



Clearing the way for
Broker Dealers

BROKER/DEALER PROFESSIONAL LIABILITY APPLICATION FOR INSURANCE

Address			
1. a. Name of Applicant Broker / Dealer: _____			
b. Name of Applicant Corporate RIA: _____			
c. Name of Applicant Insurance Agency: _____			
Contact: _____			
Title: _____			
Type of Organization: <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other	State of Incorporation:	Year Firm Established:	Telephone Number: () - -

2. REQUESTED PROFESSIONAL LIABILITY COVERAGE
The Company offers Limits of Liability that cover each claim, with an annual per registered representative aggregate and an annual policy aggregate on the broker/dealer entity. Indicate Limits of Liability for which Applicant is applying:

- a. Registered Representative Limits of Liability:
 \$1,000,000/\$1,000,000 \$2,000,000/\$2,000,000 \$3,000,000/\$3,000,000
- b. Broker/Dealer Policy Aggregate:
 \$5,000,000 \$10,000,000 \$15,000,000
- c. Requested Deductible:
 \$5,000 \$10,000 \$25,000 Other

3. a. Has the Applicant been the subject of any mergers and/or acquisitions during the past three (3) years? Yes No
 If "Yes", attach full details.
- b. Is the Applicant currently involved or discussing any pending or possible mergers and/or acquisitions? Yes No
 If "Yes", attach full details.

4. Is there an Affiliated/Subsidiary Company(ies) to be covered? (Corporate RIA, Insurance Agency) Yes No
 If "Yes", complete a Supplemental Application for Affiliated/Subsidiary Company.

5. Number of OSJ Offices other than the Home Office _____

6. a. Current number of Registered Representatives _____
 Of the current number, how many non-producing Company Employees _____

b. Current number of non-licensed Employees _____

7. Do you expect to recruit or terminate a significant number of representatives's this year? Yes No
 Describe: _____

8. Do you allow Margin Accounts or Discretionary Trading (other than Asset Allocation Accounts or similar agreements limited to mutual funds and variable products)?
 Describe: _____

9. a. Of the total number of Customer Accounts (approximately)
 (1) What percent are Individual? _____% Institutional? _____% or Corporate? _____%
 (2) What percentage are Other? _____% Please describe. _____

b. Total asset value of customer accounts. \$ _____ As of: _____

10. Do any registered representatives sell through or have offices in banks, savings and loans, credit unions or similar institutions?
 Yes No
 If "yes" describe on an attachment what procedures are used to differentiate the securities sold by the registered representative from the insured C.D.'s sold by the banking organization and to ensure that the purchaser knows the risks.





11. Do you offer any proprietary products? Yes No If yes, how many? _____

Please describe: _____

12. Are all proprietary products registered either with the SEC or an appropriate state regulatory agency? Yes No
 If "No", please explain: _____

13. Do you offer Day Trading Services? Yes No If yes, please describe nature of services offered and percentage of Broker/Dealer revenue. _____

14. Does your firm engage in the underwriting of any securities? Yes No If "Yes", on what basis? _____

15. Describe the training provided to Registered Representatives.

16. Describe the procedures for monitoring the Registered Representatives compliance with state & federal statutes & regulations.

17. Do you have any investments on the approved product listing, that offer commissions of five (5%) percent or more to Registered Representatives?
 Yes No If "Yes", attach full details describing the investment product(s), and your procedures to monitor the sale of these products.

18. Name and address of clearinghouse used. _____

19. Does the Applicant or any of its Partners, Directors, Officers, Employees or Registered Representatives have any knowledge of any fact or circumstance which might give rise to a claim under the proposed policy?

Yes No If "Yes", attach full details.

20. Has the Applicant (or its predecessors) or any of its Partners, Directors, Officers, Employees or Registered Representatives been disciplined, fined or suspended by the SEC, NASD, or other regulatory body in the past year?

Yes No If "Yes", attach full details.

21. Please provide details of prior E&O Insurance carried and current Fidelity and D&O insurance. (If none, please so indicate)

a.

Carrier	Limits	Deductible	Premium	Effective Dates
				/ / to / /
				/ / to / /
				/ / to / /

b.

Current Insurance Coverage	Insurer	Limits	Premium	Expiration Date
Current Fidelity Bond				
Current Directors and Officers Liability Policy				

Limited Partnership Section

22. Number of Non-Proprietary Limited Partnerships currently offered? _____

23. Number of Proprietary Limited Partnerships currently offered? _____



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24. Describe or attach due diligence guidelines and procedures used for approving Limited Partnerships

25. Describe how your firm monitors the Limited Partnerships it sells. At what frequency are they monitored?

26. Describe how your firm investigates the General Partner's involvement and investment in each Limited Partnership. At what frequency are they investigated?

27. Is your firm or any Registered Representative(s), together or independently, an owner of more than five (5) percent of the General Partner of any Limited Partnership sold over the last five (5) years? Yes No
If Yes, please describe the Limited Partnership and attach all financial statements.

28. For all Limited Partnerships sold over the last five (5) years, have any:

- a. admitted in writing its inability to pay its debts, or ceased or significantly reduced the amount of its distribution? Yes No
- b. made a general assignment for the benefit of creditors? Yes No
- c. been subject to any proceedings for reorganization, bankruptcy or insolvency, relief of debtors, or seeking appointment of a receiver, trustee or other similar official for it or for any substantial part of its property? Yes No
- d. engaged in any business reorganization (including, without limitation, any transfer of all or substantially all of its assets, a "roll up", "roll over" or incorporation)? Yes No
- e. been the subject of a class action lawsuit involving its "securities"? Yes No
- f. been stated in the press to be financially troubled or under federal or state regulatory investigation with respect to its "securities"? Yes No
- g. been the subject of complaints or "suits" by clients of the Broker/Dealer or its Registered Representatives? Yes No

If you answer "yes" to any of the above, attach full details regarding each response.

29. Page 4 of this application must be completed and required documents attached.

- Maine Applicants: 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 denial of insurance benefits.
- New York Applicants: 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 civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation. NY§403.(d)
- Kentucky Applicants: 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.
- Florida Applicants: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
- Ohio Applicants: 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.
- Pennsylvania Applicants: 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.

IT IS AGREED WITH RESPECT TO QUESTIONS #23, #24, ABOVE, AND ATTACHMENTS #12 AND #13 THAT IF SUCH CLAIM EXISTS, OR KNOWLEDGE OR INFORMATION EXISTS AND ANY CLAIM OR ACTION ARISES THEREFROM, IT IS EXCLUDED FROM THIS PROPOSED COVERAGE.

THE UNDERSIGNED APPLICANT WARRANTS THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE APPLICANT FURTHER WARRANTS THAT IF THE INFORMATION ON THIS APPLICATION BY THE APPLICANT CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE TIME WHEN THE POLICY IS ISSUED, THE APPLICANT WILL IMMEDIATELY NOTIFY THE CARRIER PRIOR TO POLICY ISSUANCE.

SIGNING OF THIS APPLICATION DOES NOT BIND THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.

Signature

Title

Date

(Must be signed by an Officer, if a Corporation; a General Partner, if a Partnership.)



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REGISTERED REPRESENTATIVES BY STATE OF DOMICILE

Table with 6 columns and 20 rows listing states from Alabama to Wyoming, each with a blank line for registration status.

TOTAL NUMBER OF REPRESENTATIVES _____

ATTACHMENT CHECKLIST

- Checklist items 1-15 with checkboxes and descriptions of required documents like 'Signed and dated Application', 'Breakdown of revenue by type of product or service', etc.