



# Specified Professions Professional Liability Product - Financial Planners Application

THIS APPLICATION IS FOR A CLAIMS MADE POLICY. PLEASE READ YOUR POLICY CAREFULLY. DEFENSE COSTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE.

## I. QUOTE INFORMATION

Applicant's name: \_\_\_\_\_  
 Location address: \_\_\_\_\_  Same as mailing address or complete section III.  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_  
 Web address: \_\_\_\_\_ E-mail address of primary contact: \_\_\_\_\_  
 Total annual revenue for the firm: \$ \_\_\_\_\_ Number of employees; Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_

## II. UNDERWRITING INFORMATION

1. Is the applicant a registered investment advisor?  Yes  No
2. Is the applicant a registered representative?  Yes  No
3. Is each financial planner licensed for a minimum of three years?  Yes  No
4. Are more than 10 percent of revenues derived from commissions?  Yes  No
5. Do you have any client's assets under management?  Yes  No

If "Yes":

- a) Do you retain custody of any client's assets under an account you control?  Yes  No
- b) Average assets per client under the firm's management \$ \_\_\_\_\_  
 Maximum assets managed for any one client \$ \_\_\_\_\_
- c) Do you manage any client assets on a discretionary basis (no prior consent needed)?  Yes  No

6. Provide the approximate percentage of services in each of the following areas (must equal 100 percent):

|                                   |         |  |         |
|-----------------------------------|---------|--|---------|
| Financial plan preparation/advice | _____ % | Insurance products                     | _____ % |
| Retirement planning               | _____ % | Limited partnerships                   | _____ % |
| Estate planning                   | _____ % | Asset monitoring                       | _____ % |
| Divorce planning                  | _____ % | Accounting other than tax prep.        | _____ % |
| Tax preparation                   | _____ % | Third party pension administration     | _____ % |
| Tax planning advice               | _____ % | Sale of securities                     | _____ % |
| Investment consulting             | _____ % | Personal mgmt. services (bill payment) | _____ % |

Other (explain): \_\_\_\_\_

Indicate which of the above is a referral service only: \_\_\_\_\_

7. Indicate percentage of client investment recommendations/referrals /assets managed for each of the following:

|                                       |         |                         |         |
|---------------------------------------|---------|-------------------------|---------|
| Mutual funds                          | _____ % | Junk bonds              | _____ % |
| Variable annuities                    | _____ % | Private placements      | _____ % |
| Life/Health/Disability/Long term care | _____ % | REITS                   | _____ % |
| Listed stocks                         | _____ % | Unregistered securities | _____ % |
| Investment grade bonds                | _____ % | Unlisted stocks         | _____ % |
| Unrated bonds                         | _____ % | Hedge funds             | _____ % |
| Options                               | _____ % | Commodity futures       | _____ % |
| Other (explain)                       | _____ % | Exchange traded funds   | _____ % |

8. Number of clients: \_\_\_\_\_ Number of financial advisors: \_\_\_\_\_
9. Number of planners/advisors who earn over \$150,000 in annual income (salary + bonus + commission): \_\_\_\_\_

10. Do you provide a written investment policy statement to each client?  Yes  No
11. Do you provide a client engagement agreement to each client?  Yes  No
- If yes, check the items below that the agreement contains:
- services to be provided       conflict of interest disclosures       transactional authority
- dispute resolution       clients responsibilities       client signature
- planning objectives       billing fees and commissions       conditions of performance/limitations of responsibility
12. Do you maintain documentation of all advice provided to clients?  Yes  No
13. What professional designations do you hold?
- Certified Financial Planner (CFP)       Accredited Personal Financial Specialist (APFS)
- Chartered Financial Consultant (ChFC)       Chartered Life Underwriter (CLU)
- Chartered Investment Counselor (CIC)       Certified Investment Management Analyst (CIMA)
- Chartered Financial Analyst (CFA)       Other \_\_\_\_\_
14. What license(s) does the applicant hold? \_\_\_\_\_
15. Expiring Information: Carrier: \_\_\_\_\_ Limits: \_\_\_\_\_ Retention: \_\_\_\_\_ Premium: \_\_\_\_\_ Retroactive date: \_\_\_\_\_

**(Attach a statement of details for all "Yes" answers to the following questions)**

16. Is any client of the applicant a corporation, partnership or LLC?  Yes  No
17. Does the applicant advise clients to invest in any enterprise in which the applicant or a member of the applicant's firm has an ownership interest?  Yes  No
18. Does the applicant provide any service(s) for which they are not licensed?  Yes  No
19. a) During the last five years, has any inquiry, complaint, notice of hearing, claim been made or suit brought against any person or entity proposed for insurance?  Yes  No
- b) Is any person(s) proposed for this insurance aware of any fact, circumstance, allegation, contention or incident which may result in a claim against the applicant or any person proposed for insurance?  Yes  No
20. Has any policy for professional liability insurance ever been cancelled or non-renewed?  Yes  No

**Fraud Statement (All Other States):** 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.

The signer of this application acknowledges and understands that the information provided in this Application is material to the Insurer's decision to provide the requested insurance and is relied on by the Insurer in providing such insurance. The signer of this application represents that the information provided in this Application is true and correct in all matters. The signer of this Application further represents that any changes in matters inquired about in this Application occurring prior to the effective date of coverage, which render the information provided herein untrue, incorrect or inaccurate in any way will be reported to the Insurer immediately in writing. The Insurer reserves the right to modify or withdraw any quote or binder issued if such changes are material to the insurability or premium charged, based on the Insurer's underwriting guides. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a policy be issued and it will be attached and become a part of the Policy.

Applicant's signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Principal, Partner or Officer of the Firm

**III. ADDITIONAL APPLICANT INFORMATION**

Applicant's mailing address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_

**New York Disclosure Notice:** This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged Wrongful Acts or Wrongful Employment Acts that took place prior to retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting period coverage unless the insured purchases additional extend reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The Insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration for this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

**Virginia Notice:** This Policy is written on a claims-made basis. Please read the policy carefully to understand your coverage. You have an option to purchase a separate limit of liability for the extended reporting period. If you do not elect this option, the limit of liability for the extended reporting period shall be part of the and not in addition to limit specified in the declarations. If you have any questions regarding the cost of an extended reporting period, please contact your insurance company or your insurance agent. Statements in the application shall be deemed the insured's representations. A statement made in the application or in any affidavit made before or after a loss under the policy will not be deemed material or invalidate coverage unless it is clearly proven that such statement was material to the risk when assumed and was untrue.

**Minnesota Notice:** Authorization or agreement to bind the insurance may be withdrawn or modified only based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

**Florida and Illinois Notice:** I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

**Colorado Fraud Statement:** 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 Fraud Statement: 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 Fraud Statement:** You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

**Kentucky Fraud Statement:** 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.

**Maine and Washington Fraud Statement:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**New Jersey Fraud Statement:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**New York Fraud Statement:** 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 Fraud Statement:** 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.

**Oklahoma Fraud Statement: WARNING:** Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**Pennsylvania Fraud Statement:** 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 and Virginia Fraud Statement:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail agency name: \_\_\_\_\_ License #: \_\_\_\_\_

Main agency phone number: \_\_\_\_\_

Agency mailing address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_