



# TIME TO ENROLL!

## *Errors & Omissions Insurance*

### **Agents Affiliated with Champion Agency, Inc.:**

**It's time to enroll your Group Sponsored E&O Program.**

Take advantage of this opportunity to keep your business protected and avoid a lapse in coverage.

#### ***Program Advantages:***

- New for 2014-Rolling effective dates—Purchase a full 12 months of coverage.
- With two tiers of coverage you only pay for the coverage you need.
- Installment plans are available using your credit card or ACH (Debit to checking) online.
- Deductibles as low as \$500 per claim.
- Certificates of Insurance issued immediately.
- Get assistance with enrollment and have questions answered by our knowledgeable Customer Care staff: 800-745-7189.

***Renew Online in 5 Minutes or Less!***

**Enroll online at:**

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



CalSurance Associates  
A division of Brown & Brown Program Insurance Services, Inc.  
Domiciled in California, CA License #OB02587  
681 S. Parker Street, #300  
Orange, CA 92868  
Questions: Contact us at: 800-745-7189 or [info@calsurance.com](mailto:info@calsurance.com)

# Agents affiliated with Champion Agency, Inc.

## Application

### Claims Made and Reported Errors and Omissions Coverage

**Policy Period: January 1, 2014 to January 1, 2015**

**Instructions:** Complete ALL sections of this form and include your signature at the bottom. Return this form along with payment to: CalSurance Associates, P.O. Box 7048, Orange, CA 92863-7048. **Coverage Questions:** Call CalSurance Associates at (800) 745-7189 or email at [info@calsurance.com](mailto:info@calsurance.com). **Reminder:** ALL sections must be completed. Incomplete forms will take additional time to process. **Certificates of Insurance:** Call CalSurance Associates at (800) 745-7189 or Go online: [www.calsurance.com](http://www.calsurance.com) - Certificate Reprint - Sponsoring Company - Champion Agency, Inc.

*By purchasing this insurance, agents become members of the Financial Sales Professionals Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901 et seq.). There is no additional charge for membership*

### 1. Eligibility Requirements

(If you answer "No/Disagree" to any of these questions, you are not eligible for this E&O Program):

1. Are you a licensed life & health insurance agent?  
 Yes/Agree  No/Disagree
2. My total annual commission derived from the sales, service of Life, Accident & Health, Fixed Annuity or Equity Indexed Annuity products, Variable Life or Variable Annuity products does not exceed \$1,000,000.  Yes/Agree  No/Disagree
3. My total annual commissions from the sale/servicing of fully insured Group Accident & Health insurance products does not exceed 50% of total annual commission.  
 Yes/Agree  No/Disagree
4. I have no paid E&O claims in the past five (5) years.  
 Yes/Agree  No/Disagree
5. I am unaware of any incident or circumstance that may give rise to an E&O claim.  Yes/Agree  No/Disagree
6. I have never been the subject of a reprimand, a regulatory or disciplinary action or criminal action by any federal, state or local authority, or by any self-governing, regulatory body or bodies, as a result of my professional services.  
 Yes/Agree  No/Disagree
7. I do not operate as a marketing organization or wholesaler.  
 Yes/Agree  No/Disagree
8. I have never had an insurance company terminate my agent or general agent contract for "cause", as that term is defined by the insurance company or agent contract, including contract termination as a result of a regulatory or disciplinary action or criminal action by any federal, state or local authorities or by any self-governing, regulatory body or bodies, as a result of my professional services.  
 Yes/Agree  No/Disagree

### 2. Your Information (Please Print Clearly)

Name (first, middle initial and last):

Street Address:

City:

State:  Zip:

Daytime Phone:  -  -

Fax:  -  -

E-Mail:

Birth Month - Birth Year  
 -

Last Four (4) Digits of Social Security Number :  
    -   -

### 3. Selection of Options

Effective Date of Coverage (MM/DD/YYYY):  /  /

**Notice:** Effective date of coverage cannot be prior to your date of contract with the sponsor and cannot be backdated to a prior month.

Limits Each claim / Annual Aggregate	Coverage Level 1 Life & Health products	Coverage Level 2 Includes Coverage Level 1 plus Fixed Annuities
\$1,000,000 / \$1,000,000	\$435.00	\$510.00
\$1,000,000 / \$2,000,000	\$485.00	\$560.00
\$1,000,000 / \$3,000,000	\$535.00	\$610.00
*Above annual rates include a \$35 administration fee.		

*Please refer to the policy for actual terms and conditions.*

Enter amount from Premium Table above :  \$

### 4. Payment Options

➤ Installment Options via Credit Card and ACH (Debit to Checking) are only available online: [www.calsurance.com/champion](http://www.calsurance.com/champion)

➤ Make check payable to CalSurance Associates for the full premium.

**Mail Check and Enrollment Form to:** CalSurance Associates  
 P.O. Box 7048, Orange, California 92863-7048

### 5. Notices & Warranty Statement (Signature Required)

**NOTICE:** I must be a currently licensed Agent to be eligible for this program. Otherwise, I will not be considered an Insured under this program and no claims made against me will be covered.

I warrant that I am a currently licensed Agent.

**NOTICE:** This is a claims made and reported policy. If I have knowledge of any claim or incident that could give rise to a claim under the proposed policy and any claim or action arises therefrom, it is excluded from coverage for which this form applies. A potential gap in coverage may occur if I elect an effective date that is not continuous with my prior expiration date, and may result in the denial of a claim.

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

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

I warrant and represent that the above statements are true and that I have not suppressed or misstated any material facts and I agree that this application shall be the basis of the contract with the company issuing the policy. It is understood that completion of this application does not bind the company to issue nor the applicant to purchase the insurance.

I acknowledge that I have reviewed the program materials prior to enrolling in this program.

**Agent's Signature:**

**Today's Date:**

# E&O Program

## Outline of Coverage



### ***Errors and Omissions Eligibility Criteria:***

When you first enroll in the program you affirm that:

- You are a licensed Life & Health insurance agent;
- Your total annual commission derived from the sale/servicing of Life Accident & Health, Fixed Annuity or Equity Indexed Annuity products does not exceed \$1,000,000;
- Your total annual commission from the sale/servicing of fully insured Group Accident & Health insurance products does not exceed 50% of your total annual commission;
- You do not have any prior paid E&O claims in the past five (5) years;
- You are not aware of any incident or circumstance that may give rise to an E&O claim;
- You have never been the subject of a reprimand, a regulatory or disciplinary action or criminal action by any federal, state or local authority, or by any self-governing, regulatory body or bodies, as a result of your professional services;
- You do not operate as a marketing organization or wholesaler;
- You have never had an insurance company terminate your agent or general agent contract for cause.

If you do not meet all of the eligibility criteria listed above you may not be considered an insured in the program and any claim reported may be denied.

### ***Policy Period:***

January 1, 2014 to January 1, 2015

### ***Insurer:***

American Automobile Insurance Company  
A Fireman's Fund Insurance Company  
2013 A.M. Best's A (Excellent): XV

"The information obtained from A.M. Best dated July 10, 2013 is not in any way CalSurance Associates' warranty or guaranty of the financial stability of the insurer in question, and that the information is current only as of the date of publication."

### ***Policy Number:***

TBD

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

By applying for this insurance, agents are applying for membership in the Financial Sales Professionals Risk Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901et seq.). **There is no additional charge for this membership.**

### ***Named Insured:***

Life and Health Insurance Agents who are eligible and enroll as members of The Financial Sales Professionals Risk Purchasing Group.

### ***Additional Insureds:***

Insured Agent's Business Entity  
Partners  
Administrators  
Officers  
Heirs/Executors  
Directors  
Employees of Agents

***Limit of Liability (Defense Costs are within the Limits)***

\$1,000,000 Each Claim/\$1,000,000 Aggregate; or  
\$1,000,000 Each Claim/\$2,000,000 Aggregate; or  
\$1,000,000 Each Claim/\$3,000,000 Aggregate.

***Deductible:*** (See Covered Products, applies to Damages and Defense Costs.)

### ***Retroactive Date:***

Date of first continuous claims made Life Insurance Agents' Errors & Omissions Liability Policy

### ***Professional Services:***

- Sales and/or servicing of a covered product (see below)
- The following additional services when related to a covered product:
  - Providing advice or consultation (including financial planning)
  - Assisting a client in obtaining premium financing
  - Notary Public
- Personal Injury as defined in the policy
- Failure to supervise, manage or train

***Covered Product*** (depends on level of coverage selected). In all cases, Covered Product does not include Multiple Employer Welfare Arrangements, 412(f), 419 plans or Mutual Funds.

### **Level I**

Life (other than Variable Life), Accident & Health, Long Term Care, Medicare Supplement, Disability Income, Fully Insured Group A&H. A \$500 deductible applies to these products.

### **Level II (includes Level I products plus):**

Fixed Annuities, Equity Indexed Annuities. A \$2,500 deductible applies to these products.

**Note: Mutual Funds are not covered under this policy.**

### ***Extended Reporting Period:***

If termination of coverage is in conjunction with retirement, disability or death, the following ERP options are available for purchase:

- 1 year at 100% of expiring annual premium;
- 2 years at 150% of expiring annual premium;
- 3 years at 200% of expiring annual premium;
- 4 years at 250% of expiring annual premium;
- 5 years at 300% of expiring annual premium; or
- 10 years at 500% of expiring annual premium.

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

Lancer Claim Services  
A Division of Brown & Brown Program Insurance Services, Inc.  
681 S. Parker Street, Suite 300  
Orange, CA 92869  
(800) 821-0540

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

CalSurance Associates  
A Division of Brown & Brown Program Insurance Services, Inc.  
California License Number 0B02587

Please review the attached program materials. A complete copy of the specimen policy is available by calling 800-745-7189 or by visiting [www.calsurance.com](http://www.calsurance.com)

## Exclusions (including, but not limited to):

We shall not be liable to make any payment for **Loss** in connection with any **Claim**:

- A. Based upon or arising out of any dishonest, fraudulent, criminal, malicious, intentional or willful act or omission by any **Insured** or any loss expected or intended by any **Insured**; provided, however, this exclusion shall not apply unless there is a judgment, final adjudication or admission adverse to such **Insured** establishing that such **Insured** committed such conduct;
- B. Based upon or arising out of any **Insured** gaining in fact any personal profit or advantage to which such **Insured** was not legally entitled;
- C. Based upon, arising out of or in any way involving:
  - 1. Bodily injury, including sickness, injury, disease or death of any person; provided, however, this exclusion shall not apply to emotional distress or mental anguish solely based upon or arising out of the **Insured's** rendering of or failure to render **Professional Services**; or
  - 2. Damage to or destruction of any property, including loss of use thereof;
- D. Based upon, arising out of or in any way involving any actual or alleged infringement of copyright, patent, trademark, trade name, trade dress, service mark or misappropriation of ideas or trade secrets, piracy or plagiarism;
- E. Based upon, arising out of or in any way involving:
  - 1. Any pension, welfare or benefit plan organized for the benefit of employees of the **Insured**; or
  - 2. Any **Insured's** obligations or services as a fiduciary or trustee under the Employee Retirement Income Security Act of 1974, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Pension Benefits Act, including any rules or regulations promulgated under any of the foregoing, or any similar provisions of any state statutory law or common law;
- F. Based upon, arising out of or in any way involving any **Insured's** actions, activities, responsibilities or duties as a third party administrator of any plan, whether insured or self insured;
- G. Based upon, arising out of or in any way involving any:
  - 1. Liability of others assumed by any **Insured** in a written or oral contract or agreement; or
  - 2. Actual or alleged liability of any **Insured** under any written or oral contract or agreement;  
Provided, however this exclusion shall not apply to liability of any **Insured** which would exist in the absence of such contract or agreement;
- H. Based upon, arising out of or in any way involving any actual or alleged warranty, promise, guarantee or representation as to the value or yield of any Covered Products or as to non-guaranteed interest rates or future premium payments;
- I. Based upon, arising out of or in any way involving any actual or alleged:
  - 1. Liability for any employment-related practices, acts or omissions, whether in violation of contract or statutory or common law, including without limitation: refusal to employ; wrongful termination of employment; discrimination or harassment of any kind; breach of employment contract; wrongful demotion, evaluation, reassignment or discipline; defamation, slander or libel; invasion of privacy, infliction of emotional distress; invasion of privacy; or retaliation; or
  - 2. Discrimination or harassment of any kind, other than any discrimination or harassment excluded in 1. above, against any person or entity;
- J. Based upon, arising out of or in any way involving any services performed by the **Insured**, whether or not the **Insured** is licensed as such, as:
  - 1. an accountant, architect, actuary, tax preparer or advisor except for tax advice provided directly concerning a **Covered Product**, attorney, real estate agent or broker;
  - 2. engineer, a financial planner or registered investment adviser, except as to services directly related to a **Covered Product**.
  - 3. securities broker or dealer;
- K. Based upon, arising out:
  - 1. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, or premium;
  - 2. Any dispute with another insurance agent or broker, including, but not limited to, any dispute concerning commissions, fees, client lists or entitlements; or
  - 3. Any commingling, misappropriation or conversion of Client funds;
- L. Based upon, arising out of or in any way involving any actual or alleged unauthorized use or release of any confidential or private information pertaining to any Client, any director, manager, partner, member, officer or employee of any Client or any family member of any such person;
- M. Based upon, arising out of or in any way involving any bankruptcy, receivership, conservatorship, insolvency, or financial inability to pay of any organization, including but not limited to a Product Provider, regardless of when the financial impairment of such organization began and whether or not any **Insured** was aware or could have been aware of the financial impairment of such organization; provide, however, this exclusion shall not apply if at the time of the Wrongful Act the Product Provider was:
  - 1. An admitted Property Casualty Insurance Company Rated B+ or better by A.M. Best Company, or a Life Insurance/Accident and Health Insurance Company rated A- or better by A.M. Best Company;
  - 2. A non-admitted insurance company rated A- or better by A.M. Best Company that is also authorized to conduct business in the applicable state in which the Covered Product involved was sold, placed or obtained, or;
  - 3. The **Product Provider** was guaranteed by a governmental body or bodies or operated by a governmental body or bodies (including but not limited to assigned risk plans, Joint Underwriting Association's, or fair plans) or was a County Mutual reinsured by carriers rated B+ or better by A.M. Best Company, or was part of the Iowa Communities Assurance Pools (ICAPS);
- N. Based upon, arising out of or in any way involving the direct or indirect placement of, or any recommendation to place, any Client's insurance, coverage, funds, premium, or product with or in any Product Provider, entity or vehicle not licensed to transact such business in the state or jurisdiction in which such business was conducted; provided, however, this exclusion shall not apply with respect to any Product Provider authorized or approved as a surplus lines insurer or carrier in the state or jurisdiction in which such business was conducted;
- O. Based upon, arising out of or in any way involving any promissory notes, viatical or life settlements investments or contracts or viatical investment pools or any securities (as defined in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940, and any amendments thereto) backed by viatical settlements, commodities, commodity future contracts, or option contracts;
- P. Based upon, arising out of or in any way involving the offering, sale or servicing of any structured settlement; provided, however, this exclusion shall not apply to a Claim solely based upon or arising out of the selling or servicing of a Covered Product utilized to fund a structured settlement;
- Q. Based upon or arising out of:
  - 1. Any **Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given under any insurance policy prior to the Inception date of this Policy;
  - 2. Any **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** which has been the subject of such notice, would constitute **Interrelated Wrongful Acts**; or
  - 3. Any **Wrongful Act** of which the **Insured** had actual or constructive knowledge as of the Inception of this Policy and which could have reasonably been expected to result in a **Claim**;
- R. For Personal Injury based upon or arising out of:
  - 1. The oral or written publication of material, if done by or at the direction of the **Insured** with knowledge of its falsity; or
  - 2. The oral or written publication of material whose first publication took place before the Retroactive Date;
- S. By or on behalf of the Sponsoring Company or any Agent; provided, however, this exclusion shall not apply to a Claim brought in the form of a cross-claim or third-party claim arising from a Claim made against such Sponsoring Company or Agent that is other wise covered under this Policy;
- T. Based upon, arising out of or in any way involving any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous, thermal, or aural irritant, pollutant, contaminant, including but not limited to, noise, lead, asbestos, smoke, vapors, soot, fumes, acids, alkalis, chemicals, or waste materials (including those that are or are to be stored, recycled, reconditioned or reclaimed), into or upon land, air, water or property; or
- U. Based upon, arising out of or in any way involving any nuclear reaction, radiation, radioactive contamination or radioactive substance, in any form, no matter how emitted.

Please review the attached program materials. A complete copy of the specimen policy is available by calling 800-745-7189 or by visiting [www.calsurance.com](http://www.calsurance.com)