

SECURITIES BROKER/DEALER AND REGISTERED REPRESENTATIVE PROFESSIONAL LIABILITY INSURANCE

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY

IMPORTANT NOTE: THE POLICY FOR WHICH APPLICATION IS MADE, IF ISSUED, WILL BE ON A CLAIMS MADE BASIS. THE POLICY, SUBJECT TO THE DECLARATIONS, INSURING AGREEMENTS, GENERAL TERMS, CONDITIONS, AND LIMITATIONS, AND OTHER TERMS OF THE POLICY, APPLIES ONLY TO CLAIMS THAT ARE FIRST MADE DURING THE POLICY PERIOD, OR, IF EXERCISED, DURING THE EXTENDED REPORTING PERIOD.

THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS DEFENSE COSTS. DEFENSE COSTS INCURRED SHALL BE APPLIED AGAINST THE APPLICABLE RETENTION.

Instructions: Please read this application carefully. Full and complete responses must be made to each question. If a response cannot be fully supplied in the spaces below, attach additional sheets to this application. Such sheets should refer to the applicable questions and must be signed and dated. In addition, all materials requested herein must be provided with the application. This application, as well as all materials submitted with it, shall be held in confidence.

General Information

1. Company Name (Applicant) _____
 Parent Company _____
 Street _____
 City _____ State _____ Zip _____
 Telephone: _____ Fax _____
 Email Address _____
 Website: _____

2. Year Established: _____

3. Does the Applicant require coverage for its RIA or any other subsidiaries?
 If Yes, please provide details below:

Name	Coverage Desired?
_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	Yes <input type="checkbox"/> No <input type="checkbox"/>

4. Is coverage required for an Outside RIA Company? Yes No

If yes, please provide details below and attach most current application.

Producer/Employee Information

5. Total number of Registered Representatives Domiciled in New York:
 6. Number of Producers and Staff.

Category	Current Year	Prior Year
Employed Registered Representatives		
Independent Registered Representatives		
Investment Advisor Representatives		
Total Representatives		
Executives/Managers		
Employees (back office)		
Total Employees only		

Total number of Reps who are also an IAR:

7. Has the Applicant hired a Registered Representative in the last 24 months with any history of:
- | | | |
|---------------------------------------------------------|------------------------------|-----------------------------|
| a. criminal or civil proceedings, | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b. 3 or more customer complaints, | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c. regulatory investigations, professional suspensions, | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d. or other claims? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If "Yes", to any of the above please provide explanation why you hired the Registered Representative; if any are still employed please provide names and period of employment.

8. In the past 24 months has the Applicant terminated or placed on heightened supervision, any Registered Representatives as a result of a review of their operations or performance? Yes No
If "Yes" provide complete details.

Revenue

9. Annual revenue from proposed Insureds:

Last three Years:	Annual Total Gross Revenues (100%)	% Commission Revenues	% Fee Only Revenues
Year 20_____	\$_____	%_____	%_____
Year 20_____	\$_____	%_____	%_____
Year 20_____	\$_____	%_____	%_____
Projected Revenue for next year:	\$_____	%_____	%_____

10. Please state the percentage (%) of commission revenues which are derived from the following:

Bonds:		ALTERNATIVE INVESTMENTS	
Listed	Commodities	CMO's	
Unlisted	Unit Investment Trusts	1031exchanges	
Municipal	Futures/Options Contracts	Tenant –In–Common Interests	
Government		Real Estate Interest non-Primary Residence	
Stocks:		Private Placements	
Listed	Variable Annuities	Direct Participation Programs	
Unlisted	Fixed Annuities	Limited Partnerships	
Penny	Life Insurance	Structured Investment Products	
OTC	Life / Viatical Settlements	Delaware Statutory Trusts	
	Accident and Health	Hedge Funds	
		Funds of Hedge Funds	
Mutual Funds			
Secondary Market Trading	REITS;	REITS	
	Public Traded	Private Un-Registered	
Exchange Traded Funds:	Public Non-Traded		
Leveraged		Limited Liability Company	
Non-Leveraged		Interests / other Pooled	
Inverse	Other: please provide details below	Investment Vehicles	

Other: _____

10a. Please state the percentage (%) of fee revenues which are derived from the following:

Fee Based revenue %	Current Year	Previous Year
Investment Banking - M & A/ Underwriting		
Advisory – Estate/Tax/Insurance		
Advisory – Investments		
Wealth Management - Discretionary		
Wealth Management – Non-Discretionary		
Other Please describe below		

Other _____

11. Please advise percentage % of short selling of stock trades against the total number of trades %_____

12. Please advise the percentage % of Bonds traded that are below investment grade. %_____

13. Please State the percentage (%) of fee based revenue that is derived from:

a. RIA: _____%

b. Other: _____% Please provide additional details.

14. Number of accounts and Assets under management

Year	Total \$ Assets under Management	Number of accounts	Largest single account value \$
Last full year			
Current			
Projected next 12 months			

15. Please set forth:

a. The total number of customer accounts during the past twelve (12) months: _____

d. The average investment portfolio size of Applicant's clients: \$ _____

e. What percentage (%) are: Margin _____% Discretionary: _____%.

f. What percentage (%) are: Individual: _____% Corporate: _____% Institutional: _____%

g. Number of securities traded annually through the Broker-Dealer: _____

h. Average dollar value of securities traded: \$ _____

Regulatory Compliance

16. If the answer to any of the below questions is Yes, you must provide details including a form U-4.

During the past 5 years, has the Applicant or any associated professional ever:

- a. Had a professional license or registration denied, suspended, revoked, non-renewed or restricted? Yes No
- b. Been formally reprimanded by any court, administrative or regulatory agency? Yes No
- c. Had a complaint filed with any consumer agency, state securities department, insurance department, or your broker-dealer, SEC, FINRA, or other regulatory agency? Yes No
- d. Been audited by the SEC, FINRA, any state securities department, or other licensing or regulatory agency? If yes, provide a copy of the audit letter and your response. Yes No
- e. Been formally accused of violating any professional association's code of ethics? Yes No
- f. Been convicted of a felony? Yes No
- g. Been involved in or is aware of any fee disputes including suits? Yes No
- h. Had a trading loss in excess of \$5,000 If yes, provide details including dates, amounts and to whom the loss was paid. Yes No

17. Department of Labor Fiduciary Rule:

- a. What processes are in place to ensure you and any associated professional are in compliance?

- b. Describe training being undertaken to ensure compliance.

- c. Provide details of any new administrative steps which you have proposed or adopted.

- d. Have you implemented any changes in technology and training to meet the Final Rule's requirements? Yes No
- e. Will you obtain signed Best Interest Contract (BIC) exemptions from all clients? Yes No

Provide further details for response to Questions 17.d. and e.

Claim Questions

18. Loss History:

- a. Have any claims been made against the Applicant or any of its directors, officers, employees or its Registered Representatives in the past 5 years? Yes No

If "Yes", please provide full details, including but not limited to, date of claim; name of claimant; type of service provided; allegations made; demand amount; and final disposition including indemnity and expense amounts.

- b. Does the Applicant or any of its directors, officers, employees or Registered Representatives have any knowledge or information of any fact or circumstance including but not limited to any act, error or omission that could reasonably give rise to a claim being made against them? Yes No

If "Yes", please provide full details. *Include particulars as to dates, persons and entities involved, circumstances and reasons for anticipating that this circumstance or fact may be expected to give rise to a "claim".*

A "claim" means a written demand for monetary relief; or a civil or arbitration proceeding for monetary or non-monetary relief, which is commenced by the service of a complaint or similar pleading; or receipt or filing of an arbitration demand or statement of claim.

Insurance

19. Please indicate current coverage terms.

	Current	Desired
Limit		
Retention		
Retro-Date		
Carrier		
Premium		

Does the current policy provide coverage for:

	Current	Desired
Selling Away	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment Banking	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Alternative Investments	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Trade Error / COC	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Outside Life and Health	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Individual prior acts for Independent Registered Reps	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
All proposed Insureds	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Outside RIA	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

If "Yes" to any of the above, please provide details of any sublimit and specific retention that applies on a separate sheet.

20. Please attach:

- a. Any special coverage requests.
- b. Proof of Prior insurance (certificate of insurance, copy of the declaration page showing Retro date).
- c. Details of specific retro dates for any alternative coverage or increased limits that differ from b. above.
- d. Most recent audited financials.
- e. Approved Products list.
- f. Personnel list of producers and non-producers.
- g. Most recent FINRA or SEC audit report along with managements response.

NOTICE TO APPLICANT: PLEASE READ CAREFULLY

Warranty: *The undersigned warrants that the information contained herein is true as of the date this application is executed and understands that it shall be the basis of the policy of insurance and deemed incorporated herein if the Insurers accept this application by issuance of a policy. It is understood and agreed that this warranty constitutes a continuing obligation to report to the Insurers, as soon as possible, any material change in the circumstances of the Applicant's business including, but not limited to the size of the firm, the area of business engaged in by the firm and the information contained on each Supplemental application submitted by the Applicant.*

Any person who knowingly and with intent to defraud any insurance company or any 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.

SIGNATURE: _____

NAME: _____

TITLE: _____

DATE: _____