

Advocis Protective Association E&O Plan

Application for Professional Liability Insurance – Coverage C

Coverage C – Unlicensed Planners - Fee for Service

[Note: If you prepare tax returns, you must purchase Coverage B.]

Notice: If issued, the policy will be on a Claims Made basis (see Part 6 – Applicant’s Acknowledgements), and will be issued in reliance of the completeness and accuracy of the disclosures and statements in this application.

Part 1A - Contact Information

First Name _____ Middle Initial _____ Last Name _____
Street Address _____
City _____ Province _____ Postal Code _____
Work Telephone _____ Fax _____
Home Telephone _____ Email _____
Advocis Member? Yes No Advocis ID No. _____

Part 1B – Additional Applicant Information

1. Please list any firm(s) below with which you are contracted to do business:

2. Please list any firm(s) noted above which require(s) their name to be shown on your Certificate of Insurance (for vicarious liability coverage): _____

3. If you hold an ownership interest in a firm, **which is incorporated**, under which you provide financial advisory services **insured under Coverage C**, please list the legal name of the corporation below:

4. If you listed a corporation under (3) above, please answer the following questions:

(a) Is the corporation owned **solely by you or jointly with your unlicensed spouse**? Yes No

(b) Do you employ any other licensed or unlicensed agents, or accept business from other licensed agents (licensed administrative assistants are considered “licensed agents”)? Yes No

If you answered Yes to 4 (a) and No to 4 (b), the corporation will be added as an Insured on your Certificate of Insurance and defined as a Personal Corporation under the Advocis Broker Services E&O Plan master policy. Otherwise, your corporation will be listed on your Certificate of Insurance under “Firm Name” - coverage will be for Vicarious Liability only, and **not for direct liability claims against the firm**, such as, but not limited to, allegations of negligent hiring, supervision or training, neither for claims brought solely against the firm. Please contact Advocis Broker Services Inc. to inquire about separate Corporate E&O insurance coverage, which will broaden coverage to include direct liability claims against the corporation (Note: regulators in a number of provinces require Corporate E&O coverage for Life licensed agencies).

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Zurich Insurance Company’s insurance business in Canada.

5. Are you applying for a new policy under the Advocis Broker Services E&O Plan, or is this a New Renewal renewal?

6. If this is an APA E&O Plan renewal, please state your Advocis Broker Services policy expiry date:

dd/mm/yy

7. (a) If you have insurance elsewhere, please state your current policy expiry date:

(Note: coverage will not be backdated)

(b) Please state your current insurer:

8. Or, if no policy exists, please indicate desired effective date of new Advocis Broker Services E&O Policy:

dd/mm/yy

Part 2 – Income, Licensing and Declarations

Declarations

Please note, if you respond Yes to any of the following questions (1 through 7), you MUST attach details with this application.

Without limitation of any other remedy available to the Insurer, it is agreed that if there be such knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

1. In the last five years, have you or any of your employees been the recipient of any allegations of professional negligence in writing or verbally? Yes No
2. Are you or any of your employees aware of any facts, circumstances or situations which may reasonably give rise to a claim, other than as advised above? Yes No
3. In the last five years, has there been, or is there now, pending against you any suit(s), proceedings, claims(s), fact(s), or situation(s) that would have been covered by this insurance? Yes No
4. Have you ever had any license suspended or cancelled by a regulatory body for improper conduct? Yes No
5. Are you currently under investigation/review by a regulatory body for improper conduct? Yes No
6. Have you ever been charged with or convicted of a dishonest or fraudulent act? Yes No
7. Have you ever been found guilty of any violation of Federal or Provincial insurance or securities law or regulation? Yes No

If you have answered Yes to any of the above questions, you MUST provide details below, even if submitted in prior applications. Use additional sheet, if necessary.

| # | Explanation |
|---|-------------|
| | |
| | |
| | |

Applicants for Coverage C are required to hold a minimum of one of the following designations. Please check all that apply

- | | |
|--|---|
| <input type="checkbox"/> Yes <input type="checkbox"/> No Certified Financial Planner, CFP® | <input type="checkbox"/> Yes <input type="checkbox"/> No Canadian Investment Management, CIM |
| <input type="checkbox"/> Yes <input type="checkbox"/> No Chartered Life Underwriter, CLU® | <input type="checkbox"/> Yes <input type="checkbox"/> No Fellow of the Canadian Securities Institute, FCSI® |
| <input type="checkbox"/> Yes <input type="checkbox"/> No Certified Health Insurance Specialist, CHS™ | <input type="checkbox"/> Yes <input type="checkbox"/> No Registered Financial Planner, R.F.P. |
| <input type="checkbox"/> Yes <input type="checkbox"/> No Chartered Financial Consultant, CH.F.C. | <input type="checkbox"/> Yes <input type="checkbox"/> No Financial Divorce Specialist, FDS |
| <input type="checkbox"/> Yes <input type="checkbox"/> No Trust & Estate Practitioners, TEP | <input type="checkbox"/> Yes <input type="checkbox"/> No Family Enterprise Advisor, FEA |

Part 3 – Coverage and Limits

Current Limit each Claim: \$ _____

No current liability insurance

Current Aggregate (Per Policy Period) Limit: \$ _____

If you wish to increase or decrease your current limits, you will be required to respond to questions below (Raising or Lowering Your Limit of Liability).

Select Coverage Option:

| Select | Per Claim Limit | Aggregate Limit | Premium/ APA DFC** | Broker fee | APA Fee (Advocis member Discount) | Dis New Advisor Insurer | Dis New Advisor APA |
|--------------------------|-----------------|-----------------|-----------------------|---------------|---|----------------------------|------------------------|
| <input type="checkbox"/> | \$1,000,000.00 | \$1,000,000.00 | \$336.70 | \$125.00 | \$70.00 (\$30.00) \$40.00 | \$27.00 | \$23.10 |
| <input type="checkbox"/> | \$2,000,000.00 | \$2,000,000.00 | \$388.59 | \$125.00 | \$70.00 (\$30.00) \$40.00 | \$35.85 | \$21.90 |
| <input type="checkbox"/> | \$3,000,000.00 | \$3,000,000.00 | \$453.77 | \$125.00 | \$70.00 (\$30.00) \$40.00 | \$19.65 | \$19.65 |
| <input type="checkbox"/> | \$4,000,000.00 | \$4,000,000.00 | \$651.72 | \$125.00 | \$70.00 (\$30.00) \$40.00 | \$39.75 | \$39.75 |
| <input type="checkbox"/> | \$5,000,000.00 | \$5,000,000.00 | \$739.98 | \$125.00 | \$70.00 (\$30.00) \$40.00 | \$40.20 | \$40.20 |

Please note that Coverage B and Coverage C are subject to a shared \$50,000,000 policy aggregate for all Certificate Holders. Defense expenses and supplementary payments shall be part of, and not in addition to, the applicable limit of liability shown on individual Certificates of Insurance.

* Provincial taxes apply for ON, QC and MB residents on the premium portion of the policy (not applicable to “DFC” Deductible Fund Contribution). GST or HST applies to APA Fee, depending on province or territory of residence.

** “Premium” refers to the portion payable to Zurich Insurance Canada, the Plan insurer; “DFC” refers to APA Deductible Fund Contribution - see Part 6 -

Applicant’s Acknowledgements: APA Deductible Fund Trust Declarations

Raising Limit of Liability:

IF YOU CHOOSE TO **RAISE** YOUR LIMIT OF LIABILITY: By increasing your limit of liability, you are, in fact, increasing your limit of liability for all past acts, as well. This means that the business you wrote will now be covered for the new limit selected.

IF YOU CHOOSE TO **RAISE** YOUR LIMIT OF LIABILITY, PLEASE ANSWER: Are there any circumstances which may result in any errors and omissions claims being made against you, your predecessors in business, or any past or present partners, executive officers or directors?

Yes No

Lowering Limit of Liability:

IF YOU CHOOSE TO **REDUCE** YOUR LIMIT OF LIABILITY, PLEASE NOTE:

By lowering your limit of liability, you are, in fact, lowering your limit of liability for all past acts, as well. This means that the business you wrote while you had a higher limit of coverage will now only be covered for the lower limit of liability.

Please amend my limits as requested. I have read and understand the implications of changing my limit of liability.

Signature _____ Date _____

Part 4 – Personal Information Consent Form

1. As part of my application for insurance, I hereby consent to the brokerage firm named below (the “Broker”) and Advocis Broker Services collecting, using and disclosing personal information* required for purposes of considering my application for new or renewal insurance coverage and of administering the professional liability insurance program sponsored by Advocis Broker Services.
2. The Broker, on behalf of Advocis Broker Services, is authorized to collect, use, and disclose personal information and provide such personal information to third parties, as required, including insurance companies, for the purposes of program administration, insurance requirements and all related activities including the marketing of the Advocis Broker Services program. The Broker may also be required or permitted to disclose such personal information pursuant to relevant privacy or other laws.
3. The undersigned applicant also agrees that their personal information, including any email address, telephone and fax number, may be shared with The Financial Advisors Association of Canada (“TFAAC”) and TFAAC group entities operating either under the brand name Advocis, or as separate legal entities (“TFAAC” Group Entity) for the purpose of marketing, including telemarketing, the products and services of 1) TFAAC Group Entity, including, but not limited to, the provisions of information on Advocis Broker Services and other memberships, education programs, conferences, Advocis Corporate Partnership/Corporate Sponsorship program and regulatory issues and 2) third parties that may be of interest to you. For further information about the TFAAC Privacy Policy, please refer to the Advocis.ca website.

If you choose not to receive this information under the preceding paragraph 3, please check this box:

4. If I wish to review personal information pertaining to my application or policy maintained by the Broker, obtain copies of the Broker’s privacy policies or standards, or make other enquiries or express concerns to the Broker, I understand that I may do so by contacting the Broker’s Privacy Officer Advocis Broker Services Inc. 10 Lower Spadina, Suite 600, Toronto, ON M5V 2Z2.

I agree that all personal information that I provide to the Broker will be complete and accurate, and I consent to the collection, use, and disclosure of the personal information as set forth above.

Name _____

Signature _____ Date _____ dd/mm/yy _____

Name of Broker _____ Advocis Broker Services Inc. _____ Broker’s Privacy Officer _____ Privacy Officer Canada _____

*Personal information has the meaning given it by the “Personal Information Protection and Electronic Documents Act.”

Part 5 – Premium/Fee Calculation

New Advisor Discount

If your earliest year of licensure (Life or Mutual Funds) was two years or less from the year in which you are renewing or buying new coverage under the Advocis Broker Services E&O Plan, you may be eligible to receive a 15% discount from your premium. Certificate holders with two policies are eligible for the discount on one policy only. Please note that certain conditions apply which may affect eligibility.

Part 6 – Applicant’s Acknowledgements

By submitting this document to Advocis Broker Services Inc., the undersigned acknowledges and accepts the Broker Fee paid to Advocis Broker Services Inc. for the coverage for which the undersigned is applying.

Please note that this is a claims-made policy. You must report any potential incident(s)/claim(s) to the Insurer prior to the expiry of the policy term. At such point as you cease practice in the industry, the policy provides for limited or no coverage beyond the termination date of your certificate of insurance. Options are available to extend the period beyond which you may report claims based on past professional services.

The undersigned applicant declares that, to the best of his/her knowledge and belief, the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information to facilitate the proper and accurate completion of this application form. The undersigned further agrees that if any significant change in the condition of the applicant is discovered between the date of the application and the effective date of the policy, which would render this application inaccurate or incomplete, notice of such change will be reported immediately in writing to the insurer. Although the signing of this application

form does not bind the applicant to purchase the insurance, the undersigned agrees that this form and the information furnished herein shall be the basis of the contract should a policy be issued, and this application will become part of the policy.

Advocis Protective Association (APA) Deductible Fund Trust Declarations

This application constitutes insurance coverage provided by the Advocis Broker Services E&O Plan insurer and a Deductible Trust Fund managed by the Advocis Protective Association, consisting of Advocis Broker Services E&O Plan certificate holders' "Deductible Fund Contributions". The amounts of these contributions have been agreed upon by the insurer, and serve to fund the difference between the certificate holder's individual policy deductible and the first \$100,000 of each claim made under the policy, payable by the Advocis Broker Services on behalf of the certificate holder. The Advocis Broker Services's obligation to pay this part of each claim is limited by an annual aggregate equivalent to the total Deductible Fund contributions made by certificate holders. The Deductible Fund Contribution, forming part of each certificate holder's total payment for this insurance coverage, is fixed, and shall not increase for any reason other than increases in coverage granted to the applicant, and as evidenced in the participant's certificate of insurance. The undersigned applicant acknowledges and agrees that the Advocis Broker Services has no obligation to refund Deductible Fund Contributions, in whole or in part, made by the undersigned arising from favourable individual certificate holders' loss experience, nor as a consequence of terminating insurance coverage under the APA E&O plan at any time. The applicant further acknowledges that the Advocis Broker Services and or its Claims Committee may, from time to time, provide consultation to the plan Insurers or to the plan's Claims Adjusting Firm in the context of industry-related advice intended to facilitate fair and expedited claims management.

Such consultation shall not include advice with respect to matters concerning policy coverage or potential claims denials. For further information, please contact the Advocis Broker Services Inc. or visit www.advocisinsurance.ca.

Signature _____ Date _____ dd/mm/yy _____

Name and Title _____

Part 7 - Payment Plan Form – Payment Information

Insured Name _____

Please note that if your payment is declined or your cheque is NSF or returned by the bank, there will be a \$20.00 charge, and we will require immediate payment IN FULL by certified cheque.

VISA MasterCard AMEX

Card Holder Name _____ Total Amount _____

Card Number _____ Expiry Date _____

I agree that in consideration of Advocis Broker Services Inc. permitting me to finance my premium through VISA, MasterCard or AMEX, Advocis Broker Services Inc. may return any premium by crediting my VISA, MasterCard account or AMEX.

Signature _____ Date _____

Cheque

Payable To: _____ Advocis Broker Services Inc. _____ Total Amount _____

(Your certificate of insurance will not be issued until payment clears. Please ensure we receive your cheque at least two weeks prior to the effective date of coverage).

Please send the completed and signed application(s) to Advocis Broker Services Inc. along with the Payment Plan Form and payment to:

Mail: Advocis Broker Services Inc., 10 Lower Spadina Avenue, Suite 700, Toronto, ON M5V 2Z2

If you require assistance, please contact:

416.646.9888 • 877.646.9888 • Fax: 647.245.2227

Email: info@absinc.ca