

New England Excess Exchange, Ltd.

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PROFESSIONAL LIABILITY INSURANCE FOR FINANCIAL ADVISORS / PLANNERS NEW BUSINESS APPLICATION CLAIMS MADE BASIS

THE POLICY FOR WHICH APPLICATION IS MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES IS REDUCED BY THE AMOUNTS INCURRED AS DEFENSE EXPENSES AND DEFENSE EXPENSES ARE SUBJECT TO THE DEDUCTIBLE.

Applicant's Legal Name			
Address			
Telephone		Fax	
Email		Web Site	

1. List all **employed (W-2)** financial advisors **including self**. Independent Contractors (1099) are not covered under the firm's policy and require separate applications or, if requested, can be added as additional insureds. **CPA firms** should list **only** those involved in financial planning / investment advisory services.

NAME OF ALL EMPLOYED FINANCIAL ADVISORS	PROFESSIONAL DESIGNATIONS	NASD SERIES LICENSES	NASD CRD NUMBER	PROFESSIONAL ASSOCIATION AFFILIATIONS

2. Do you have any independent contractors (**non-employees**) giving investment advice on behalf of your RIA? Yes No Please list names: _____

3. List all **professional liability** insurance carried (e.g. accountants, tax preparation, group broker-dealer, life agent)

INSURER	LIMITS	DEDUCTIBLE	POLICY PERIOD	RETROACTIVE DATE

4. Select **Standard** Limits and Deductibles OR **Higher** Limits and Deductibles

Per Claim Aggregate		Deductible	OR	Per Claim		Higher Limits and Deductibles		
					Aggregate	Deductibles		
<input type="checkbox"/>	\$ 50,000 / \$ 100,000	\$ 1,000	<input type="checkbox"/>	\$ 1,000,000	<input type="checkbox"/>	\$ 1,000,000	<input type="checkbox"/>	\$ 5,000
<input type="checkbox"/>	\$ 100,000 / \$ 200,000	\$ 1,000	<input type="checkbox"/>	\$ 2,000,000	<input type="checkbox"/>	\$ 2,000,000	<input type="checkbox"/>	\$ 10,000
<input type="checkbox"/>	\$ 250,000 / \$ 500,000	\$ 2,500	<input type="checkbox"/>	\$ 3,000,000	<input type="checkbox"/>	\$ 3,000,000	<input type="checkbox"/>	\$ 15,000
<input type="checkbox"/>	\$ 500,000 / \$ 1,000,000	\$ 2,500	<input type="checkbox"/>	\$ 4,000,000	<input type="checkbox"/>	\$ 4,000,000	<input type="checkbox"/>	\$ 20,000
<input type="checkbox"/>	\$ 1,000,000 / \$ 2,000,000	\$ 5,000	<input type="checkbox"/>	\$ 5,000,000	<input type="checkbox"/>	\$ 5,000,000	<input type="checkbox"/>	\$ 25,000

5. Has any professional liability claim, complaint or proceeding been made against the firm or any associated professionals or is the applicant **aware of any circumstances** which may result in any claim being made against the applicant, its predecessors in business, or any of the applicant's present or past partners, officers, directors, employees or associated professionals? YES NO If yes, please **attach complete details** on a separate sheet.

6. Conflicts of Interest - Do you or any member or associated person of your firm:

A. Act as both trustee and advisor to any client?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
B. Advise clients to invest in any enterprise in which any firm member has more than a 5% ownership interest?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
C. Advise clients to invest in any enterprise in which another client has more than a 5% ownership interest?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
D. As a CPA, do you perform attest work / consulting services for any accounting client who is also an advisory client?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
E. Act as advisor to an entity in which your firm, its members or associated persons has more than a 5% ownership interest?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

7. Do you use a Compliance Attorney or Consultant? Yes No Name: _____

8. Indicate **gross** annual revenues **derived from financial planning, advisory activities, commissions and/or product sales**. Do **not** include professional accounting services revenues.

YEAR	GROSS REVENUES (100%)	% FEE ONLY REVENUES	% COMMISSION REVENUES	NO. OF FINANCIAL ADVISORS
2001				
2002				
2003				

9. Indicate professional services by approximate percentage. Must equal 100%. Indicate **all services** provided by the practice regardless of whether the revenues are declared in Question 8.

%	NATURE OF PRACTICE
	Modular/Comprehensive Financial Plan Preparation/Advice
	Divorce Planning
	Discretionary Asset Management (LPOA)
	Non-Discretionary Asset Management (LPOA with Prior Consent)
	Asset Monitoring (No Limited Power of Attorney to Direct Trades)
	Investment Management Consulting (No LPOA)
	Product Sales Based On Financial Plan
	Product Sales Not Based On Financial Plan
	Other: _____

%	NATURE OF PRACTICE (Continued)
	Timing Services
	Pension Fund Consulting
	Business Management Consulting
	Tax Preparation
	Accounting Services Other Than Tax Preparation
	Third Party Pension Administration
	Hourly Advice
	Wrap Accounts
	Other: _____

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10. **As an advisor**, do you provide **advice** on, recommend or invest in any of the following specialty investments (**other than in mutual funds**) on behalf of your clients? Yes No If yes, indicate % of advice or use in portfolios for each type of investment.

%	TYPE OF INVESTMENT
	Real Estate
	Oil & Gas Leases
	Mortgages, Mortgage Pools, Mortgaged Backed Securities
	Viatical Agreements / Senior Settlements / Life Settlements
	Commodities or Other Futures
	Precious Metals
	Guaranteed Investment Contracts
	Non-investment Grade Bonds (lower than BBB)

%	TYPE OF INVESTMENT
	Derivatives
	Private Placements
	Real Estate Investment Trusts (REITS)
	General or Limited Partnerships
	Unregistered Securities
	Foreign Securities / ADR'S
	Hedgefunds
	Options Contracts

11. If you receive **commissions**, indicate the breakdown of **total commission income** by percent. Must equal 1 00%.

%	TYPE OF PRODUCT
	Mutual Funds
	Variable Annuities
	Life / Health / Disability / Accident Sales / Long Term Care
	Viatical Agreements / Senior Settlements / Life Settlements
	Listed Stocks
	Unlisted Stocks
	investment Grade Bonds
	Junk Bonds

%	TYPE OF PRODUCT (Continued)
	Commercial Paper
	Private Placements
	REIT Shares
	Limited Partnerships
	Unregistered Securities
	Foreign Securities / ADITS
	Hedgefunds
	Options / Futures / Tangibles/CMO's/Derivatives

12. What % of revenue is derived from **professional** entertainers, celebrities, athletes and musicians? None OR _____%

13. Does the applicant provide personal management services (e.g. sports management / bill paying) to any client? No Yes

14. Is any advisory client an investment company (mutual fund), REIT, limited partnership or private placement? No Yes If yes, provide details.

15. Please **CIRCLE** yes or no. All YES answers, please supply details. Has the Applicant or any associated professional ever:

Yes No	Had a professional license/reg istration denied, suspended, revoked, non-renewed or restricted?
Yes No	Been formally reprimanded by any court/administrative/regulatory agency?
Yes No	Had a complaint filed with consumer agencies, applicant's broker-dealer, the SEC, NASD, the IRS, state securities dept., insurance dept., or other regulatory agency?
Yes No	Been audited by the SEC, NASD, state securities dept., or other licensing or regulatory agency? If yes, please supply audit letter and firm's response to regulator.
Yes No	Been formally accused of violating any professional association's code of ethics?
Yes No	Been convicted of a felony?
Yes No	Been involved in or is aware of any fee disputes including suits?

16. If you manage client assets, do you:

A. Use a written Investment Policy Statement for other than ERISA accounts? YES NO

B. Have Limited Power of Attorney to direct trades in the client's account? If yes: please answer: YES NO

I use full discretion to trade without prior consent of the client

I use discretion to trade within an Investment Policy Statement or written parameters

I decline to exercise the discretion and obtain prior consent for each and every trade.

C. Excluding advisory fees, do you have power to withdraw/disburse funds in the account? YES NO

D. Do you use limited partnerships, options, futures, derivatives in your portfolios? YES NO

E For custodians I use: Fidelity Waterhouse Schwab First Trust/Data Lynx Vanguard NATC Other: _____

F, **On a separate sheet**, please briefly describe your investment philosophy.

G. **On a separate sheet**, please list the types/percentages of investments used in portfolios.

H. Number of Discretionary Accounts: _____

Amount of Assets Under Management: _____

1. Number of Non-Discretionary Accounts: _____

Amount of Assets Under Management: _____

Applicant **declares and warrants** that the statements, including additional sheets, are true and that no material facts have been suppressed or misstated, that Applicant understands and agrees this application will be made a part of any policy issued and **any such policy is issued in reliance upon the representations made herein**. Applicant further understands and agrees that **failure to provide a true and accurate response** to any of the foregoing questions **may**, at the option of the company, **result in the voiding of insurance issued in reliance on the application and / or denial of claim asserted**.

NOTICE TO APPLICANT: Any person who knowingly files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and also punishable by civil penalties in certain jurisdictions.

Print Name: _____ Title: _____
(Owner, Partner, Senior Officer)

Signature: _____ Date: _____

SIGNING THIS FORM OR REMITTANCE OF DEPOSIT DOES NOT BIND FSIC OR THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE CONTRACT. YOU WILL BE NOTIFIED WHEN COVERAGE IS ACCEPTED AND BOUND.