

Frequently Asked Questions

1. Who is Aon?

Aon has been appointed by ProEquities and Protective Life as the insurance broker responsible for the placement of the E&O program. Aon is a leading global provider of risk management, insurance brokerage, and reinsurance brokerage solutions. Aon has been brokering Life Agents' and Broker Dealer professional liability programs for over 35 years.

2. Who is our Insurer?

Zurich American Insurance Company, a member of the Zurich NA group of insurance companies, is the insurer of this program. Refer to page 2 for carrier A.M. Best rating.

3. What are my Limits of Liability?

The limits of liability are \$1,000,000 Each Claim; \$1,000,000 Aggregate per Insured Agent/Rep. The Each Claim limit is the most the Insurer will pay on any one claim. The Aggregate per Insured Agent/Rep is the most the Insurer will pay for all Claims reported during the Certificate Period for each Insured Agent, regardless of the number of claims. Sublimits are included within and not in addition to the Limits of Liability.

4. What is my deductible?

\$ 2,500 Each Claim involving insurance products, mutual funds or variable products
\$ 5,000 Each Claim involving Securities or Cyber Liability
\$ 0 Each Claim involving covered Regulatory Matters

Deductibles apply to the payment of both Damages and Defense Costs.

4. What does "Claims Made and Reported" mean?

Coverage is written on a Claims Made and Reported basis which means that the policy applies to claims first made against you, and reported to the Insurer, in writing during the Policy Period. You may not select counsel or incur any expense prior to advising Zurich, as this may jeopardize coverage under the policy. Please refer to "What to do in the Event of a Claim" for further details.

5. What is considered a Claim?

A Claim is considered to be a written demand for monetary or non-monetary damages alleging a Wrongful Act. A Claim is not limited to a formal complaint or lawsuit.

If you become aware of a circumstance which has or may eventually give rise to a Claim, even if you feel that the claim is unjustified, report the available particulars immediately. Should the circumstances or “potential” Claim develop into an actual Claim at a future date, your reporting of a possible incident will serve as a notice of claims under this policy period.

1. Does the Insurer have a duty to defend me?

Yes, the Insurer has the right and duty to defend any Claim made against you within the terms of the policy. If a claim alleges dishonest, fraudulent or malicious acts, a defense will be provided only if there are covered allegations as well.

Please remember that your coverage under the policy could be jeopardized if you admit liability, agree to any settlement or incur any expense without the prior consent of the E&O Carrier.

Defense Costs are in addition to the Limits of Liability.

2. Am I Covered for the Sale, Solicitation or Servicing of Mutual Funds through ProEquities ?

You are covered for the sale, solicitation and servicing of Mutual Funds that are sold through ProEquities. Additionally, you are covered for the servicing of mutual funds if ProEquities has an approved servicing agreement with the provider and is designated as broker/dealer of record.

3. Do I have Cyber Coverage?

Yes, you have coverage for first and third party Cyber Liability claims. This endorsement will provide coverage for Cyber Management Expenses incurred with the Insurer’s prior written consent that are a direct result of a Network Security Breach, Privacy Violation or any Interrelated Breaches/Violations, please see pages 3-4 for additional details.

4. Am I Covered for Acts Committed Prior to the Inception Date of the Policy?

Coverage for Claims involving actual or alleged errors which took place prior to the inception date of the Policy is based on whether the Claim or potential claim is alleged to have occurred on or after your Prior Acts Date (Retroactive Date) and on or before your Termination Date (if applicable). Please see page 6 for additional details regarding Prior Acts coverage.

5. What happens if my Agent’s Contract with ProEquities or Protective Life or affiliated companies is terminated?

If your agent contract or employment is terminated with ProEquities or Protective Life during the policy period, coverage automatically ceases on the date your contract or employment terminates. There will be no return of premium from Zurich. Certain Extended Reporting Periods (ERPs) may apply, please refer to page 8 for details.