



Travelers 1st Choice SM

**ACCOUNTANTS PROFESSIONAL LIABILITY COVERAGE
INVESTMENT ADVICE/FINANCIAL PLANNING PRACTICE SUPPLEMENT**

Travelers Casualty and Surety Company of America
Hartford, Connecticut

Important Note: This is an application for a claims-made policy. To be covered, a claim must be first made against an insured during the policy period or any applicable extended reporting period.

New York Defense Expenses Notice: If this policy contains an insuring agreement that includes defense expenses within the limits of coverage, payment of defense expenses may reduce the professional liability coverage limits up to 50%. If this policy contains an insuring agreement that includes a deductible that applies to defense expenses, up to 50% of the deductible amount may be applied to defense expenses.

Throughout this supplement the terms "you" and "your" means the entity or individual applying for this insurance.

APPLICANT INFORMATION

1. ☐ New business ☐ Current Travelers policy number: _____
2. Your full legal name: _____

GENERAL INFORMATION

3. Please indicate the amount of gross revenues earned by you, your affiliates, and their employees from investment advice, financial planning, asset management or product sales for the following:
- A.i. Last fiscal year:.....\$ _____
- ii. Projected current fiscal year:.....\$ _____
- B. Please indicate the percentage of the above revenue that is commissioned based:.....%
4. Please provide a narrative description for each service provided shown below. Please indicate if compensation for such service is on a commission, fee, referral fee, or other basis.

Type of Service (please describe)	Service Provided	Compensation
Prepare Financial/Estate Plans:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Recommend Specific Investments (individual stocks or mutual funds, bonds or other investments):	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Discretionary Asset Management:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Non-discretionary Asset Management:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Portfolio Management Services:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain)

Type of Service (please describe)	Service Provided	Compensation
Business Valuation:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Conduct Investment Transactions for Clients:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Recommend or Sell any Life and Health Insurance Products (including variable and fixed annuities):	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Recommend or Sell any Property and Casualty Insurance Products:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Assist in the Buying or Selling of Real Estate:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):
Other Financial Planning or Investment Advice:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Commission <input type="checkbox"/> Fee <input type="checkbox"/> Referral Fee <input type="checkbox"/> Other (please explain):

5. Please indicate which products you recommend, refer, manage, or sell and estimate the percentage of revenue derived from these activities:

Products	Yes or No	Percentage of Revenue by Group
Group I <ul style="list-style-type: none"> Mutual Funds Fixed Annuities Variable Annuities Life/Health/Disability/ Accident Insurance 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	Group I Revenue: _____%
Group II <ul style="list-style-type: none"> Listed Stocks and Bonds Property/Casualty Insurance 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	Group II Revenue: _____%
Group III <ul style="list-style-type: none"> Unlisted Stocks and Bonds Options and Futures Foreign Securities REITs Private Placements General Limited Partnerships Viatical or Life Settlement Agreements 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	Group III Revenue: _____%
Group IV <ul style="list-style-type: none"> Derivatives Hedge Funds Other (please describe): 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	Group IV Revenue: _____%

6. Please provide the name and credentials of any owner, officer, or employee, who in the last five years has been registered or qualified with the SEC, NASD or a state securities agency as an investment advisor, or supervised person of an investment adviser, or registered representative of a securities broker/dealer.

Name of Owner, Officer, or Employee	Current Credentials (i. e. CFP, CFA, RIA)	Agency of Registration

7. Are any of the professionals shown above a Registered Representative of a broker/dealer?.....☐Yes ☐No
If yes:

- A. Please provide the name of the broker/dealer: _____
B. Does the broker/dealer provide your firm with errors and omissions coverage?.....☐Yes ☐No
i. If yes, what are the limits of liability?.....\$ _____

8. What year did investment advisory operations begin?..... _____

9. Does your firm have a contractual relationship with a securities broker/dealer?.....☐Yes ☐No
If yes, please complete the following chart:

Name of Broker/Dealer	Services Provided	Relationship	Does Broker/Dealer Provide Errors and Omissions Coverage To You or Your Employee <input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

- A. Do the employees providing these services complete the required CPE?.....☐Yes ☐No
B. Please complete the following chart for each employee providing these services:

Name of Employee	Experience Providing Services	CPE Courses Completed Last 12 Months

10. Are any of your employees an agent for a life insurance company or agency, or a licensed accident/disability/life/health insurance agent/broker/producer?.....☐Yes ☐No
If yes, please complete the following chart for such employee:

Name of Employee	Annual Premium Volume	Annual Commissions	Number of Policies

11. Does each accident/disability/life/health insurance agent/broker/producer have errors and omissions insurance?.....☐Yes ☐No
If yes, please submit a copy of the current Declarations page for each agent/broker/producer..

12. Are you a registered investment adviser?.....☐Yes ☐No
If yes, please provide résumés for each individual providing services as an investment adviser.

13. Do any of your employees have professional qualifications specific to financial planning?.....☐Yes ☐No
If yes, please complete the following chart for such employee(s):

Name of Employee	Qualifications

14. Do you invest client funds in limited partnerships or other investments in which you have a financial or other interest?.....☐Yes ☐No
15. Do you require a signed engagement letter or contract updated annually describing the client's investment goal and the services you will perform? ☐ Yes ☐ No
16. Do you have a written procedure requiring the preservation of written records of the factual source and verification made by the firm in connection with client investments, objective returns and risk tolerance?..☐Yes ☐No
17. Do you ever accept percentages of business transactions as compensation for accounting services?.....☐Yes ☐No
18. Do you guarantee, in any way, a predetermined return on investments to clients?.....☐Yes ☐No
19. Within the past two years have you recommended to your clients any non-public investments?.....☐Yes ☐No
20. Do you, as a fiduciary or advisor to an ERISA plan, recommend investments or mutual funds to which you provide other accounting services or acts as an officer or director?.....☐Yes ☐No
21. Does you have established procedures, and a system in place to apply such procedures, which would reasonably be expected to prevent and detect insider trading and any violations of the 1988 Insider Trading Act?.....☐Yes ☐No
22. Please provide the total asset value of all accounts managed for your current and previous years:
- A. Current Year:.....\$ _____
- B. Previous Year:.....\$ _____
23. Please provide:
- A. The number of accounts lost during last 12 months:..... _____
- B. The corresponding asset value:.....\$ _____
24. As part of the training provided to those who provide investment advice or sales of securities business to your clients, is there regular training on:
- A. Required compliance policies?.....☐Yes ☐No
- B. Federal securities laws?.....☐Yes ☐No
- C. Self-regulatory organization (SRO) rules?.....☐Yes ☐No
- D. NASD Conduct Rule 2310?.....☐Yes ☐No

25. Please provide the following for each investment adviser in your firm:

Name of Employee	ADV Number	Date Approved

If you answered yes to any of the questions above, please provide details: _____

COMPENSATION NOTICE

Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

FRAUD WARNINGS

Attention: Insureds in AR, CO, DC, KY, LA, NJ, NM, NY, and OH

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 may also be subject to a civil penalty.

(In New York, the civil penalty is not to exceed five thousand dollars and the stated value of the claim for each such violation.)

(In Colorado, 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.)

Attention: Insureds in FL

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 felony of the 3rd degree, and may also be subject to a civil penalty.

Attention: Insureds in ME, TN, VA, and WA

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.

Attention: Insureds in PA

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.

SIGNATURE AND AUTHORIZATION

The undersigned authorized representative of the firm, or individual if this application is for an individual, agrees to all of the following:

- The statements and representations made in this application are true and complete and will be deemed material to the acceptance of the risk assumed by Travelers in the event an insurance policy is issued.
- If the information supplied in this application changes between the date of the application and the effective date of any insurance policy issued by Travelers in response to this application, you will immediately notify us of such changes, and we may withdraw or modify any outstanding quotation or agreement to bind coverage.
- Travelers is authorized to make an investigation and inquiry in connection with this application.
- Travelers is not bound or obligated to issue any insurance policy or to provide the insurance requested in this application.

Signature (Partner, Member, Officer, Shareholder)

Date

Name (print)

Title

*If you are electronically submitting this application to Travelers, apply your electronic signature to this form by checking the Electronic Signature and Acceptance box below. By doing so, you hereby consent and agree that your use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes your signature, acceptance, and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.

☐ **Electronic Signature and Acceptance**

Important note: This application is not a representation that coverage does or does not exist for any particular claim or loss, or type of claim or loss, under any insurance policy issued by Travelers. Whether coverage exists or does not exist

for any particular claim or loss under any such policy depends on the facts and circumstances involved in the claim or loss and all applicable wording of the policy actually issued.

INSURANCE AGENT OR BROKER MUST COMPLETE THE FOLLOWING:

Submitting agency name

☐ Direct

☐ Sub-produced

Address (street, city, state, zip code)

Phone

Fax

Email

Licensed producer name

License number

ADDITIONAL INFORMATION:

In the section below you may provide additional information to any of the questions in this application (please reference the question number).