

### 3 Examples of Your E&O Exposure

- Make the simple statement to a client, "I will make sure that your claim is paid immediately", binding the insurance carrier even though the claim may be denied for any number of legal reasons.
- Instead of calling policyowner service, your client calls you to change his address. Mistakenly, you forget to forward this request to the home office. Four months later, your client files a claim only to find out that his policy has been canceled for non-payment.
- While filling out an application for coverage, your client asks if a minor medical condition warrants being mentioned. You inform the client that it should not be an issue and the client does not include the information on the application. Nine months later benefits are denied because of misrepresentation by the client on the application.

In all of these simple examples you could be held liable for client damages costing you thousands of dollars in legal fees and settlement costs.

### Comprehensive Protection

- **Group Discounted Rates:**  
Our guarantee issue programs offer outstanding coverage at great group rates. This means more coverage for lower premiums and lower deductibles.
- **Broad Coverage Provided:**  
Coverage includes life, accident and health, disability income activities as well as mutual funds, variable products, universal life, annuities and section 125, employee benefit plans, managed health care organizations and notary public services.

### Plan Administrator

NAPA serves as your E&O Plan Administrator. If you have any questions regarding your E&O coverage, please contact a NAPA representative Monday through Thursday 8 AM - 6 PM EST, Friday 8 AM - 5 PM EST.

### Plan Underwriter

Underwritten by CNA Insurance - Chicago, IL  
A.M. Best Rating: A



9024 Town Center Parkway • Lakewood Ranch, FL 34202  
(800) 593-7657 • FAX (800) 411-4771



## Errors & Omissions

I N S U R A N C E



### Policy Year 2009

For Independent Agents of



### Plan Highlights

- Guarantee Issue
- Comprehensive Coverage
- \$1,000 Deductible - ARIC Products
- New Lower Rates

## Plan Highlights

- Guarantee Issue - group discounted premiums with two liability limit options.
- Pay by credit card, check, or monthly pre-authorized checking (PAC) deductions.
- Coverage includes life, accident and health, disability income activities as well as mutual funds, variable products, universal life, annuities and section 125, employee benefit plans, managed health care organizations, 24-hour care coverage and notary public services.
- Coverage includes financial planning activities in conjunction with services and products described above whether or not a separate fee is charged.
- Coverage includes supervision, management and training of an agent by a general agent with respect to covered activities.
- Provides coverage for your administrative, clerical and support personnel while they are acting on your behalf.
- Provides coverage for any affiliated corporation, partnership or agency for its liability arising out of the individual insured's covered professional services.
- \$1,000 deductible on American Republic product-related claims (damages and defense costs), \$2500 deductible for non-American Republic claims (damages and defense costs).
- Defense costs are provided and are included within the limits of liability.
- Prior acts coverage back to first date of continuous E&O coverage.

## Plan Restrictions

- You must be actively contracted with American Republic at the time of your effective date under this policy in order to be eligible for coverage.
- You must be actively contracted with American Republic at the time you submit a claim under this policy in order to be eligible for full benefits.
- If you are terminated from American Republic 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 for one year from the termination date, subject to the terms of the policy.

- This is a claims made policy form.
- \$10,000,000 total annual policy aggregate limit.
- For a complete copy of the policy, please contact NAPA at 1-800-593-7657 or go to the NAPA website at [www.napa-benefits.org/AR](http://www.napa-benefits.org/AR)

## Plan Options & Rates

Effective Date	\$1M per Claim \$1M Annual		\$2M per Claim \$2M Annual	
	Annual*	PAC	Annual*	PAC
01/01/09	\$575.00	\$75.84	\$682.00	\$84.75
02/01/09	\$529.17	\$75.84	\$627.25	\$84.75
03/01/09	\$483.33	\$75.84	\$572.50	\$84.75
04/01/09	\$437.50	\$75.84	\$517.75	\$84.75
05/01/09	\$491.67	\$75.84	\$463.00	\$84.75
06/01/09	\$345.83	\$75.84	\$408.25	\$84.75
07/01/09	\$300.00	\$75.84	\$353.50	\$84.75
08/01/09	\$254.17	\$75.84	\$298.75	\$84.75
09/01/09	\$208.33	\$75.84	\$244.00	\$84.75
10/01/09	\$162.50	\$75.84	\$189.25	\$84.75
11/01/09	\$116.67	\$75.84	\$134.50	\$84.75
12/01/09	\$70.83	\$75.84	\$79.75	\$84.75
	<b>Monthly PAC \$50.84</b>		<b>Monthly PAC \$59.75</b>	

\*Includes \$25 administrative fee. PAC down payment refers to our pre-authorized checking payment option. Your down payment includes one month's premium, administrative fees and a \$5.00 monthly processing fee. PAC down payments will be processed immediately; monthly deductions as shown above will begin the first of the month after enrollment effective date.

This brochure is not intended to be a legal interpretation of the policy provisions, but merely to present highlights of the plan provisions. For details, visit our website at [www.napa-benefits.org/AR](http://www.napa-benefits.org/AR) or call NAPA.



**Enroll Online @**  
[www.napa-benefits.org/AR](http://www.napa-benefits.org/AR)

## Plan Exclusions

- Any wrongful act which has been subject of prior notice
- Any wrongful act known to insured at time of enrollment
- Any claim brought by parent, spouse, child or live-in arrangement
- Any claim brought by an entity in which insured has an equity interest of 10% or more
- Any claim by another insured, a broker dealer or class action
- Any claim brought by any governmental or self-regulatory agency
- Any claim not brought by or on behalf of a client of the insured
- Dishonest, fraudulent, criminal, malicious, purposeful or intentional acts
- Bodily injury, destruction of property
- Contractual liability
- Professional services performed by insured as an actuary, accountant, attorney, property/casualty agent, real estate agent or TPA
- Based upon insured's inability or refusal to pay or collect premiums, claims or tax money
- Arising from insured's tax advice unless accompanied by written disclaimer advising client to seek advice of a tax professional
- Arising from actual or alleged commingling or use of client funds
- Arising from any actual or alleged profit, remuneration or pecuniary advantage gained by any insured to which the insured was not legally entitled
- Insolvency of any organization in which funds have been placed or coverage obtained
- Based on insured making promises or guarantees as to interest rates or fluctuations in market value of any investment or insurance product or future premium payments
- Based upon any dispute over fees, commissions or charges
- Based upon any actual or alleged pension, profit sharing, health and welfare or other employee benefit plan sponsored by the insured
- Placement of coverage with multiple employer welfare arrangements or employee benefit plans involving self funding
- Arising from activities in exercising discretionary authority
- Arising from the actual or alleged design or implementation of any employee benefit plan
- Arising from any actual or alleged price fixing, price discrimination, predatory pricing, restraint of trade, antitrust, monopolization, unfair trade, or unfair anti-competitive conduct
- Based upon use of confidential information by an insured
- Based upon placement of client's coverage with any organization, entity or vehicle not licensed to do business in the state of jurisdiction
- Based upon or arising out of or in any way involving: viatical settlements, ETS pay phones or pay phone investments, structured settlements, life settlements, reverse mortgages or similar transactions, promissory notes
- Involving the use of non-public information