit sharing plan, health and welfare or any other employee benefit plan or trust sponsored by an **Insured**, in which an **Insured** is a participant, trustee or named fiduciary;
- K. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any pension plan, profit sharing plan, health and welfare or any other employee benefit plan or trustor which are self-funded, in whole or in part;
- L. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any ownership, formation, operation or administration of any insurance company, captive, risk retention group, self-insurance program or purchasing group;
- M. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
  - 1. Unfair competition;
  - 2. Anti-competitive acts;
  - 3. Restraint of trade;
  - 4. Price fixing;
  - 5. Monopolization;
  - 6. Misuse of confidential or proprietary information;
  - 7. Copyright, patent, trade mark or trade secret infringement;
  - 8. Piracy, theft or conversion of ideas, employees, contacts or business methods; or
  - 9. Illegal, improper or deceptive advertisement;
- N. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged actual or alleged discrimination or harassment in any form or manner;
- O. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any failure, malfunction or breakdown of any computers, electrical, electronic or mechanical systems or machines;

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**National Life Group –Independent Agents E&O Program**  
**Exclusions**  
(including, but not limited to)

- P.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged notarization of documents without authorization or without the signatory's actual presence before an **Insured**;
- Q.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged guarantee, promise or warranty as to interest rates, market values, earnings, future values or future premiums or payments in connection with variable life insurance, variable annuities, scheduled premium annuities, mutual funds or **Securities**;
- R.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any **Securities** (other than variable life insurance, variable annuities and mutual funds) that were not authorized or approved by and actually processed through the **Broker/Dealer**;
- S.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any function of an **Insured** as a specialist or market maker for any **Securities**, an **Insured** failing to make a market for any **Securities**, or the purchase, sale or failure to sell **Securities** when the **Insured** is a specialist or market maker for such **Securities**;
- T.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving an **Insured's** actual or alleged exercise of discretionary authority over a client's assets, funds or liabilities, undertaking of trades or transactions on a discretionary basis or any trading or transactions without the express authority of a client; however, this exclusion shall not apply to an **Insured** providing asset allocation services pursuant to a written contract for a client's account that is funded exclusively with no-load mutual funds, no-load variable annuities, no-load variable life insurance or any investment for which no **Insured** received a commission;
- U.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
  - 1. Promissory notes, viatical or life settlements, or any **Securities** backed by either viatical or life settlements;
  - 2. Commodities, commodity futures and option contracts, except for option contracts that are covered by ownership of the underlying **Securities**, cash or cash equivalent, not including margin;
  - 3. Any "junk bonds" or "high yield bonds" (for purposes of this exclusion, "junk bonds" or "high yield bonds" mean bonds which, at the time of purchase or sale were unrated or rated as below investment grade by any rating agency, including, but not limited to, Moody's bonds of Ba or lower or S&P bonds of BB or lower);
  - 4. Any **Securities** sold exclusively outside of the United States of America or Canada;
  - 5. Actual, attempted or threatened mergers, acquisitions, divestitures, tender offers, proxy contests, leveraged buyouts, going private transactions, reorganizations, capital restructuring, recapitalization, fairness opinions, spin-offs, primary or secondary offerings of **Securities** (regardless of whether the offering is a public offering or a private placement) or other efforts to raise or furnish capital or financing for any company, corporation, enterprise or entity or disclosure requirements in connection with any of the foregoing, as well as any other investment banking activities;
  - 6. Structured settlements; however, this exclusion shall not apply to a **Claim** arising out of or based upon the sale or servicing of the underlying product, if otherwise covered by this Policy; and
  - 7. Any **Securities** that are wholly or partially owned by any **Insured**;

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**National Life Group –Independent Agents E&O Program**  
**Exclusions**  
**(including, but not limited to)**

- V.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving actual or alleged use or disclosure, aiding or abetting use or disclosure or participation after the fact in use or disclosure of nonpublic or insider information as prohibited by any federal, state or local laws, statutes, regulations or ordinances, including but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) of the Securities Exchange Act of 1934 and Securities Exchange Commission Rule 10b-5 thereunder;
- W.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving, actual or alleged advice, consultation or recommendations of any type of mortgage, including, but not limited to, a reverse mortgage, regardless of whether an incidental part of the rendering of **Professional Services**.

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By applying for this insurance, Agents are applying for membership in the Financial Sales Professionals 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.....** ■ ALL sections must be completed. Please allow up to ten (10) business days for processing. Incomplete forms will take additional time to process.  
■ Return this form along with payment to: CalSurance Associates, PO Box 7048, Orange, CA 92863-7048

**Coverage Questions....** Call CalSurance Associates at (866) 226-9308 or email [info@calsurance.com](mailto:info@calsurance.com)

**Certificates of Insurance....** Visit: [www.calsurance.com](http://www.calsurance.com) - Certificate Reprint - National Life Group - Independent Agents

☒ **Section 1 - Your Information (Please Print Clearly)**

First Name  M.I.  Last Name

Street Address

City  State  Zip Code

Phone Number  -  -  -  -  -  Fax Number  -  -  -  -  -

Email

NLG Agent Code  NPN Number (NIPR)

☒ **Section 2 - Eligibility Information**

Please answer the following questions. If you are renewing your coverage under the National Life Group sponsored E&O program, please answer "NO" if there have been no changes to your responses since your prior enrollment:

1. Have you been the subject of disciplinary action by any insurance authority? ☐ Yes ☐ No
2. Has any policy or application for E&O insurance or reinsurance on your behalf been declined, canceled, or renewal refused within the last five years? ☐ Yes ☐ No
3. Have any E&O claims been made against you within the last ten years? ☐ Yes ☐ No
4. Are there any circumstances which may result in any E&O claims being made against you that were (i) not reported under a prior E&O policy; or (ii) not disclosed in a prior application submitted under this program? ☐ Yes ☐ No

If you answered "YES" to any of the above questions, your enrollment is **NOT** guaranteed and is subject to review and approval by the sponsor. Please provide an explanation and documentation regarding your "YES" responses. Please be advised that CalSurance's receipt of your enrollment form and/or payment does not constitute acceptance of your enrollment in this program. The sponsor reserves the right to deny enrollment.

☒ **Section 3 - Effective Date and Amount Due**

Effective Date of Coverage  -  -  (MM) (DD) (YYYY)

Coverage	Limits	Rate
Life Only*	\$1,000,000 each Claim/ \$2,000,000 Aggregate each Agent	See Reverse for Rate Table

\* Please refer to the Outline of Coverage for coverage details.  
**Note:** Premium is inclusive of a non-refundable administration fee.

Enter amount from **RATE TABLE** attached which corresponds to the above selection: \$

☒ **Section 4 - Payment**

☐ **Payment in Full by Check:** Check made payable to CalSurance Associates for the full premium.

**For additional payment options, please enroll online at [www.calsurance.com](http://www.calsurance.com) Login: NLG Password: VT150**

☒ **Section 5 - Auto Renew Notice**

Information regarding the program renewal will be made available on the program website prior to expiration. This may include an offer of automatic coverage renewal based upon your eligibility and selected payment method. Failure to take appropriate action may lead to a lapse of coverage and the denial of claims. It is the insured's responsibility to verify renewal of coverage prior to expiration.

☒ **Section 6 - Notices and Warranties**

**NOTICE:** I must be a currently contracted agent with a National Life Group to be eligible for this program. Otherwise, I will not be considered an Insured under this program and no claims made against me will be covered.

I warrant that I am currently contracted with National Life Group.

**NOTICE:** This is a claims made and reported policy. If I have knowledge of any claim or incident that could give rise to a claim under the proposed policy and any claim or action arises therefrom, it is excluded from coverage for which this 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 the denial of a claim.

I warrant that I have no knowledge of any pending claim or incident that could give rise to a claim under the proposed policy.

I acknowledge that the specimen policy and program materials have been delivered to me via [www.calsurance.com](http://www.calsurance.com) (Login: NLG Password: VT150) and I have reviewed these documents prior to enrolling in the program.

I warrant and represent that the above statements are true and that I have not suppressed or misstated any material facts and I agree that this application shall be the basis of the contract with the company issuing the policy. It is understood that completion of this application does not bind the company to issue or the applicant to purchase the insurance.

**I have read the above notices and warranties and agree.**

Signature  Date



# **NATIONAL LIFE GROUP**

## **Independent Agents E&O Program**

### **Rate Table**

**Policy Period: May 1, 2020 to May 1, 2021**

<b>Enrollment Month</b>	<b>\$1,000,000 each Claim \$2,000,000 Aggregate each Agent</b>
May 2020	\$625.00
June 2020	\$575.83
July 2020	\$526.67
August 2020	\$477.50
September 2020	\$428.33
October 2020	\$379.17
November 2020	\$330.00
December 2020	\$280.83
January 2021	\$231.67
February 2021	\$182.50
March 2021	\$133.33
April 2021	\$ 84.17

Above rates include a non-refundable administration fee.