

SERFF Tracking Number: PCAG-125326863 *State:* Arkansas
Filing Company: PACO Assurance Company, Inc. *State Tracking Number:* EFT \$50
Company Tracking Number: AR-981-A
TOI: 17.1 Other Liability - Claims Made Only *Sub-TOI:* 17.1019 Professional Errors & Omissions Liability

Product Name: Insurance Agents & Brokers Professional Liability Program
Project Name/Number: Initial Filing for Agent E & O Program/

Filing at a Glance

Company: PACO Assurance Company, Inc.
 Product Name: Insurance Agents & Brokers Professional Liability Program
 TOI: 17.1 Other Liability - Claims Made Only
 Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Filing Type: Form

SERFF Tr Num: PCAG-125326863 State: Arkansas
 SERFF Status: Closed
 Co Tr Num: AR-981-A
 Co Status: Pending
 Author: Latasha Knox-Campbell
 Date Submitted: 04/08/2008

State Tr Num: EFT \$50
 State Status: Fees verified and received
 Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
 Disposition Date: 04/16/2008
 Disposition Status: Approved
 Effective Date (New):
 Effective Date (Renewal):

Effective Date Requested (New): 05/01/2008
 Effective Date Requested (Renewal): 05/01/2008
 State Filing Description:

General Information

Project Name: Initial Filing for Agent E & O Program
 Project Number:
 Reference Organization:
 Reference Title:
 Filing Status Changed: 04/16/2008
 State Status Changed: 04/16/2008
 Corresponding Filing Tracking Number:
 Filing Description:
 EXPLANATORY MEMORANDUM
 PACO Assurance Company, Inc.
 For Agents & Brokers Liability Underwriting Services (FABLUS), a Purchasing Group
 Insurance Agents and Brokers Professional Liability Program
 Initial Filing of Policy Forms

Status of Filing in Domicile: Authorized
 Domicile Status Comments:
 Reference Number:
 Advisory Org. Circular:
 Deemer Date:

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Endorsement to Amend Limits of Liability (APL3000(a) Ed. 7-07)

This endorsement will be used to amend the insured's Limits of Liability.

Endorsement – Amend Address or Location (APL3000(b) Ed. 7-07)

This endorsement will be used to amend the address or location of the insured.

Endorsement – Exclude Line of Business (APL3000(c) Ed. 7-07)

This endorsement will be used to exclude a line of business if an insured does not want coverage for a line of business and/or has coverage elsewhere. Commission for this particular line will not be included in calculating the premium.

Endorsement – Amend Name (APL3000(d) Ed. 7-07)

This endorsement will be used to amend the name of the named insured or additional insured.

Endorsement – Exclude Independent Contractor (APL3000(e) Ed. 7-07)

This endorsement will be used to exclude coverage for an insured's independent contractors. It is used when an insured is a wholesaler and uses many independent contractors and/or sub agents and does not want coverage for these individuals as they have coverage elsewhere. Commission for the independent contractor will not be included in calculating the premium.

Endorsement – Add or Delete Independent Contractor (APL3000(f) Ed. 7-07)

This endorsement will be used to specifically add or delete a named independent contractor. Add: The policy automatically covers independent contractors without specifically naming them. However, for certain contractual reasons (a carrier's or insured's contract with the independent contractor), the insured may need the independent specifically named. Delete: The insured specifically requests that a named independent contractor be excluded from the policy.

Endorsement – Add or Delete Professional Services (APL3000(g) Ed. 7-07)

This endorsement will be used, for example, if the insured has coverage elsewhere for the named professional services and/or does not desire coverage. It may also be used for underwriting reasons. Commissions for a specified professional service which is excluded from coverage will not be included in calculating the premium. This form may also be used to add certain professional services.

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Previously approved Arkansas Consumer Notice (AR-COM Ed. 6-05) – “Filed for Informational Purposes”
 Our Consumer Notice was approved on July 11, 2005, to be used with our Arkansas policies as required under Bulletin 6-87. This consumer notice provides contact information for the Arkansas Insurance Department to our Arkansas Insureds.

Company and Contact

Filing Contact Information

Latasha Knox-Campbell, Regulatory Compliance Analyst
 110 WESTWOOD PLACE
 BRENTWOOD, TN 37027
 lcampbell@picagroup.com
 (615) 371-8776 [Phone]
 (615) 370-4803[FAX]

Filing Company Information

PACO Assurance Company, Inc.
 110 Westwood Place
 Brentwood, TN 37027
 (800) 251-5727 ext. [Phone]
 CoCode: 10222
 Group Code: 3504
 Group Name:
 FEIN Number: 36-3998471
 State of Domicile: Illinois
 Company Type:
 State ID Number:

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: PACO Assurance Company, Inc. \$50 per filing

Total \$50.00

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
PACO Assurance Company, Inc.	\$50.00	04/08/2008	19367299

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	04/16/2008	04/16/2008

SERFF Tracking Number: *PCAG-125326863* *State:* *Arkansas*
Filing Company: *PACO Assurance Company, Inc.* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *AR-981-A*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1019 Professional Errors & Omissions*
Liability

Product Name: *Insurance Agents & Brokers Professional Liability Program*
Project Name/Number: *Initial Filing for Agent E & O Program/*

Disposition

Disposition Date: 04/16/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Product Name: Insurance Agents & Brokers Professional Liability Program
 Project Name/Number: Initial Filing for Agent E & O Program/

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Arkansas Consumer Notice	Approved	Yes
Form	E&O Policy	Approved	Yes
Form	Reinstatement	Approved	Yes
Form	ERP Endorsement	Approved	Yes
Form	Dec Page	Approved	Yes
Form	Cancellation Notice	Approved	Yes
Form	Nonrenewal Notice	Approved	Yes
Form	Add'l Insured End.	Approved	Yes
Form	Application	Approved	Yes
Form	Application - Claim Supp.	Approved	Yes
Form	Application - MGS Supp.	Approved	Yes
Form	General Change End.	Approved	Yes
Form	Renewal Application	Approved	Yes
Form	Company Address Change Endorsement	Approved	Yes
Form	Amend Limits of Liability Endorsement	Approved	Yes
Form	Amend Address or Location	Approved	Yes
Form	Exclude Line of Business Endorsement	Approved	Yes
Form	Amend Name Endorsement	Approved	Yes
Form	Exclude Independent Contractor Endorsement	Approved	Yes
Form	Add/Delete Independent Contractor Endorsement	Approved	Yes
Form	Add/Delete Independent Professional Services	Approved	Yes
Form	Arkansas State Amendatory Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type	Action	Action Specific Data	Readability	Attachment
Approved	E&O Policy	APL1000	11-06	Policy/Cove	New		0.00	APL1000 Ed. 11-06 _Reprint Incorporating APL1070 Changes_.pdf
Approved	Reinstatement	APL1001(j	11-06	Other	New		0.00	APL1001_j_ Ed. 11-06 _Reinstatem ent_.pdf
Approved	ERP Endorsement	APL1015	4-07	Endorseme	New		0.00	APL1015 Ed. 4-07 (Extended Reporting Endorsemen t).pdf
Approved	Dec Page	APL1025	3-08	Declaration	New		0.00	APL1025 Ed. 3-08 (Declaration s Page).pdf
Approved	Cancellation Notice	APL1035	4-06	Canc/NonR	New		0.00	APL1035 Ed. 4-06 _Cancellatio n Notice_.pdf
Approved	Nonrenewal Notice	APL1036	4-06	Canc/NonR	New		0.00	APL1036 Ed. 4-06 _Nonrenewa l Notice_.pdf
Approved	Add'l Insured End.	APL1060	4-06	Endorseme	New		0.00	APL1060 Ed. 4-06

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			ent/Condi ons			_Additional Insured Endorsemen t_.pdf
Approved	Application	APL2000	3-08	Application/ New Binder/Enro llment	0.00	APL2000 Ed. 3-08 (New Business Application). pdf
Approved	Application - Claim Supp.	APL2000- CS	4-06	Application/ New Binder/Enro llment	0.00	APL2000-CS Ed. 4-06 _Claim Supplement _.pdf
Approved	Application - MGS Supp.	APL2000- MGAS	4-06	Application/ New Binder/Enro llment	0.00	APL2000- MGAS Ed. 4-06 _MGA Supplement _.pdf
Approved	General Change End.	APL3000	4-06	Endorseme New nt/Amendm ent/Condi ons	0.00	APL3000 Ed. 4-06 _General Change Endorsemen t_.pdf
Approved	Renewal Application	APL2010	3-08	Application/ New Binder/Enro llment	0.00	APL2010 Ed. 3-08 (Renewal Application). pdf
Approved	Company Address Change Endorsement	APL1032- ADD	3-08	Endorseme New nt/Amendm ent/Condi ons	0.00	APL1032- ADD Ed. 3- 08 (Company Address Change

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Approval	Description	Policy	Action	Amount	Attachment
Approved	Amend Limits of Liability Endorsement	APL3000(7-07 a)	Endorsement/Amendment/Conditions	0.00	APL3000(a) Ed. 7-07 (Amend Limits of Liability).pdf
Approved	Amend Address or Location	APL3000(7-07 b)	Endorsement/Amendment/Conditions	0.00	APL3000(b) Ed. 7-07 (Amend Address or Location).pdf
Approved	Exclude Line of Business Endorsement	APL3000(7-07 c)	Endorsement/Amendment/Conditions	0.00	APL3000(c) Ed. 7-07 (Exclude Line of Business).pdf
Approved	Amend Name Endorsement	APL3000(7-07 d)	Endorsement/Amendment/Conditions	0.00	APL3000(d) Ed. 7-07 (Amend Name).pdf
Approved	Exclude Independent Contractor Endorsement	APL3000(7-07 e)	Endorsement/Amendment/Conditions	0.00	APL3000(e) Ed. 7-07 (Exclude Independent Contractor).pdf
Approved	Add/Delete Independent Contractor Endorsement	APL3000(f7-07)	Endorsement/Amendment/Conditions	0.00	APL3000(f) Ed. 7-07 (Add or Delete Independent Contractor).pdf
Approved	Add/Delete Independent	APL3000(7-07 g)	Endorsement/Amendment	0.00	APL3000(g) Ed. 7-07



PACO Assurance Company, Inc.

INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY INSURANCE POLICY

THIS IS A CLAIMS-MADE POLICY

This policy is limited to those claims that are first made against the insured during the policy period or any Extended Reporting Period provided.

PLEASE REVIEW THE POLICY CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine your rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to PACO Assurance Company, Inc..

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION III – DEFINITIONS**.

SECTION I – COVERAGE

1. Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the deductible that the insured becomes legally obligated to pay as damages because of "loss" arising out of "professional services" to which this insurance applies. We will have the right and the duty to defend the insured against any suit seeking those damages even if the suit is groundless, false or fraudulent. We may, at our discretion, investigate any "wrongful act" and settle any "claim" that may result. But:

1. The amount we will pay for damages is limited as described in **SECTION V – LIMITS OF INSURANCE**; and
2. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

- b. This insurance applies to "loss" only if:

1. The loss is caused by a "wrongful act" that takes place in the "coverage territory";
2. The "wrongful act" did not occur before the Retroactive Date shown in the Declarations or after the end of the policy period; and
3. A "claim" for damages, with respect to the "loss", is first made against any insured, in accordance with paragraph c. below, during the "policy period" or any Extended Reporting Period we provide under **SECTION VII – EXTENDED REPORTING PERIOD**.
4. The loss is caused by a "wrongful act" committed by the insured or a person for whom the insured is held legally liable in the performance of or failure to perform "professional services".

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- c. A "claim" shall be considered to be first made at the earlier of the following times:
1. When notice of such "claim" is received by any insured and reported to us in writing; or
 2. When a "claim" is made directly to us in writing.
 3. When the insured notifies us in writing of a potential "claim" or "wrongful act" in accordance with Provision 1(a) of **SECTION VI – CONDITIONS** of the policy.
- d. All "claims" made by the same person and arising out of the same "wrongful act" or all "interrelated wrongful acts" of one or more insureds will be deemed to have been made at the time the first of those "claims" is made against any insured.

deposited in court the part of the judgment that is within the applicable limit of insurance.

Except as set forth under the Deductible provision of **SECTION V – LIMITS OF INSURANCE**, these payments will not reduce the limits of insurance.

In addition to the limits otherwise stated in the Declarations, but subject to a limit of \$25,000 in the aggregate during the "policy period", we will pay on your behalf "claim expenses" associated with "regulatory actions" brought against you that are first commenced against you during the "policy period" and first reported to us during the "policy period". In order to avail yourself of this coverage, you must provide us with prompt notice of this "regulatory action". This additional limit of \$25,000 is the maximum amount we may be required to pay in any single policy year for claims involving "regulatory actions". Deductibles shall not apply to this supplementary payment.

We will also pay "claim expenses" involved in responding to subpoenas first received by you during the "policy period", which seek documents or testimony regarding rendering or failing to render "professional services". These supplementary payments shall be subject to an aggregate limit of \$2,500 for all such subpoenas received during the "policy period". In order to avail yourself of this coverage, you must report the receipt of the subpoena to us within 3 days of receipt by you. This \$2,500 sublimit is the maximum we shall be required to pay as a result of this supplementary payment coverage.

2. Supplementary Payments.

We will pay with respect to any "claim" we investigate or settle, or any suit against an insured we defend:

- a. All "claim expenses".
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or suit, including actual loss of earnings up to \$250 a day because of time off from work attending trials, depositions, or other court appearances.
- d. All costs taxed against the insured in the suit.
- e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of the judgment that accrues after the entry of judgment and before we have paid, offered to pay, or

SECTION II – WHO IS AN INSURED

Each of the following is an insured to the extent set forth below:

1. The person or entity in the Declarations of this policy designated as the Named Insured;
2. Any "predecessor firm";
3. Any of the Named Insured's or "predecessor firm's" past or present partners, officers, directors, stockholders or employees, but only while acting within the scope of their duties for the Named Insured or "predecessor firm";

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4. If you are an individual, your spouse, but only with respect to “professional services” provided by you.
 5. If you are a partnership, your spouse, your partner’s spouses, and your former partner’s spouses, but only with respect to “professional services” provided by the partnership.
 6. Any person acting as an independent contractor, but only while providing “professional services” on behalf of the Named Insured;
 7. The legal representative of persons described in 1,2,3 and 4 immediately above in the event of their incapacity, insolvency, bankruptcy or death, but only to the extent that they would otherwise be provided coverage under this policy.
 8. Any organization related to your insurance agency operations which you form or acquire and over which you maintain ownership or majority interest, but only if there is no other similar insurance available to that organization. This provision shall provide coverage automatically until the 30th day after you form or acquire the organization or until the end of the “policy period” whichever is earlier. No coverage is provided for acts, errors or omissions committed before you acquired or formed the organization.
- a. reasonable and necessary fees (including attorneys and experts fees) and expenses incurred in the defense or appeal of a “claim”,
 - b. Other expenses resulting from the investigation, adjustment, and defense of a “claim” if incurred by us or by the insured with our consent,
3. “Coverage territory” means:
 - a. The United States of America (including its territories and possessions) and Canada; and
 - b. All parts of the world if the “claim” is first made in, and is subject to the exclusive jurisdiction of a court located in the territory described in Paragraph a. above or in a settlement we agree to.
 4. “Interrelated wrongful acts” means all causally connected “wrongful acts”.
 5. “Litigation expense” means that part of “claim expense” incurred during the defense of a “claim” which is in formal litigation. “Litigation expense” does not include salaries or expenses of our employees.
 6. “Loss” means any amount which the insured becomes legally obligated to pay as damages for any “claim” to which this insurance applies. “Loss” does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, taxes or matters that are uninsurable pursuant to applicable law.
 7. “Personal injury” means injury arising out of one or more of the following offenses:
 - a. False arrest, detention, or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies by or on behalf of its owner, landlord, or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products, or services; or
 - e. Oral or written publication of material that violates a person’s right of privacy

SECTION III - DEFINITIONS

1. “Claim” means:
 - a. A written demand for monetary or non-monetary damages, or a demand for arbitration; or
 - b. A civil proceeding commenced by the service of a complaint or similar proceeding; or
 - c. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent against any insured as defined in **SECTION II – WHO IS AN INSURED** for a “wrongful act” to which this insurance applies.
2. “Claim expense” means:

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8. "Policy period" means the period of time from the effective date specified in Item 3 (Policy Period) of the declarations page to the policy expiration date specified in Item 3 of the declarations page or to the date the policy is canceled, whichever occurs first.
9. "Predecessor firm" means any insurance agent, broker, agency or brokerage firm engaged in the business of selling insurance; to whose financial assets and liabilities the Named Insured is the majority successor in interest; and listed on your application for this policy as a "predecessor firm".
10. "Professional services" means insurance services performed for others, including via electronic means or methods: (1) as a property, casualty, surety, life, accident, health or other insurance agent, insurance broker, or insurance consultant, including managing general agent, program administrator, general agent, surplus lines broker, wholesale broker, and (2) premium financing, notary public services, claims handling or adjusting, risk management, and loss control services.
11. "Regulatory action" means a proceeding commenced by a governmental body charged with licensing you to render "professional services" which is based on a "wrongful act" committed after the retroactive date involving the rendering or failing to render "professional services".
12. "Wrongful act" means any actual or alleged negligent act, error or omission to which this insurance applies.

SECTION IV – EXCLUSIONS

This policy shall not apply:

1. To any "claim" based upon or arising out of any dishonest, fraudulent, criminal, or malicious acts, errors or omissions intentionally committed by or at the direction of an insured. This exclusion applies only to insureds who had knowledge of such acts or omissions.
2. To any incident or "claim" for which there would have been coverage under this policy which was reported, either verbally or in writing, as an incident to or covered by a previous insurance carrier, self-insurance program, trust or other risk assuming entity. If one of several "interrelated wrongful acts"

has been reported as above, then all will be considered to have been reported.

3. To "claims" made for commissions (including contingent commissions and profit sharing), taxes, fees, reimbursements, the failure to collect, pay or return premiums, commingling of funds, violations of trust account procedures, or other such acts.
4. To any "claim" arising out of the certification or acknowledgment of a signature without the physical appearance before the notary of the person who claims to be the person signing the instrument.
5. To any "claim" by any individual or entity which is or was owned or controlled by the insured, or which has, in whole or in part, common management or control.
6. To "personal injury" arising out of a publication or utterance described in the definition of "personal injury," made by or at the direction of any insured with knowledge of the falsity thereof.
7. To "personal injury" arising out of any publication or utterance described in the definition of "personal injury," if the first injurious publication or utterance of the same or similar material by or on behalf of the insured is made prior to the retroactive date of this insurance.
8. To any "claim" arising out of a willful violation of a statute or ordinance committed by or with the knowledge or consent of any insured.
9. To any liability based on allegations of improper employment practices, including but not limited to hiring, performance evaluation, discipline, termination of employment, or acts which create a hostile work environment, such as coercion, demotion, harassment or humiliation.
10. To any liability of any insured for any "claim" under any statute or law regulating unfair trade practices, unfair competition, the use of trade secrets, patent, copyright, trademark, or trade dress infringement, or other similar statutes or laws, or any claim made under Title 18 of the United States Code, sections 1962 and 1964, otherwise called the RICO laws; price fixing; Title 15 USCA, dispute over fees, advertising, or marketing.

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11. To any "claim" against an 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, including acts, errors or omissions of an insured which violate the Employee Retirement Income Security Act of 1974 (ERISA), the Pension Benefits Act and the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), or similar laws as amended from time to time.
12. To "claims" made against an insured arising out of the insured's activities as third party administrator of any plan, whether insured or self-insured and whether or not the insured performs such activities.
13. To any "claim" based upon or arising out of bodily injury, sickness, emotional distress, disease or death of any person, or injury to or destruction of any tangible property including loss of use of such property for any reason including loss, under any circumstances due to pollution, nuclear contamination, nuclear reaction, or nuclear radiation regardless of cause.
14. To any "claim" based on, directly or indirectly arising out of or resulting from the insolvency, receivership, liquidation or inability to pay of, or suspension of payment by any:
 - (a) broker or dealer in securities or commodities; or
 - (b) bank or banking firm; or
 - (c) insurance, reinsurance or bonding company; or
 - (d) self-insurance plan, insurance pool or reciprocal, captive insurance company or risk retention group.
 - (e) organization, entity or investment vehicle of any kind, nature or structure, other than an insurance company, in which you placed the funds of a client or account.

This exclusion shall not apply to (a), (b), (c) or (d) above if, as of the effective date of a bond or insurance policy issued to your client, the bonding or insurance company issuing the bond or insurance policy was rated B+ or higher by A.M. Best Company.

15. To any "claim" based on, directly or indirectly arising out of or resulting from the bankruptcy of, or suspension of payments or failure to pay monies due, in whole or in part, by any managed care organization, health maintenance organization,

preferred provider organization, independent physician organization or physician hospital organization.

16. To any "claim" based upon, arising from, or in connection with a viatical settlement.

SECTION V – LIMITS OF INSURANCE

1. The limits of insurance shown in the Declarations and the provisions of this section fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made; or
 - c. Persons or organizations making "claims".
2. Our total limit of liability for all damages arising out of claims first made against the insured and reported to us during the policy period shall be limited to the aggregate limit of liability stated in the Declarations.
3. Subject to Provision 2. above, the each "loss" limit is the most we will pay for all "loss" from any one "wrongful act" or "interrelated wrongful acts" of one or more insureds. Only one deductible amount shall apply to all such "loss".
4. The "each loss" limit indicated in the Declarations shall apply in excess of the "each loss" deductible.
5. Deductible
 - a. Our obligation to pay as a result of a "claim" and to pay related "claim expenses" shall be in excess of the amount of the deductible. You shall pay all "claims" and "claim expenses" up to the amount of the deductible. The deductible amount must be paid for each "claim".
 - b. The deductible amount shall be payable by you within 30 days of being invoiced by us.



SECTION VI – CONDITIONS

1. Duties In The Event of “Wrongful Act”, “Claim”, or Suit

- a. You must notify us in writing as soon as practicable of any “wrongful act” which may result in a “claim”. Any subsequent “claim” made against you arising out of such “wrongful act” shall be deemed to have been made during the “policy period” or extended reporting period. No coverage for such “claim” shall exist under any subsequent policy written by us or our affiliates.

To the extent possible, notice should include:

- i. Specific circumstances surrounding the “wrongful act”;
 - ii. The names and addresses of persons involved in the “wrongful act” and any witnesses thereto; and
 - iii. The nature of the harm resulting from the “wrongful act”.
- b. If a “claim” is received by an insured, you must:
- i. Immediately record the specifics of the “claim” and the date received; and
 - ii. Notify us in writing of the “claim” as soon as practicable.
- c. You and any other involved insured must:
- i. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the “claim” or suit;
 - ii. Authorize us to obtain records and other information;
 - iii. Cooperate with us in the investigation, settlement, or defense of the “claim” or suit; and
 - iv. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of “loss” to which this insurance may also apply.
- d. No insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

2. Other Insurance

If other valid and collectible insurance is available to the insured for “loss” we cover under this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the “policy period” shown in the Declarations of this insurance and applies to “loss” on other than a claims-made basis, if:

- (a) No Retroactive Date is shown in the Declarations of this insurance; or
- (b) The other insurance has a “policy period” which continues after the Retroactive Date shown in the Declarations of this insurance;

When this insurance is excess, we will have no duty to defend the insured against any suit if any other insurer has a duty to defend the insured against that suit. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.

When this insurance is excess over other insurance, we will pay, in excess of the deductible, up to the applicable limits of insurance, the amount of the loss that exceeds the sum of the total amount that all such other insurance would pay for the loss in the absence of this insurance.

If other insurance is also excess, we will share the remaining loss with that other insurance.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit



of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

3. Transfer of Rights of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment that we have made under this policy, those rights are transferred to us. The insured must do nothing after a "wrongful act" to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them. Any amounts recovered will be applied to reduce the amount we paid for "loss" and expense (after application of the deductible) before being applied to reduce your deductible.

4. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - i. 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
 - ii. 30 days before the effective date of cancellation, if we cancel for any other reason.
- c. We will mail or deliver our notice of cancellation to the first Named Insured's last mailing address known to us.
- d. The notice of cancellation will state the effective date of cancellation. The "policy period" will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, any refund will be pro rata. If the first Named Insured cancels, the refund shall be computed at .90 times your pro rata unearned

premium. The cancellation will be effective even if we have not made or offered a refund.

- f. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

5. Nonrenewal

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice. If we fail to give notice of nonrenewal at least 60 days in advance of the policy expiration date, we will extend the policy period 60 days from the date we give such notice of nonrenewal.

6. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a suit asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

7. Bankruptcy

Bankruptcy or insolvency of the insured shall not relieve us of any of our obligations hereunder.

8. Changes

Notice to any agent or knowledge possessed by any agent or other person acting on our behalf shall not effect a waiver or a change in any part of this policy or stop us from asserting any right under the terms of the policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

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9. Agency of Named Insured

By acceptance of this policy the first Named Insured agrees to act on behalf of all insureds with respect to the giving and receiving of notices to and from us, the cancellation of this policy, the payment of premiums and deductibles when due, and the receiving of any return premiums that may become due. In addition, all insureds agree that the first Named Insured shall act on their behalf. If the first Named Insured does not comply with the obligations under this policy then each Named Insured agrees that it will be responsible for the payment of premiums and deductibles when due.

10. Sale, Transfer or Assignment

The controlling interest of any insured under this policy shall not be assignable to any other person without our written consent. In the event of the death or incompetence of the insured, this policy shall cover the insured's legal representative as an insured as respects any liability of that insured which is covered by this policy. Coverage under this policy may end on the date ownership of (or stock which comprises a controlling interest in) any Named Insured is sold, transferred, or assigned unless our written consent is obtained before said date.

11. Application

By acceptance of this policy, you agree that the statements in the application are your representations, that they shall be deemed material, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between you and us, or any of our agents, relating to this insurance.

12. Conformity With Statutes and Regulations

Any terms of this policy which are in conflict with the statutes or regulations of any state or jurisdiction in which this policy is issued are hereby amended to conform to such statutes or regulations.

13. Liberalization Clause

In the event we adopt any revision that would broaden coverage under this policy without additional premium during the policy period, the

broadened coverage will immediately apply to this policy.

14. Audit and Inspection

We shall be permitted but not obligated to inspect your property and operations at any time. Neither our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of you or others, to determine or warrant that such property or operations are safe.

We may examine and audit your books and records at any time during the "policy period" and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

You shall maintain records of such information as are necessary for premium computation, and shall send copies of such records to us at the end of the policy period as we may direct.

15. Consent to Settle

We will not settle any "claim" without the written consent of the Insured. If the Insured is a corporation, the written consent of an Insured who was formerly but is no longer a member of the corporation will not be required; provided that a duly authorized principal of the corporation gives his/her written consent on behalf of the corporation. The Insured shall not unreasonably withhold consent from us.

SECTION VII – EXTENDED REPORTING PERIOD

Upon termination of this policy for any reason other than nonpayment of premium or failure to repay us any deductible when due, you have the right to purchase an Extended Reporting Period of:

1. Twelve (12) months,
2. Twenty-four (24) months,
3. Thirty-six (36) months, or
4. Sixty (60) months

as elected by you following immediately after the effective date of such termination. The premium for the Extended Reporting Period shall be:

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1. 100% for twelve (12) months;
2. 150% for twenty-four (24) months;
3. 185% for thirty-six (36) months;
4. 225% for sixty (60) months

of the full annual premium for this policy.

In the event that you want to purchase the Extended Reporting Period you must:

1. inform us in writing within thirty (30) days after the termination of this policy, that you want the extension, and
2. pay the premium to us no later than (30) days after the termination of the policy.

The fact that the period during which "claims" may be first made against an insured under this policy is extended by virtue of the Extended Reporting Period shall not in any way increase the limits of liability set forth in the Declarations.

The Extended Reporting Period cannot be cancelled by us or the insured. The premium is fully earned at the inception of the Extended Reporting Period.

If however, this insurance is succeeded by claims-made insurance coverage on which the retroactive date is the same as, or earlier than, that shown in the Declarations of this policy, the Insured shall have no right to the Extended Reporting Period.

IN WITNESS WHEREOF, we have caused this policy to be signed by our President and Secretary, but this policy shall not be valid unless countersigned on the Declarations page by our duly authorized representative.

A handwritten signature in cursive script, appearing to read "Jerry Brundage".

President

A handwritten signature in cursive script, appearing to read "Jeffrey A. Brundage".

Secretary



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

POLICY REINSTATEMENT

It is agreed that this policy is hereby amended as indicated. All other terms and conditions of this policy remain unchanged.

Notwithstanding prior notice of cancellation dated ____/____/____, it is hereby agreed and understood that the captioned policy is reinstated in full.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

EXTENDED REPORTING PERIOD ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended to add the following:

Supplemental Extended Reporting Provision:

The Company will honor claims reported in writing after the termination date of the policy prior to the ending date of the Supplemental Extended Period shown below and where the "wrongful acts" giving rise to the claim occurred after the "Retroactive Date", but prior to the expiration date of the policy. This endorsement does not in any way extend the policy period, nor does it, with the exception of the time in which to report claims, change, increase, or alter coverage in any way.

Supplemental Extended Reporting Period:

Beginning date: _____ Ending date: _____

Limits of Liability:

This endorsement does not increase the limits of liability of the policy to which it applies. The per loss limit and aggregate limits remain as stated in the Declarations, and as they are defined in Section V of the Policy.

Premium:

The additional premium for this endorsement is due and payable on _____. The premium for this endorsement shall be fully earned on the effective date of the endorsement. Once the premium is paid, the endorsement may not be terminated by either party.

All other terms and conditions of the Policy remain unchanged.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

An Illinois Corporation
[Company Address Inserted Here]

INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY INSURANCE POLICY

This is a Claims-Made Policy. Please review your Policy carefully. The Policy applies only to claims that are first made against the insured during the policy period, unless and to the extent an extended reporting period applies.

DECLARATIONS

Policy Number:

Renewal Of:

Item 1. Named Insured and Address

Item 2. Producer Name

Item 3. Policy Period: Inception Date: _____ to _____ Expiration Date:
(12:01 A.M. Standard Time at the address of the named insured shown above)

Item 4. Limit of Liability

\$ _____ Each Loss \$ _____ Aggregate

Item 5. Deductible

\$ _____

Item 6. Premium

\$ _____

Item 6.a. Tax, Surcharge (if any)

\$ _____

Item 7. Retroactive Date

Item 8. Forms attached at Issue

Claims should be reported to PACO, [Company Address Inserted Here]
Telephone number: [Toll-Free Telephone Number Inserted Here]

Authorized Representative

Countersign Date



PACO Assurance Company, Inc.

An Illinois Corporation
110 Westwood Place
Brentwood, Tennessee 37027

CANCELLATION NOTICE

Date	110 Westwood Place, Suite 100 Brentwood, TN 37027	Policy Number
------	--	---------------

You are hereby notified that the policy designated herein including riders or other endorsements forming a part thereof, unless sooner terminated, is cancelled as stated below in accordance with the terms and conditions of the policy.

The effective date of cancellation is

Month/Day/Year	Hour at the address shown below 12:01 a.m. Standard Time
----------------	---

Authorized Representative

REASON FOR CANCELLATION:

(1) ISSUED TO:

(2) ADDRESSEE:



PACO Assurance Company, Inc.

An Illinois Corporation
110 Westwood Place
Brentwood, Tennessee 37027

NONRENEWAL NOTICE

Date	110 Westwood Place, Suite 100 Brentwood, TN 37027	Policy Number
------	--	---------------

You are hereby notified that the policy designated herein including riders or other endorsements forming a part thereof, unless sooner terminated, will not be renewed for the reason(s) stated below.

The effective date of nonrenewal is

Month/Day/Year	Hour at the address shown below 12:01 a.m. Standard Time
----------------	---

Authorized Representative

REASON FOR NONRENEWAL:

(1) ISSUED TO:

(2) ADDRESSEE:



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

ADDITIONAL INSURED ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

The following are added as Additional Insureds, but only with respect to “professional services” performed or which should have been performed by or on behalf of the person or entity designated as the Named Insured in the Declarations:

All other terms and conditions of the Policy remain unchanged.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY APPLICATION - NEW BUSINESS

The insurance coverage for which you are applying is written on a claims-made policy form. Subject to policy provisions, this insurance will apply only to liability for claims that are first made against the insured while the policy is in force. This policy provides that the limits of liability available to pay judgments or settlements shall not be reduced by amounts incurred for legal defense. Note, however, that amounts incurred for legal defense shall be applied against the deductible amount.

1. Agency's Legal Entity Name: (proposed primary named insured including the D/B/A if applicable):

Agency is a: Sole Proprietorship: _____ Partnership: _____ Corporation: _____ LLC: _____ Other: _____

2. Name of designated agency E&O contact: _____

Phone: _____ Fax: _____ Email: _____ Website: _____

3. Date Agency Established: _____ (MM/DD/YY) Year Current Owner Assumed Management: _____ (MM/DD/YY)
Resumes for all owners must be provided if agency was established or owner assumed management within the past 3 years

4. Physical Address (Primary Location): _____

City: _____ State: _____ County: _____ Zip: _____

5. Mailing Address (if different from above): _____

City: _____ State: _____ County: _____ Zip: _____

6. Additional Locations? YES / NO (If **YES**, attach address of each location)

If **YES**, are all locations owned and under direct control of the applicant? YES / NO (If **NO**, attach explanation)

7. Is agency owned or controlled by or associated with any other business or entity? YES / NO (If **YES**, attach explanation including the entity's name, percentage of ownership interest, and relationship to the applicant)

8. Within the last five years, have there been: (If **YES**, to question below attach a detailed explanation)

- | | | | |
|--------------------------------|----------|--|----------|
| a. Changes in name | YES / NO | c. Mergers with/or purchases of other agencies | YES / NO |
| b. Changes in agency ownership | YES / NO | d. Agency cluster arrangements | YES / NO |

9. Select desired Limits of Liability, Deductible, Desired Effective Date and Retro Date (Selections may be subject to underwriting approval)

LIMITS OF LIABILITY (Per Claim/Aggregate)				DEDUCTIBLE (Per Claim)			
	\$250,000 / \$500,000		\$1,000,000 / \$1,000,000		\$1,000		\$7,500
	\$300,000 / \$600,000		\$1,000,000 / \$2,000,000		\$2,500		\$10,000
	\$500,000 / \$500,000		\$1,000,000 / \$3,000,000		\$5,000		Other _____
	\$500,000 / \$1,000,000						
Desired Effective Date: _____ (MM/DD/YY)				Current Retro/Prior Acts Date: _____ (MM/DD/YY)			

10. Premium Volume/ Commissions / Broker Fees: (Established Agency – use prior 12 months. New Agency - use estimated next 12 months)

Total last 12 months P&C Gross Premiums Written Annually	\$
Total last 12 months gross annual P&C Commissions & Broker Fees (Personal Lines & Commercial Lines)	\$
Total last 12 months gross annual Life Commissions & Broker Fees	\$
Total last 12 months gross annual A&H Commissions & Broker Fees	\$
Total last 12 months of gross annual Financial Product Commissions & Broker Fees (Mutual Funds/Variable Products/Securities)	\$
GRAND TOTAL GROSS COMMISSIONS & BROKER FEES	\$
Attach an explanation if insurance commission & broker fee income is less than \$50,000	\$



11. Number of personnel: (Each individual should be counted only once)

	# of Full-Time	# of Part-Time
Licensed Owners, Officers, Shareholders, Members and Partners		
Licensed Producers / Sales Staff		
Licensed Independent Contractors		
Other Licensed Staff		
Non-Licensed Staff		
Total		

12. List the names of Licensed Owners, Officers, and Shareholders, Members and Partners and years of insurance experience.

Individuals Name	Relationship to Agency	Insurance Designations if any	Percentage of Ownership if any	Years of Insurance Experience

13. Percentage of business placed

As Retail (Business Sold Directly to Insureds) _____ %
 As Wholesale (Business Sold to Other Agents) _____ % (Supplemental Application must be completed)
 As MGA (Business for which you have underwriting authority) _____ % (Supplemental Application must be completed)
TOTAL MUST EQUAL 100 % _____ %

14. Type and PERCENTAGE of Insurance Placed (Prior 12 months)

COMMERCIAL LINES		LIFE INSURANCE	
Workers Compensation		Life – Individual	
Commercial Auto		Life – Group	
Commercial Multi Peril		Annuities – Fixed	
Professional Liability		Credit Life	
Directors & Officers Liability		Other (Describe): _____	
Medical Malpractice		TOTAL LIFE INSURANCE %	
Umbrella/Excess			
Aviation		ACCIDENT & HEALTH	
Ocean/Wet Marine		Group – Fully Insured	
Long Haul Trucking		Group – Self Funded	
Bonds		Individual	
Crop Insurance		HMO/PPO/DSP	
Other (Describe): _____		Other (Describe): _____	
TOTAL COMMERCIAL LINES %		TOTAL ACCIDENT & HEALTH %	
PERSONAL LINES		FINANCIAL PRODUCTS	
Auto-Standard		Securities	
Auto-Non Standard		Annuities – Variable	
Auto-Assigned Risk/FAIR Plan		Life – Variable	
Homeowners-Standard Fire		Mutual Funds	
Non Standard Fire		Other (Describe): _____	
Other (Describe): _____		TOTAL FINANCIAL PRODUCTS %	
TOTAL PERSONAL LINES %		GRAND TOTAL OF BUSINESS PLACED	
GRAND TOTAL PERCENTAGE OF BUSINESS PLACED MUST EQUAL 100%			

15. List of top 5 Insurance Carriers and the Percent of Business Placed with each: If the total equals less than 85% of your agency's total premiums written, please answer by attachment to this application.

Name of Insurance Carrier	% of Business	Agency Contract		Admitted Carrier		AM Best Rating	# YEARS
		YES	NO	YES	NO		

16. Does the agency place business with carriers that are rated less than B+ by A.M. Best: YES / NO If **YES**, what percentage ____%



17. In the past 5 years has the agency:

- a. Placed coverage for risks involved in petroleum exploration and extraction, mineral exploration and mining, hazardous waste operations with significant pollution exposures? YES / NO
- b. Specialized in any programs or classes of business? YES / NO
- c. In the past five years, has the applicant firm placed coverage or had involvement with self-insured / Captives or Risk Retention Groups (RRG), Risk Purchasing Groups (RPG), Multiple Employer Trusts (MET) or Multiple Employer Welfare Arrangements (MEWA)? YES / NO

If **YES**, the applicant must include the name of the program(s); the name of the insurer(s); the extent of the coverage provided by the insurer(s); the name and address of the administrator; any administrative duties performed by the applicant; and appropriate financial information, if applicable. You must also provide a copy of the promotional literature

18. Does the agency perform any of the following activities? If **YES**, attach resume, promotional material and sample contract. Coverage may not be available and/or excluded.

Activity	YES	NO	Annual Revenue
Reinsurance Intermediary			\$
Third Party Administrator			\$
Investment Security Advisor			\$
Pre-Paid Legal			\$
Human Resources			\$
Actuarial Services			\$
Tax Advisor/Preparer			\$
Risk Management /Loss Control			\$
Premium Finance for Operations			\$
Mortgage Service Facility			\$
Real Estate			\$
Motor Vehicle Title Services			\$
Professional Employer Organization (PEO) Marketing			\$
Other (Describe): _____			\$

19. Office Procedures

	YES	NO
a. Does the agency utilize a computerized production and accounting system? If YES, Is there a back-up procedure for computerized production and accounting systems? Yes/ No		
b. Do you maintain a separate premium trust account?		
c. Is the agency on-line with any carrier? Name of carrier: _____ Annual Volume with Carrier: _____		
d. Is incoming mail date stamped?		
e. Are copies of binders mailed to the insured and/or the company within specified guidelines?		
f. Is there a procedure for documenting files and telephone conversations?		
g. Is a policy expiration list maintained?		
h. Are all applications, policies and endorsements checked for accuracy?		
i. Are files marked to ensure certificate holders are notified of cancellation and material changes?		
j. Does the agency have a diary/suspense system to track business?		
k. Does the agency have procedures in place to ensure proper disclosure of exclusions including but not limited to Mold/Fungus and War/Terrorism?		
l. Does the agency have procedures in place to ensure written documentation of policy limitations including but not limited to; wind deductibles, hurricane deductibles, and earthquake deductibles?		
m. Does the agency have procedures to ensure written confirmation of coverages requested, declined and accepted by the insured (i.e.: Checklists)?		
n. Has any of the agency staff attended an approved E&O seminar within the last 12 months or plan to attend within the next 30 days? If YES , Date of Seminar: _____ Percentage of staff Attended: _____		
o. Does any of the agency staff hold industry-recognized and approved insurance designations, including CPCU, CIC, CPSR, CISR, and ACSR? If YES , Percentage of staff that have designations: _____ Designations: _____		
p. Has the agency had an Errors and Omissions Audit? If YES , Were all recommendations implemented? YES/ NO Date of Audit: _____		



	YES	NO	
20. Has any past or present owner, officer, partner, employee, member or solicitor been the subject of complaints filed and/or disciplinary action by any insurance regulatory authority? If YES , attach a detailed explanation.			
21. Has any policy or application for similar insurance on the applicant agency's behalf or any of its owners, officers, partners, members, employees or solicitors, or on behalf of any predecessor in business ever been declined, cancelled, or renewal refused. If YES , attach a detailed explanation.			
22. Have any claims been made against the applicant or any of its past or present owners, shareholders, partners, members, owners, employees or solicitors or to the knowledge of the applicant agency on behalf of its predecessors in business, within the last 5 years? If YES , attach PACO Supplemental Claim Form and loss runs.			
23. Does any prospective insured person or entity have knowledge of any known acts, proceedings, events or developments, which may reasonably be expected to give rise to a claim against the applicant agency, past owners, officers, partners, employees or solicitors, or its predecessor(s) in business? If YES , attach PACO Supplemental Claim Form and loss runs.			
IT IS AGREED WITH RESPECT TO QUESTIONS 22 AND 23 THAT ANY CLAIM ARISING THEREFROM (WHETHER OR NOT DISCLOSED HEREIN), IS EXCLUDED FROM THE PROPOSED COVERAGE	YES	NO	N/A
24. If YES to 22 or 23, have they been reported to your Professional Liability Insurance Carrier?			

25. Please provide the following information on the agency's five years of professional liability coverage for the past 5 years. Attach a copy of the expiring Declarations Page. If no coverage is currently in place check here NONE: _____

Company	Policy Period	Retroactive / Prior Acts Date	Limit of Liability	Deductible	Annual Premium

PRODUCER COMPENSATION DISCLOSURE: The applicant acknowledges by its signature below and hereby warrants that it will appropriately disclose any potential conflicts of interest based upon contingent or other commission arrangements to its clients and will secure the clients' agreement to such arrangement in writing prior to binding coverage. The applicant further agrees to be bound by the provisions related to producer compensation disclosure that have or may be enacted by the state(s) in which the applicant conducts operations. The applicant acknowledges that failure to abide by the aforementioned producer compensation disclosure requirements may affect coverage under this policy, if ultimately issued.

NOTICE OF PURCHASING GROUP MEMBERSHIP: By applying for this insurance, the applicant also is applying for membership in FABLUS (For Agents & Brokers Liability Underwriting Services), a purchasing group formed and operating pursuant to the Federal Liability Risk Retention Act of 1986 (15 USC 3901 et seq.) This purchasing group was formed for the sole purpose of providing professional liability insurance to insurance agents and brokers. The sole purpose of becoming a member is to purchase professional liability insurance. The insurer for the purchasing group may not be subject to all of the insurance laws and regulations of the state.

NOTICE TO APPLICANT – PLEASE READ CAREFULLY BEFORE SIGNING

THE APPLICANT AND AGENCY AND ALL PROPOSED INSUREDS ACCEPT NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" BASIS. The undersigned is authorized by and acting on behalf of the Applicant and represents that all statements and particulars herein are true, complete and accurate and that there has been no suppression or misstatements of fact and agrees that this application shall be the basis of coverage. THE APPLICANT AND ALL PROPOSED INSUREDS ACCEPT NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE.

THE APPLICATION MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, OFFICER OR MEMBER OF THE APPLICANT.

Signature

Printed Name of Signer

Date

Title

SIGNING THIS FORM OR TENDERING PREMIUM WITH THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE.

Application must be signed and dated to be considered for quotation. A properly completed, original signed and dated application will allow for prompt issuance of coverage, should quotation be offered and accepted.

Producer's Signature

Printed Name of Producer

Producer License No.

Date



Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or other person who files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any act material thereto, commits a fraudulent insurance act, which is a crime.

California Applicants: For your protection California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Colorado Applicants: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. *Any* insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

District of Columbia Applicants: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Florida Applicants: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

Louisiana Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey Applicants: Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

New Mexico Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

New York Applicants: Any person who knowingly and with intent to defraud any insurance company or other person 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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Ohio Applicants: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oregon Applicants: Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement, may be guilty of insurance fraud.

Pennsylvania Applicants: Any person who knowingly and with intent to defraud any insurance company or other person 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 subjects such person to criminal and civil penalties.

Tennessee Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of coverage.

Vermont Applicants: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Virginia Applicants: Any person who, with the intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.



**INSURANCE AGENTS AND BROKERS
PROFESSIONAL LIABILITY INSURANCE**

SUPPLEMENTAL CLAIM INFORMATION FORM

APPLICANT'S INSTRUCTIONS:

This form is to be completed by the Applicant who has been involved in any claim or suit or is aware of any facts, circumstances, acts, errors or omissions which may give rise to a professional liability claim.

COMPLETE ONE FORM FOR EACH SUCH CLAIM OR CIRCUMSTANCE.

If space is insufficient to answer any question fully, attach a separate sheet. Answer ALL questions completely.

1. Full Name of Applicant: _____

2. Full Name of Individual(s) or firm involved in claim: _____

3. Full Name of Claimant: _____

4. Indicate Whether Claim / Suit or Incident

5. Date of Alleged Error: _____

6. Date of Claim: _____

7. (a) Description of claim: (Provide enough information to allow evaluation and use a separate exhibit if additional space is required) _____

(b) Description of case and events: _____

8. IF CLOSED, TOTAL LOSS PAID INCLUDING DEDUCTIBLE \$ _____

9. IF PENDING:

10. Name of Insurer: _____

11. Please describe procedures instituted to avoid similar claims: _____

I understand that the information submitted herein becomes a part of my Professional Liability Application and is subject to the same notification, warranties and conditions.

Applicant's Full Name: _____

Signed by:

Printed Name

Signature

Date



**INSURANCE AGENTS AND BROKERS
PROFESSIONAL LIABILITY INSURANCE**

**SUPPLEMENTAL APPLICATION FOR
MANAGING GENERAL AGENTS, WHOLESALE AGENTS,
PROGRAM ADMINISTRATORS AND MANAGING UNDERWRITERS**

If space is insufficient to answer any question fully, attach a separate sheet. Answer ALL questions completely.

1. Full Name of Applicant: _____
2. Number of producers from whom you receive business: _____
3. Number of such producers you have appointed as agents with binding authority: _____
Premium Volume: \$ _____
4. Lines of Business for which such producers are granted authority: _____

5. What checks and supervision do you exercise over your producers? _____

6. Do you require and verify that your producers carry Professional Liability Coverage? YES NO
What is your minimum Professional Liability limit requirement for sub-producers? _____
7. Does your contract with producers include a hold-harmless agreement in your favor? YES NO
PLEASE INCLUDE A SAMPLE COPY OF YOUR HOLD-HARMLESS AGREEMENT WITH THIS APPLICATION
8. List all functions you perform as Managing General Agent or Program Administrator or agent with binding authority:

Quoting	YES	NO	Maximum limit of your authority: _____
Underwriting	YES	NO	Maximum limit of your authority: _____
Binding	YES	NO	Maximum limit of your authority: _____
Policy Issuance	YES	NO	
Claims Adjusting	YES	NO	Maximum limit of your authority: _____
Claims Administration	YES	NO	Describe: _____
Actuarial Services	YES	NO	
Loss Control	YES	NO	
Reinsurance Placement	YES	NO	
9. What fees have been generated in the last 12 months from the operations listed below?

\$ _____ Claims Adjusting	\$ _____ Insurance Consulting/Advising
\$ _____ Third Party Administrator	\$ _____ Risk Management Consultant



10. What is the approximate percentage breakdown of the total annual volume you do as:

Agent	_____%	<u>Retailer:</u>	
Broker	_____%	Business Direct from insureds:	_____%
Managing General Agent	_____%	<u>Wholesaler:</u>	
Surplus Lines Broker	_____%	Business accepted from other agents	_____%
Consultant (for a fee)	_____%	TOTAL	100%
Reinsurance:			
Facultative	_____%		
Treaty	_____%		
Other (Specify)	_____%		

TOTAL 100%

- 11. Please provide complete details on a separate sheet of any specialty programs you manage.
- 12. What minimum Best Ratings do you require as regards companies with which you place business? _____
- 13. Is all rating and policy issuance generated by an electronic system created by the companies you represent?
 YES NO
- 14. If response to (13) is NO, please provide a copy of the most recent audit report from all companies that do not have an electronic system.
- 15. Do you have discretion over pricing, terms and conditions for the programs you manage?
 YES NO If YES, attach explanation.
- 16. Do you have any discretion over the use of or drafting of endorsements for any of these programs?
 YES NO If YES, attach explanation.
- 17. How often is an audit performed by the insurers you represent? _____.

I understand that the information submitted herein becomes a part of my Professional Liability Application and is subject to the same notification, warranties and conditions.

Applicant's Full Name: _____

Signed by:

Printed Name

Signature

Date



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

GENERAL CHANGE ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

All other terms and conditions of the Policy remain unchanged.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY APPLICATION – RENEWAL

The insurance coverage for which you are renewing is written on a claims-made policy form. Subject to policy provisions, this insurance will apply only to liability for claims that are first made against the insured while the policy is in force. This policy provides that the limits of liability available to pay judgments or settlements shall not be reduced by amounts incurred for legal defense. Note, however, that amounts incurred for legal defense shall be applied against the deductible amount.

1. Agency's Legal Entity Name/Primary Name _____
 Agency is a: Sole Proprietorship: _____ Partnership: _____ Corporation: _____ LLC: _____ other: _____
2. Phone: _____ Fax: _____ Email: _____ Website: _____
3. Physical Address (Primary Location): _____
 City: _____ State: _____ County: _____ Zip: _____
4. Mailing Address (if different from above): _____
 City: _____ State: _____ County: _____ Zip: _____
5. Have you added any new locations in the past 12 months? YES/ NO (If **YES**, attach address of each new location)
6. Has the agency experienced any mergers, acquisitions, ownership changes, cluster changes in the past 12 months? YES / NO
 (If **YES**, attach a detailed explanation)
7. Select desired Limits of Liability, Deductible, Desired Effective Date and Retro Date (Selections may be subject to underwriting approval)

LIMITS OF LIABILITY (Per Claim/Aggregate)		DEDUCTIBLE (Per Claim)	
\$250,000 / \$500,000		\$1,000,000 / \$1,000,000	\$1,000
\$300,000 / \$600,000		\$1,000,000 / \$2,000,000	\$2,500
\$500,000 / \$500,000		\$1,000,000 / \$3,000,000	\$5,000
\$500,000 / \$1,000,000			Other _____

8. Premium Volume/ Commissions / Broker Fees: (Prior 12 months)

Total last 12 months P&C Gross Premiums Written Annually	\$
Total last 12 months gross annual P&C Commissions & Broker Fees (Personal Lines & Commercial Lines)	\$
Total last 12 months gross annual Life Commissions & Broker Fees	\$
Total last 12 months gross annual A&H Commissions & Broker Fees	\$
Total last 12 months of gross annual Financial Product Commissions & Broker Fees (Mutual Funds/Variable Products/Securities)	\$
GRAND TOTAL GROSS COMMISSIONS & BROKER FEES Attach an explanation if insurance commission & broker fee income is less than \$50,000	\$

9. Have any of the agency's Owners, Officers, and Shareholders, Members and Partners changed during the past 12 months? YES / NO
 (If **YES**, please attach a narrative indicating the changes)
10. In the past 12 months have you added any new carriers? YES / NO
 (If **YES**, attach a revised list indicated the percentage of business placed and the company's AM Best Rating)
11. In the past 12 months has the agency:
 - a. Placed coverage for risks involved in petroleum exploration and extraction, mineral exploration and mining, hazardous waste operations with significant pollution exposures? YES / NO
 - b. Specialized in any programs or classes of business? YES / NO
 - c. In the past 12 months, has the applicant firm placed coverage or had involvement with self-insured / Captives or Risk Retention Groups (RRG), Risk Purchasing Groups (RPG), Multiple Employer Trusts (MET) or Multiple Employer Welfare Arrangements (MEWA)? YES / NO

If **YES**, the applicant must include the name of the program(s); the name of the insurer(s); the extent of the coverage provided by the insurer(s); the name and address of the administrator; any administrative duties performed by the applicant; and appropriate financial information, if applicable. You must also provide a copy of the promotional literature

12. Percentage of business placed

As Retail (Business Sold Directly to Insureds)	_____ %
As Wholesale (Business Sold to Other Agents)	_____ % (Supplemental Application must be completed)
As MGA (Business for which you have underwriting authority)	_____ % (Supplemental Application must be completed)
TOTAL MUST EQUAL 100 %	_____ %



13. PERCENTAGE of Insurance Placed (Prior 12 months)

COMMERCIAL LINES		LIFE INSURANCE	
Workers Compensation		Life – Individual	
Commercial Auto		Life – Group	
Commercial Multi Peril		Annuities – Fixed	
Professional Liability		Credit Life	
Directors & Officers Liability		Other (Describe): _____	
Medical Malpractice		TOTAL LIFE INSURANCE %	
Umbrella/Excess			
Aviation		ACCIDENT & HEALTH	
Ocean/Wet Marine		Group – Fully Insured	
Long Haul Trucking		Group – Self Funded	
Bonds		Individual	
Crop Insurance		HMO/PPO/DSP	
Other (Describe): _____		Other (Describe): _____	
TOTAL COMMERCIAL LINES %		TOTAL ACCIDENT & HEALTH %	
PERSONAL LINES		FINANCIAL PRODUCTS	
Auto-Standard		Securities	
Auto-Non Standard		Annuities – Variable	
Auto-Assigned Risk/FAIR Plan		Life – Variable	
Homeowners-Standard Fire		Mutual Funds	
Non Standard Fire		Other (Describe): _____	
Other (Describe): _____		TOTAL FINANCIAL PRODUCTS %	
TOTAL PERSONAL LINES %		GRAND TOTAL OF BUSINESS PLACED	
GRAND TOTAL PERCENTAGE OF BUSINESS PLACED MUST EQUAL 100%			

14. In the past 12 months, have you added any activities to your agency such as real estate, reinsurance intermediary, pre-paid legal, investment security advisor, tax advisor, premium finance, mortgage service, third party administrator or other services? YES / NO (If **YES**, attach a detailed explanation)

15. In the past 12 months, have any of your office procedures changed? YES / NO (If **YES**, attach a detailed explanation)

16. In the past 12 months, have any of the principals, officers or employees been subject to a complaint, reprimand, disciplinary or criminal action federal, state or local authorities as a result of their professional service activities? YES / NO (If **YES**, attach a detailed explanation)

17. Does the applicant or any director, officer, manager, member, partner or employee of the applicant have any knowledge or information? concerning any circumstance, situation, act, error or omission which might reasonably be expected to give rise to a claim not yet reported? YES / NO (If **YES**, attach a detailed explanation)

PRODUCER COMPENSATION DISCLOSURE: The applicant acknowledges by its signature below and hereby warrants that it will appropriately disclose any potential conflicts of interest based upon contingent or other commission arrangements to its clients and will secure the clients' agreement to such arrangement in writing prior to binding coverage. The applicant further agrees to be bound by the provisions related to producer compensation disclosure that have or may be enacted by the state(s) in which the applicant conducts operations. The applicant acknowledges that failure to abide by the aforementioned producer compensation disclosure requirements may affect coverage under this policy, if ultimately issued.

NOTICE OF PURCHASING GROUP MEMBERSHIP: By applying for this insurance, the applicant also is applying for membership in FABLUS (For Agents & Brokers Liability Underwriting Services), a purchasing group formed and operating pursuant to the Federal Liability Risk Retention Act of 1986 (15 USC 3901 et seq.) This purchasing group was formed for the sole purpose of providing professional liability insurance to insurance agents and brokers. The sole purpose of becoming a member is to purchase professional liability insurance. The insurer for the purchasing group may not be subject to all of the insurance laws and regulations of the state.

NOTICE TO APPLICANT – PLEASE READ CAREFULLY BEFORE SIGNING

THE APPLICANT AND AGENCY AND ALL PROPOSED INSUREDS ACCEPT NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A "CLAIMS-MADE" BASIS. The undersigned is authorized by and acting on behalf of the Applicant and represents that all statements and particulars herein are true, complete and accurate and that there has been no suppression or misstatements of fact and agrees that this application shall be the basis of coverage. THE APPLICANT AND ALL PROPOSED INSUREDS ACCEPT NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE. THE APPLICATION MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, OFFICER OR MEMBER OF THE APPLICANT.

Signature

Printed Name of Signer

Date

Title

SIGNING THIS FORM OR TENDERING PREMIUM WITH THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE. Application must be signed and dated to be considered for quotation. A properly completed, original signed and dated application will allow for prompt issuance of coverage, should quotation be offered and accepted.

Producer's Signature

Printed Name of Producer

Producer License No.

Date



Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or other person who files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any act material thereto, commits a fraudulent insurance act, which is a crime.

California Applicants: For your protection California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Colorado Applicants: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

District of Columbia Applicants: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Florida Applicants: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

Louisiana Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey Applicants: Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

New Mexico Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

New York Applicants: Any person who knowingly and with intent to defraud any insurance company or other person 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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Ohio Applicants: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oregon Applicants: Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement, may be guilty of insurance fraud.

Pennsylvania Applicants: Any person who knowingly and with intent to defraud any insurance company or other person 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 subjects such person to criminal and civil penalties.

Tennessee Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of coverage.

Vermont Applicants: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Virginia Applicants: Any person who, with the intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.



PACO Assurance Company, Inc.

ENDORSEMENT

CHANGE OF COMPANY ADDRESS

This endorsement modifies the company address wherever appearing in the attached policy document(s) to be:

[Insert new company address]

No other changes are made by this endorsement.



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

LIMITS OF LIABILITY CHANGE ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

To reflect Limits of Liability of

\$_____ Each Claim \$_____ Aggregate

All other terms and conditions of the Policy remain unchanged.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

ADDRESS/LOCATION ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

This change applies to the: Named Insured Additional Insured

Change Address To:

From:

Add Location:

Delete Location:

All other terms and conditions of the Policy remain unchanged.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

Endorsement No. _____

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

LINE OF BUSINESS EXCLUSION

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

Coverage is excluded, but only with respect to liability arising out of any wrongful act committed by the insured or any person for whose acts the insured is legally liable, in connection with the solicitation, issuance, processing or handling of any policy (including applications and claims) covering liability arising out of or imposed by the line(s) of business shown below:

- Accident & Health
- Life
- Annuities
- Crop Insurance
- Other: _____

All other terms and conditions of the Policy remain unchanged.

Accepted:

Named Insured Signature _____

By (Title) _____

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

NAME CHANGE ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

This change applies to the: Named Insured Additional Insured

The Name is changed To:

From:

All other terms and conditions of the Policy remain unchanged.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

INDEPENDENT CONTRACTOR EXCLUSION

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

The following policy language (Section II – WHO IS AN INSURED, Item 6) is deleted in its entirety.

Any person acting as an independent contractor, but only while providing “professional services” on behalf of the Named Insured.

All other terms and conditions of the Policy remain unchanged.

Accepted:

Named Insured Signature _____

By (Title) _____

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

Endorsement No.

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

INDEPENDENT CONTRACTOR ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

The following Independent Contractor is Added Deleted

All other terms and conditions of the Policy remain unchanged.

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

Endorsement No. _____

Policy Number	Named Insured	
Policy Inception	Policy Expiration	Effective Date of Endorsement

PROFESSIONAL SERVICES ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is hereby agreed that the Policy is amended as follows:

Coverage for the following Professional Service(s) is Added Excluded

[Insert services here. Examples would include an agency acting as insurance consultant, a risk manager, for a fee, etc., which are not related to the actual sale of the insurance policy]

All other terms and conditions of the Policy remain unchanged.

Accepted:

Named Insured Signature _____

By (Title) _____

Signature of Authorized Representative	Pro-rata Additional Premium	Pro-rata Return Premium
Date Prepared		



PACO Assurance Company, Inc.

ARKANSAS AMENDATORY ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

I. Under SECTION VI – CONDITIONS, 4. Cancellation, the following is hereby added:

After coverage has been in effect for more than sixty (60) days or after the effective date of a renewal policy, a notice of cancellation shall not be issued unless it is based on at least one (1) of the following reasons:

1. Nonpayment of premium;
2. Fraud or material misrepresentation made by or with the knowledge of the Named Insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
3. The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
4. Violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property, which substantially increases any hazard insured against under the policy;
5. Nonpayment of membership dues in those cases where the bylaws, agreements, or other legal instruments of the insurer issuing the policy require payment as a condition of the issuance and maintenance of the policy; or
6. A material violation of a material provision of the policy.

II. The following is hereby added to SECTION VI – CONDITIONS, 4. Cancellation and 5. Nonrenewal:

We will provide the following loss information to the Named Insured within thirty (30) days of the insured's request and within fifteen (15) days after notice of cancellation or nonrenewal is issued:

1. Description of closed claims including the date and description of occurrence, amount of payments, if any;
2. Description of open claims including the date and description of occurrence, amount of payment if any, and an estimate of reserves, if any; and
3. Information on notices of occurrence including the date and an estimate of reserves, if any.

III. SECTION VII – EXTENDED REPORTING PERIOD is hereby deleted and replaced with the following:

Upon termination of coverage, a 60-day automatic Extended Reporting Period will be provided at no additional charge. The aggregate liability limit for this automatic Extended Reporting Period shall be equal to the amount of coverage remaining in the policy's annual aggregate liability limit.



After the expiration of the 60-day automatic Extended Reporting Period, you have the right to purchase an Extended Reporting Period of:

1. Twelve (12) months,
2. Twenty-four (24) months,
3. Thirty-six (36) months, or
4. Sixty (60) months

as elected by you following immediately after the effective date of such termination. The premium for the Extended Reporting Period shall be:

1. 100% for twelve (12) months;
2. 150% for twenty-four (24) months;
3. 185% for thirty-six (36) months;
4. 225% for sixty (60) months

of the full annual premium for this policy.

In the event that you want to purchase the Extended Reporting Period you must:

1. inform us in writing within sixty (60) days after the termination of this policy, that you want the extension, and
2. pay the premium to us no later than (60) days after the termination of the policy.

The limit of liability in the policy aggregate for the optional extended reporting period shall be the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate at policy inception.

Any notice of termination of coverage shall provide the Insured and agent of record of the availability and importance of purchasing the optional Extended Reporting Period coverage and the amount of the required additional premium for the optional Extended Reporting Period Coverage.

The Extended Reporting Period cannot be cancelled by us or the insured. The premium is fully earned at the inception of the Extended Reporting Period.

If however, this insurance is succeeded by claims-made insurance coverage on which the retroactive date is the same as, or earlier than, that shown in the Declarations of this policy, the Insured shall have no right to the Extended Reporting Period.

SERFF Tracking Number: *PCAG-125326863* *State:* *Arkansas*
Filing Company: *PACO Assurance Company, Inc.* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *AR-981-A*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1019 Professional Errors & Omissions Liability*

Product Name: *Insurance Agents & Brokers Professional Liability Program*
Project Name/Number: *Initial Filing for Agent E & O Program/*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: PCAG-125326863 State: Arkansas
Filing Company: PACO Assurance Company, Inc. State Tracking Number: EFT \$50
Company Tracking Number: AR-981-A
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Insurance Agents & Brokers Professional Liability Program
Project Name/Number: Initial Filing for Agent E & O Program/

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document- Property & Casualty **Review Status:** Approved 04/16/2008

Comments:

Attachments:

AR - P&C Transmittal - Initial.pdf
Additional Forms Transmittal - 1.pdf
Additional Forms Transmittal - 2.pdf

Satisfied -Name: Arkansas Consumer Notice **Review Status:** Approved 04/16/2008

Comments:

This form was previously approved on July 11, 2005 under State Tracking # AR-PC-05-015673 to comply with Bulletin 6-87 requirements of providing contact information for the Arkansas Department of Insurance Consumer Services Division.

Attachment:

AR-COM Ed. 6-05.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
-----------------------------------	--

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: <input type="text"/> Renewal: <input type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

PROPERTY & CASUALTY FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms.)

(Do **not** refer to the body of the filing for the forms listing, unless allowed by the state.)

	This filing transmittal is part of Company Tracking #				
	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
	Form Name/ Description/Synopsis	Form# Include edition Date	Replacement Or Withdrawn	If replacement, give form # it replaces	Previous state filing number, (if required by state)
11			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
12			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
13			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
14			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
15			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
16			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
17			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
18			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
19			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
20			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PROPERTY & CASUALTY FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms.)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by the state.)

This filing transmittal is part of Company Tracking #					
This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)					
	Form Name/ Description/Synopsis	Form# Include edition Date	Replacement Or Withdrawn	If replacement, give form # it replaces	Previous state filing number, (if required by state)
21			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
22			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
23			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
24			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
25			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
26			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
27			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
28			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
29			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
30			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

IMPORTANT NOTICE

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

QUESTIONS WITH YOUR INSURANCE? - If you have questions regarding your policy or coverage, do not hesitate to contact the insurance company below:

**[NAME OF UNDERWRITING COMPANY]
110 WESTWOOD PLACE, SUITE 100
BRENTWOOD, TENNESSEE 37027
1-800-251-5727 or 615-371-8776**

You can also contact the **ARKANSAS INSURANCE DEPARTMENT** to ask questions or to file a complaint by contacting:

Arkansas Insurance Department
Consumer Services Division
1200 W. 3rd St.
Little Rock, AR 72201
Telephone: 1-800-852-5494 or (501) 371-2640
Legal Division: (501) 371-2820