

## PLAN EXCLUSIONS

The Insurer shall not be liable to pay any Loss in connection with any Claim based upon, directly or indirectly arising out of, or in any way involving:

- Dishonest, fraudulent, criminal or malicious acts
- Bodily injury
- Injury to or destruction of any property
- Contractual liability
  
- Claims arising out of or in connection with the financial inability to pay, insolvency, receivership, bankruptcy or liquidation of any insurance plan, any reinsurer, any IPA, HMO, PPO, DSP or any pool, syndicate, association or other combination formed for the purpose of providing health care, insurance or reinsurance
  
- Any loss arising out of the Insured's promises or guarantees as to:
  - Interest rates
  - Fluctuations in interest rates
  - Future premium payments or market value(s)
  
- Any claim arising out of services performed by the insured agent as an actuary, accountant, attorney, tax advisor, real estate agent or real estate broker or property and casualty agent or property and casualty broker (tax advice incidental to the sale or servicing of covered products is covered)
  
- Claims arising out of the termination or discipline of any employee or agent of the Insured, including but not limited to wrongful termination or breach of an employment or agency contract
  
- Any liability arising out of any duties or activities assumed under contract by an Insured as a plan administrator or fiduciary under the Employee Retirement Income Security Act of 1974 (ERISA), the Pension Benefits Act or the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) including any amendments, regulations or enabling statutes pursuant thereto, or any other similar federal, state or provincial statute or regulation
  
- Any claim made against the Insured based upon or arising out of any pension, profit sharing, health or welfare or other employee benefit plan or trust sponsored by the Insured as an employer
  
- Any claim based solely on the Insured's status as a named fiduciary or under power of attorney
  
- Any proceedings against or fines or penalties levied against the Insured by a state or federal regulatory agency or self-regulatory body
  
- Claims made against the Insured arising out of the Insured's activities as the third party administrator of any plan whether insured or self-insured and whether the insured performs such activities for a fee or for no fee
  
- Claims arising out of or alleging the unauthorized use of trade secrets or confidential or proprietary information
  
- Any claim brought against the Insured by a securities broker/dealer
  
- Any claim arising out of the development, placement or sale of structured settlements

- Any claim arising out of or in connection with a fraudulent or nonexistent entity
  
- Claims arising out of the referral of individuals or entities to individuals or entities selling or servicing or purporting to sell or service property and casualty insurance or securities products
  
- Any loss arising out of or based upon:
  - The quality of care rendered by or lack of care rendered by or the alleged malpractice of a participating provider of services its employees, physician or other practitioner, of any IPA, HMO, PPO, or DSP or other health care provider
  
  - The failure of an IPA, HMO, PPO or DSP or other health care provider to pay the salaries or fees of any practitioner
  
  - A defense will be provided for the insured in these circumstances, subject to the policy provisions. However, no indemnity payment will be paid for losses arising from these allegations.
  
- Any claims arising from, based upon or in connection with a viatical settlement
  
- Claims for commissions, taxes, fees, reimbursement or the failure to collect, pay or return premium, or commingling of, or use of, clients' funds

Additional exclusions for the sale/servicing of mutual funds, variable life and variable annuities:

#### **This policy does not apply to:**

- Any act, error or omission if, at time of such act, error or omission, the insured agent is engaged in the sale of mutual funds other than through a NASD-Registered broker/dealer organization
  
- Any claim for loss sustained or alleged to have been sustained by any person, firm or organization that is not either a customer of the insured agent or a customer's appointed administrator, executor, receiver or trustee in bankruptcy
  
- A willful violation of any statute or any rule or regulation of any federal, provincial or state securities regulatory agency
  
- Any claim brought against the insured agent by a broker/dealer organization or any investment company
  
- Any claim based upon a loss or alleged loss sustained from fluctuations in the market value of any mutual fund
  
- Any loss arising out of the insured agent making promises or guarantees as to the rate of return and/or future value of any security
  
- Any claim arising out of the insolvency, receivership, bankruptcy, liquidation or financial inability to pay of any company, entity, or other investment vehicle in which any customer has invested



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## Errors & Omissions INSURANCE



**POLICY YEAR 2010**  
For Independent Agents of



### PLAN FEATURES

- Comprehensive Coverage
- Two Coverage Options
- First Dollar Defense
- Convenient Payment Options

## PLAN HIGHLIGHTS

- Option A: Limit of liability \$1,000,000 each claim subject to annual aggregate of \$1,000,000 each agent each policy period
- Option B: Limit of liability \$1,000,000 each claim subject to annual aggregate of \$2,000,000 each agent each policy period
- Coverage includes life, accident, health and disability insurance products as well as mutual funds, variable products, universal life, annuities and Section 125, employee benefit plans, managed health care organizations
- Provides coverage for the sale and servicing of mutual funds, variable life and variable annuity products through an NASD-registered broker dealer
- \$500 deductible for Premier Senior Marketing product-related claims (damages only); \$2,500 deductible for all other claims (damages only)
- Defense costs are paid from first dollar – in addition to your liability limit
- Pay by annual credit card, annual check, or monthly pre-authorized checking (PAC) deductions
- Provides coverage for your administrative, clerical and support personnel while they are acting on your behalf
- Prior acts coverage extends back to first date of continuous coverage
- Provides coverage for the agency under which you are doing business or are employed but only as respects such agency's liability as it might arise out of your individual activities as covered under this policy

## PLAN ELIGIBILITY

- You must be actively contracted with Premier Senior Marketing at the time of your effective date under this policy in order to be eligible for coverage
- You must be actively contracted with Premier Senior Marketing at the time you submit a claim under this policy in order to be eligible for full benefits
- If you are terminated from Premier Senior Marketing during the policy period, coverage for any new business activities ceases immediately as of your termination date.

You will be covered under an extended reporting period up to the policy anniversary date. The extended reporting period only applies to claims filed between the date of termination and the policy anniversary date and will only respond to covered claims that arose from transactions that occurred while you were actively Insured under the policy, subject to the terms of the policy

- You may purchase an extended reporting period for the reporting of claims for one year commencing on the next policy anniversary date. The agent must request and purchase the extended reporting period within 30 days of their termination date. The cost for the extended reporting period will be 100% of their last annual premium
- Coverage under this program is offered on a claims made basis. The policy will only cover claims first made against the Insured and reported to the Corporation during the policy period. The agent must not have had knowledge of the claim or circumstances likely to result in a claim at the effective date of coverage
- This policy applies to an act, error or omission which takes place anywhere in the world, provided that the claim is made and suit is brought against the Insured in the United States of America, its territories or possessions and the District of Columbia, Puerto Rico or Canada

## PLAN RATES & COVERAGE LIMIT OPTIONS

EFFECTIVE DATE	\$1 Million / Claim \$1 Million / Annual		\$1 Million / Claim \$2 Million / Annual	
	ANNUAL*	PAC†	ANNUAL*	PAC†
03/01/10	\$475.00	\$90.42	\$610.00	\$101.67
04/01/10	\$439.58	\$90.42	\$563.33	\$101.67
05/01/10	\$404.17	\$90.42	\$516.67	\$101.67
06/01/10	\$368.75	\$90.42	\$470.00	\$101.67
07/01/10	\$333.33	\$90.42	\$423.33	\$101.67
08/01/10	\$297.92	\$90.42	\$376.67	\$101.67
09/01/10	\$262.50	\$90.42	\$330.00	\$101.67
10/01/10	\$227.08	\$90.42	\$283.33	\$101.67
11/01/10	\$191.67	\$90.42	\$236.67	\$101.67
12/01/10	\$156.25	\$90.42	\$190.00	\$101.67
01/01/11	\$120.83	\$90.42	\$143.33	\$101.67
02/01/11	\$85.42	\$85.42	\$96.67	\$96.67

MONTHLY PAC:  
\$40.42

MONTHLY PAC:  
\$51.67

\*Includes \$25 administrative fee and \$5.00 monthly processing fee for monthly payment option.  
†PAC down payment refers to our Pre-Authorized Checking payment option. Your down payment includes one month's premium and administrative fees. PAC down payments will be processed immediately; monthly deductions as shown above will begin the first business day of the month following enrollment.



# Errors & Omissions INSURANCE

**ENROLL ONLINE:**  
[www.bcs-eo.com/psm](http://www.bcs-eo.com/psm)

## THE UNDERWRITER



BCS Insurance Company  
Oakbrook Terrace, Illinois



A.M. Best Rating: A- (Excellent)

## THE PLAN ADMINISTRATOR

In the event you have a claim, please immediately forward notice to the Plan Administrator:



MGA Insurance Services  
ATTN.: Nancy Groth  
9024 Town Center Parkway  
Lakewood Ranch, FL 34202

PHONE: (866) 389-0022  
FAX: (800) 411-4771

NOTE: This brochure is not intended to be a legal interpretation of the policy provisions, but rather an overview highlighting the more important provisions of the program. Complete policy details are available at [www.bcs-eo.com/psm](http://www.bcs-eo.com/psm)