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**APPLICATION FOR FINANCIAL ADVISORS AND SECURITIES BROKER/DEALER  
PROFESSIONAL LIABILITY INSURANCE**

**NEW**       **RENEWAL**

Name of Agent: \_\_\_\_\_

Please return this page and the following items with your application materials:

- Completed, dated and signed application.
- Form ADV Part I, unless the Applicant has filed electronically with IARD.  
**NOTE** Part I must be a current and accurate disclosure of the Applicant.
- Form ADV Part II and all Schedules, unless the Applicant has filed electronically with IARD.  
**NOTE** Part II must be a current and accurate disclosure of the Applicant.
- Sample client contract(s) for each professional service rendered.
- A copy of any regulatory audits performed in the last three (3) years and the Applicant's response. Renewal policyholders do not need to include audits previously submitted.
- Balance Sheet and Income Statement (unaudited is acceptable).

**ATTACHED DETAILS ON A SEPARATE SHEET IF:**

- Yes answer on Question 6., 7. and 8. Claim(s), Complaint or Proceedings
- Yes answer on Question 9. Conflicts of Interest
- Yes answer on Question 17.
- Yes answer on Question 18. Disclosure Events
- Yes answer on Question 22. Public Clients

**NEW BUSINESS APPLICANTS ONLY:**

- If the Applicant wants prior acts coverage and has maintained continuous claims made coverage, attach a copy of the current declarations, policy and endorsements.
- Attachment for Questions 24 (a) and (b).

**RETURN THIS PAGE WITH THE APPLICATION TO YOUR INSURANCE BROKER**



**APPLICATION FOR FINANCIAL ADVISORS AND SECURITIES BROKER/DEALER  
PROFESSIONAL LIABILITY INSURANCE**

NOTICE: THE POLICY FOR WHICH APPLICATION IS MADE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR WITHIN SIXTY DAYS AFTER THE EXPIRATION OF THE "POLICY PERIOD", UNLESS THE EXTENDED REPORTING PERIOD IS EXERCISED. THE LIMITS OF LIABILITY SHALL BE REDUCED BY "CLAIMS EXPENSES" AND CLAIMS EXPENSES ARE SUBJECT TO THE DEDUCTIBLE.

Full Legal Name of Applicant			
Principal business address			
Telephone		Fax	
Email		Web Site	

1. List all registered representatives and investment advisory representatives.

Name	Professional Designations	Advice Given On Behalf of RIA? Yes/No	NASD/ FINRA CRD Number	FPA	NAPFA	Other Associations

2. List the names of any independent contractors (non-employees) giving investment advice on behalf of the Applicant's RIA : \_\_\_\_\_

If None, check here

Does the Applicant want coverage for the listed independent contractors?..... Yes  No

3. FORM ADV DISCLOSURES

(a) Is the Applicant's Form ADV Part I as filed and dated on the SEC IARD a current and accurate disclosure of Applicant as of the date of this application? If not SEC IARD filed, provide complete Form ADV Part I in paper format.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not IARD filed
(b) Is the Applicant's Form ADV Part II including schedules as filed and dated on the SEC IARD a current and accurate disclosure of Applicant as of the date of this application? If not SEC IARD filed, provide complete Form ADV Part II in paper format.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not IARD filed
(c) Does the Applicant agree to notify the Company of any change to facts presented in the Application between the date of Application and the effective date of coverage?	<input type="checkbox"/> Yes <input type="checkbox"/> No

4. List all Professional Liability Insurance currently carried (e.g. accountants, tax preparation, group broke/dealer, life agent).

Insurer	Limits of Liability	Deductible	Type of Insurance	Policy Period	Retroactive Date

5. REQUESTED LIMITS AND DEDUCTIBLES

**PER CLAIM/AGGREGATE LIMITS REQUESTED**

- \$ 100,000/\$ 200,000
- \$ 250,000/\$500,000
- \$ 500,000/\$1,000,000

- \$ 1,000,000/\$1,000,000
- \$ 1,000,000/\$2,000,000
- Higher Limits: \_\_\_\_\_

**DEDUCTIBLE REQUESTED**

- \$2,500
- \$5,000
- \$10,000
- \$15,000
- \$20,000
- \$25,000

THE COMPANY DOES NOT GUARANTEE TO OFFER ANY OF THE ABOVE LIMITS AND/OR DEDUCTIBLES.

6. Has any Professional Liability claim(s), complaint or proceeding been made against the Applicant or any person or organization proposed for this insurance or any predecessor organization? ..... Yes  No  
**If Yes, provide details on a separate sheet.**

7. Is (are) any person(s) or organization(s) proposed for this insurance aware of any fact, error, omission, circumstance or situation that might provide grounds for any claim under the proposed insurance? ..... Yes  No  
**If Yes, provide details on a separate sheet.**

8. Has the Applicant and/or any of its directors, officers and/or employees, its predecessors, subsidiaries, affiliates, employees and/or any other person or organization proposed for this insurance been involved in or have knowledge of any pending or completed governmental regulatory, investigative or administrative proceedings? ..... Yes  No  
**If Yes, provide details on a separate sheet.**

9. CONFLICTS OF INTEREST

By attachment provide explanation of any Yes response.

(a) Does the Applicant or any of its partners, officers, directors, employees or associated professionals:

(i) Act as both trustee and advisor to any client?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(ii) Advise clients to invest in any organization which any firm member has more than a 5% ownership interest?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(iii) Advise clients to invest in any organization in which another client has more than a 5% ownership interest?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(iv) Act as advisor to an organization in which the Applicant its members or associated persons has more than a 5% ownership interest?	<input type="checkbox"/> Yes <input type="checkbox"/> No

(c) Does the Applicant or any of its partners, officers, directors, employees or associated professionals act as general partner in a limited partnership or a member or manager of a limited liability company in which the Applicant's clients, directly or indirectly, are solicited to invest?..... Yes  No

(c) Do any of the Applicant's partners, officers, directors, employees or associated professionals or their spouse have more than a 5% ownership or act as a director, officer, an employee or act in any position of control for any organization in which clients are solicited to invest?..... Yes  No

(d) Is any person proposed for insurance under this application a director, an officer, an employee, or in a position of control for any organization or enterprise including all subsidiaries and affiliates which is also an advisory client? ..... Yes  No

(e) Is the Applicant or any of its partners, officers, directors, employees or associated professionals a CPA? ..... Yes  No  
 If, Yes, do any such persons perform attest work/consulting services for any accounting client who is an advisory client? ..... Yes  No

10. Does the Applicant use a Compliance Attorney or Consultant?..... Yes  No  
 If Yes, provide the name of such attorney and/or consultant:\_\_\_\_\_

11. Provide gross annual revenues derived from financial planning, advisory activities, commissions and/or product sales. Do not include professional accounting services revenues.

Year	Annual Total Gross Revenues (100%)	% Fee Only Revenues	% Commission Revenues	No. of Financial Advisors
Last Year _____	\$ _____	%	%	
Present Year _____	\$ _____	%	%	
Projected for Upcoming Year _____	\$ _____	%	%	

12. Provide professional services by approximate percentage. Must equal 100%. Indicate all services provided by the Applicant regardless of whether the revenues are included in Question No. 11.

%	NATURE OF PRACTICE
	Modular/Comprehensive Financial Plan Preparation/Advice
	Divorce Financial Consulting
	Discretionary Asset Management (LPOA)
	Non-Discretionary Asset Management (LPOA with Prior Consent)
	Asset Monitoring (No Limited Power of Attorney to Direct Trades)
	Investment Management Consulting (No LPOA)
	Product Sales Based On Financial Plan
	Product Sales Not Based On Financial Plan

%	NATURE OF PRACTICE
	Timing Services
	Tax Preparation
	Accounting Services Other Than Tax Preparation
	Third Party Pension Administration
	Hourly Advice
	Wrap Accounts
	Referral To Third Party Managers
	Other:

13. As an advisor, does the Applicant provide advice on, recommend or use alternative investments? .....  Yes  No  
 If Yes, provide the percentage of the Applicant's total practice advice and/or portfolio use that the following alternative investments represent to the total advice and/or assets managed. Do not include investments that are used within a mutual fund.

%	Type Of Investment
	Private Placements
	Hedge Funds/Fund of Hedge Funds
	Mortgages, mortgage pools, mortgage backed securities
	Commodity Futures
	Unrated Bonds
	Investment Related Real Estate
	Options Contracts
	Unregistered Securities

%	Type Of Investment
	General or Limited Partnerships
	Foreign Securities Excluding ADR's
	REITS Privately Traded
	Promissory Notes
	Tangibles (gold, silver, collectibles, coins, etc.)
	Derivative Instruments
	Other:

14. Does the Applicant receive commissions? .....  Yes  No  
 If Yes, provide a breakdown of total commission income by percent. Must equal 100%

%	Type Of Product
	Mutual Funds
	Variable Annuities
	Life/Health/Disability/Accident Sales/Long Term Care
	Viatical Agreements/Senior Settlements/Life Settlements /Life Settlement-Backed Securities (Death Bonds)
	Listed Stocks
	Unlisted Stocks
	Investment Grade Bonds
	Junk Bonds

%	Type Of Product
	Promissory Notes/Leases/Receivables
	Private Placements
	REITS other than REIT Mutual Funds
	General or Limited Partnerships
	Unregistered Securities
	Foreign Securities/ADR'S
	Hedge Funds or Fund of Hedge Funds
	Options/Futures/Tangibles/CMO's/Derivatives

15. What percentage of the Applicant's revenue is derived from professional entertainers, celebrities, athletes and musicians? \_\_\_\_\_% If None, check here

16. Does the Applicant provide personal management services (e.g. sports management or bill paying, etc.) to any client? .....  Yes  No

17. (a) Is any advisory client an investment company (mutual fund), REIT, limited partnership or private placement? .....  Yes  No

(b) If Yes, provide details. \_\_\_\_\_

(c) If No, does the Applicant agree to notify the insurance company within thirty (30) days if the Applicant starts to render advisory services to such a client? .....  Yes  No

18. Has the Applicant or any associated professional ever: Provide details to any question that is answered Yes.

(a) Had a professional license or registration denied, suspended, revoked, nonrenewed or restricted?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(b) Been formally reprimanded by any court, administrative or regulatory agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(c) Had a complaint filed with any consumer agency, state securities department, insurance department or the Applicant's broke/-dealer, SEC, NASD, FINRA, IRS or other regulatory agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(d) Been audited by the SEC, NASD, FINRA, any state securities department, or other licensing or regulatory agency? If Yes, provide a copy of the audit letter and the Applicant's response.	<input type="checkbox"/> Yes <input type="checkbox"/> No
(e) Been formally accused of violating any professional association's code of ethics?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(f) Been convicted of a felony?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(g) Been involved in or is aware of any fee disputes including suits?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(h) Ever had a trading error loss in excess of \$5,000? If Yes, provide details including dates, amounts and by whom the loss was paid.	<input type="checkbox"/> Yes <input type="checkbox"/> No

19. During the last three (3) years has the Applicant or any affiliate been involved in, or presently considering or contemplating any merger, acquisition, divestiture or significant change in principals? .....  Yes  No  
 If Yes, provide details. \_\_\_\_\_

20. Does the Applicant manage assets for clients? .....  Yes  No  
 If Yes, complete the following:

(a) Use a written Investment Policy Statement for other than ERISA accounts?	<input type="checkbox"/>	Y <input type="checkbox"/> No
(b) Have Limited Power of Attorney to direct trades in the client's account? If Yes: please answer:	<input type="checkbox"/>	Y <input type="checkbox"/> No
<input type="checkbox"/> The Applicant uses full discretion to trade without prior consent of the client.		
<input type="checkbox"/> The Applicant uses discretion to trade within an Investment Policy Statement or written parameters.		
<input type="checkbox"/> The Applicant declines to exercise discretion and obtains prior consent for each and every trade.		
(c) Excluding advisory fees does the Applicant have power to withdraw/disburse funds in the account?	<input type="checkbox"/>	Yes <input type="checkbox"/> No
(d) Custodians: <input type="checkbox"/> Fidelity <input type="checkbox"/> TD Ameritrade <input type="checkbox"/> Schwab <input type="checkbox"/> Waterhouse <input type="checkbox"/> NATC <input type="checkbox"/> 1 <sup>st</sup> Trust/Data <input type="checkbox"/> Shareholder <input type="checkbox"/> Other: _____		

**ALL APPLICANTS – COMPLETE THE FOLLOWING FOR ALL ACCOUNTS IN WHICH THE APPLICANT ACTS AS AN INVESTMENT ADVISOR:**

21. Types of Accounts:

TYPES OF ACCOUNTS	Number of Accounts	Market Asset Value	Largest Account Asset Value
Discretionary ERISA Pension/Employee Benefit Plans		\$	\$
Discretionary Non-ERISA Pension/Employee Benefit Plans			
Discretionary All Other Accounts		\$	\$
Non-Discretionary ERISA Pension/Employee Benefit Plans		\$	\$
Non-Discretionary Non-ERISA Pension/Employee Benefit Plans			
Non-Discretionary All Other Accounts		\$	\$
Total All Accounts		\$	\$

22. Does the Applicant act as advisor or consultant for any Taft-Hartley, union, or governmental employee benefit plan? .....  Yes  No  
 If Yes, attach a list of accounts and assets.

23. (a) Number of accounts lost in the last twelve (12) months: \_\_\_\_\_  
 (b) Total assets under management for accounts lost in the last twelve (12) months: \$ \_\_\_\_\_  
 (c) Reasons for loss of accounts: \_\_\_\_\_

**NEW BUSINESS APPLICANTS ONLY:**

24. (a) Attach a separate sheet briefly describing the Applicant's investment philosophy.  
 (b) Attach a separate sheet listing the types and percentages of investments used in portfolios.

25. Has any insurer declined, cancelled or nonrenewed any Investment Advisor and/or Broker/Dealer Professional Liability Insurance or any similar insurance on behalf of any person(s) or organization(s) proposed for this insurance? .....  Yes  No  
 If Yes, provide details. \_\_\_\_\_

**NOTICE TO THE APPLICANT - PLEASE READ CAREFULLY**

No fact, circumstance or situation indicating the probability of a Claim or action for which coverage may be afforded by the proposed insurance is now known by any person(s) or organization(s) proposed for this insurance other than that which is disclosed in this application. It is agreed by all concerned that if there is knowledge of any such fact, circumstance or situation, any Claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

For the purpose of this application, the undersigned authorized agent of the person(s) and organization(s) proposed for this insurance declares that to the best of his/her knowledge and belief, after reasonable inquiry, the statements in this application, the form ADV Parts I and II and in any attachments, are true and complete. The Cambridge Alliance, LLC or the Company is authorized to make any inquiry in connection with this application. Signing this application does not bind the Company to provide or the Applicant to purchase the insurance.

This application, information submitted with this application and all previous applications and material changes thereto of which the Cambridge Alliance, LLC receives notice is on file with the Cambridge Alliance, LLC and the form ADV Parts I and II and is considered physically attached to and part of the policy if issued. The Cambridge Alliance, LLC and the Company will have relied upon this application, all such attachments and the form ADV Parts I and II in issuing the policy.

If the information in this application, any attachment and the ADV for Part I and II materially changes between the date this application is signed and the effective date of the policy, the applicant will promptly notify the Cambridge Alliance, LLC, who may modify or withdraw any outstanding quotation or agreement to bind coverage.

The undersigned declares that the person(s) and organization(s) proposed for this insurance understand that:

- (i) the policy for which this application is made applies only to "Claims" first made during the "Policy Period" and reported to the company during the "Policy Period" or within sixty days after the expiration date of the "Policy Period" unless the Extended Reporting Period is exercised. If the Extended Reporting Period is exercised, the policy shall also apply to "Claims" first made during the Extended Reporting Period and reported to the company during the Extended Reporting Period or within sixty days after the expiration of the Extended Reporting Period;
- (ii) the limits of liability contained in the policy shall be reduced, and may be completely exhausted by "Claims Expenses" and, in such event, the Company will not be liable for "Claims Expenses" or the amount of any judgment or settlement to the extent that such costs exceed the limits of liability in the policy; and
- (iii) "Claims Expenses" shall be applied against the "Deductible".

**WARRANTY**

I/We warrant to the Company, that I/We understand and accept the notice stated above and that the information contained herein is true and that it shall be the basis of the policy and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy. I/We authorize the release of claim information from any prior insurer to The Cambridge Alliance, LLC or the Company, P.O. Box 64998, Burlington, Vermont 05406.

Note: This application is signed by undersigned authorized agent of the Applicant(s) on behalf of the Applicant(s) and its, owners, partners, directors, officers and employees.

Must be signed by the owner, principal, partner, executive officer or equivalent (within 60 days of the proposed effective date).

**NOTICE TO APPLICANT:** Any person who knowingly files an application for insurance or statement of claim containing any 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 also punishable by civil penalties in certain jurisdictions.

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signing this application does not bind the Company or the Applicant or the underwriter to complete the insurance.