



New York Life

HIGHLIGHTS OF THE ERRORS AND OMISSIONS PROFESSIONAL LIABILITY PLAN (PLP)

This is a voluntary program
for the Agents of
New York Life Insurance Company

Sponsored by the
New York Life Agents' Purchasing Group

Insurer:

Zurich American Insurance Company
One Liberty Plaza
New York, NY 10006

Policy Number:
EOC- EOC 2808624 13

Policy Period:
12:01 a.m. September 1, 2010
to
12:01 a.m. September 1, 2011

Broker:
Aon Risk Services Northeast, Inc.
199 Water Street
New York, NY 10038

THIS OUTLINE PROVIDES GENERAL INFORMATION ON YOUR ERRORS AND OMISSIONS PROGRAM WITH ZURICH. IT IS NOT INTENDED TO INTERPRET THE TERMS OF THE POLICY OR TO GIVE LEGAL ADVICE, BUT RATHER TO SUMMARIZE OUR UNDERSTANDING OF THE COVERAGE PROVIDED. IF THERE IS AN INCONSISTENCY BETWEEN THIS OUTLINE AND THE POLICY LANGUAGE, THE TERMS AND CONDITIONS OF THE POLICY SHALL CONTROL.

THIS POLICY IS WRITTEN ON A CLAIMS MADE AND REPORTED BASIS

TABLE OF CONTENTS

I. Current Program Review	1
II. Questions and Answers on Coverage	2
A. Who Is the Insurer?	2
B. Who Is the Sponsor of the Group Life Insurance Agents' Errors and Omissions Liability Policy (hereinafter referred to as "PLP")?	2
C. Who Is Covered under the PLP?	
1. Enrolled Agents	2
2. Enrolled Registered Representatives of NYLIFE Securities LLC.....	2
3. Enrolled Grandfathered NYL Agents	2
4. Employees of Insured	2
5. Enrolled Employees of NYL.....	2
6. Owned Corporation	2
7. Enrolled IARs of Eagle Strategies Corp.....	3
8. Licensed Service Assistants.....	3
9. NYL and Subsidiaries and Non-Soliciting Agents	3
D. What Are Damages?	3
E. What Are Your Limits of Liability?	4
F. What Professional Services Are Covered?	4
G. What Is Your Deductible?	5
H. Are Prior Acts Covered Under the PLP?	5
I. Is Financial Planning Covered?	5
J. Am I Covered for the Sale of the Insurance Products of Other Life Insurance Companies?	6
K. Does Zurich Provide a Defense?	6
L. Can I Settle a Claim Without Zurich's Consent?	6
M. Is Personal Injury Coverage Provided Under the Policy?	6
N. Am I Covered for Any Activities Related to Property and Casualty Insurance?	6
O. Is the Cost of this Policy Competitive?	6
P. What Does Claims Made and Reported Mean?	6
Q. What Is a Cost of Correction Claim or Trade Error Claim?	6
R. Can I Get a Refund If I terminate My Contract with NYL?	7
S. Is There an Extended Reporting Period (ERP)?	7
1. Automatic ERPs.....	7
2. Optional ERPs.....	8
3. ERP Eligibility.....	8
4. ERP Election.....	8

5. ERP Inception.....	9
III. Policy Exclusions.....	10
A. Fraud.....	10
B. Bodily Injury/Property Damage.....	10
C. Contractual Liability.....	10
D. Insured Owned/Controlled Enterprises.....	10
E. Insured Sponsored Benefit Plan.....	10
F. Willful Violations of Security Regulations.....	10
G. Promises/Guarantees as to Future Security Values.....	10
H. Third Party Professional Services.....	11
I. Commingling or Use of Client Funds.....	11
J. Insolvency.....	11
K. Claims by Other Insured Agents or NYL.....	11
L. Failure to Collect or Pay Premium or Tax Monies.....	11
M. MEWAs.....	12
N. Investment Products Owned by Agents.....	12
O. Unlicensed Organizations.....	12
P. Formation/Operation of HMOs, PPOs, RRGs, and Self-Insured Programs.....	12
Q. Fluctuation in Market Value of Any Security.....	12
R. No Known Wrongful Acts Involving Security Sales.....	12
S. Promissory Notes and Viatical Settlements.....	12
T. Known Prior Acts.....	13
IV. Notice of Claims.....	14
A. What Are My Obligations Under the Policy for Reporting Claims or Potential Claims?.....	14
B. What Is Considered a Claim?.....	14
C. What Should I Do If I Have a Claim?.....	14
D. What Actions Should I Avoid in the Event of a Claim?.....	15
E. What Should I Do If in Doubt About Whether or How to Report a Claim or If I Have a Coverage Question?.....	15
F. What Happens After the Claim Is Reported?.....	15
G. What Should I Do If I Need Proof of My E&O Coverage?.....	15
V. Requests for Certificates of Insurance.....	16
VI. Important Telephone Numbers and Addresses.....	17
VII. Claim Report Form	18

I. CURRENT PROGRAM REVIEW

Carrier:	Zurich American Insurance Company AM Best Rating: A/XV
Policy Owner:	New York Life Agents' Purchasing Group
Individual Insureds:	Agents of New York Life Insurance Company Agents of New York Life Insurance and Annuity Corporation Agents of NYLIFE Insurance Company of Arizona Investment Adviser Representatives of Eagle Strategies LLC Registered Representatives of NYLIFE Securities Inc. The Agents and Registered Representatives of NYLIFE Securities LLC Members of the New York Life Agents' Purchasing Group
Policy Period:	September 1, 2010 to September 1, 2011
Policy Number:	EOC 2808624-13
Limits of Liability:	<i>(Defense costs are outside the limits of liability)</i>
Option 1:	\$1,000,000 each Claim/Each Certificate Holder \$3,000,000 Annual Aggregate/Each Certificate Holder
Option 2:	\$2,000,000 each Claim/Each Certificate Holder \$6,000,000 Annual Aggregate/Each Certificate Holder
Option 3*:	\$5,000,000 each Claim/Each Certificate Holder \$10,000,000 Annual Aggregate/Each Certificate Holder <i>*This option is only available to Chairman's Council Agents</i>
Deductible:	\$0 Each Claim (please see Section III. S for one exception)
Retroactive Date:	None

II. QUESTIONS AND ANSWERS ON COVERAGE

A. **Who Is the Insurer?**

Zurich American Insurance Company, (hereinafter referred to as "Zurich") has an A.M. Best's rating of A as of June 2010.

B. **Who Is the Sponsor of the Group Life Insurance Agents' Errors and Omissions Liability Policy (hereinafter referred to as "PLP")?**

The New York Life Agents' Purchasing Group is the sponsor of the PLP.

C. **Who Is Covered Under the PLP?**

1. **Enrolled Agents**

Enrolled Agents who have an agent's contract with NYL or a NYL subsidiary and are licensed by the appropriate authorities to solicit and sell life, accident and health insurance products and/or services.

2. **Enrolled Registered Representatives of NYLIFE Securities LLC**

Enrolled Registered Representatives who have an agent's contract with NYL or a NYL subsidiary and a registered representative agreement with NYLIFE Securities LLC (hereinafter referred to as "NYLSEC") and are licensed by the appropriate regulatory authorities.

3. **Enrolled Grandfathered NYL Agents**

An enrolled grandfathered NYL agent who is associated with a broker/dealer other than NYLSEC and who has met all of the following conditions: i) is currently enrolled in the PLP, ii) renews coverage under the PLP, iii) has permission from NYL to associate with an outside broker/dealer that is registered with FINRA, iv) has a registered representative agreement with that broker/dealer, v) sells all securities through that broker/dealer, and vi) is licensed by the appropriate regulatory authorities. NYL will provide a list of these agents to Zurich.

4. **Employees of Insured**

Employees acting on behalf of an Insured, but only with respect to professional services as defined in the policy (hereinafter called "Professional Services") provided by the Insured.

5. **Enrolled Employees of NYL**

Enrolled employees of NYL or a NYL subsidiary who are engaged in Professional Services. For example, TAS agents.

6. **Owned Corporation**

Any corporation, partnership or other business entity that engages in Professional Services and is either owned or controlled by an Insured Agent is generally covered under the Insured's policy, but only with respect to those operations of the business entity related to the Professional Services provided by the Insured Agent.

7. Enrolled IARs of Eagle Strategies Corp.

Enrolled Investment Adviser Representatives ("IARs") of Eagle Strategies Corp. or Eagle Strategies LLC (hereinafter referred to as "Eagle" or "Eagle Strategies") who: i) have an agent's contract with NYL and are properly licensed; and ii) render financial investment advice on behalf of Eagle for compensation pursuant to a written contract defining the scope of their services and the amount of compensation.

8. Licensed Service Assistants

Licensed Service Assistants are generally covered under the Supervising Agent's policy for any services that they perform on the Supervising Agent's behalf while assisting the Supervising Agent in the sale or servicing of covered insurance products, mutual funds and securities. This is provided that the Licensed Service Assistants are acting within the scope of their duties as defined by the appropriate regulatory authorities.

9. NYL and Subsidiaries and Non-Soliciting Agents

NYL and its subsidiaries, each Non-soliciting Corporate Agent and each Non-Soliciting Sub-Agent or Non-Soliciting Business Agent who has a non-soliciting Memorandum of Understanding with NYL are covered as Additional Insureds under the Insured Soliciting Agent's policy. This means that they are covered to the extent that they are sued for liabilities arising from the Soliciting Agent's allegedly negligent acts, errors or omissions. For example, if a Non-Soliciting Corporate Agent, Non-Soliciting Corporate Sub-Agent or Non-Soliciting Business Agent is sued solely because of an allegedly negligent referral to a Soliciting Agent, s/he will not be covered under the Soliciting Agent's policy (hence the need for separate coverage).

Each Non-soliciting Corporate Agent, Non-soliciting Corporate Sub-Agent or Non-Soliciting Business Agent that has a Non-Soliciting Memorandum of Understanding with New York Life and is enrolled in the PLP is generally covered for claims that s/he acted improperly in connection with his/her referrals of a customer to a Soliciting Agent. Activities/services beyond the scope of providing a referral will not be covered.

***Important Note:* Coverage limits afforded to the Agent are shared with the individuals or entities covered under the Agent's policy. Subject to a \$25,000 deductible per claim, NYLIFE Securities LLC and NYLINK Insurance Agency Incorporated are covered for \$1M per claim/\$5M for direct liability in the aggregate in its capacity as a General Agent. Coverage for NYLIFE Securities LLC and NYLINK Insurance Agency does not erode an individual agent's limits unless NYLIFE Securities LLC or NYLINK Insurance Agency is sued as the result of an agent's negligent acts, errors or omissions.**

D. What Are Damages?

Damages are monetary amounts for which an Agent is legally liable. Damages do not include fines or penalties imposed by law, punitive or treble damages, the return or withdrawal of fees, commissions or brokerage charges or surrender charges (other than those surrender charges that exceed commission), non-pecuniary or injunctive relief or amounts from acts deemed uninsurable by law.

E. What Are Your Limits of Liability?

Each Established Agent has the option of purchasing a limit of liability of either \$1,000,000 each Claim/\$3,000,000 Annual Aggregate or \$2,000,000 each Claim/\$6,000,000 Annual Aggregate. TAS Agents in their first contract year, Non-Soliciting Agents, PTAS Agents and College Interns can only elect the lower limit. Chairman’s Council agents can purchase a limit of \$5,000,000 each claim/\$10,000,000 in the annual aggregate.

Please note that your per claim limit is the maximum Zurich will pay on your behalf for any one claim. The aggregate limit is the maximum amount Zurich will pay in any policy period for each Agent regardless of the number of claims. However, defense costs are in addition to the Limits of Liability.

F. What Professional Services Are Covered?

“Professional Services” shall mean:

1. The sale or servicing and the attempted sale or servicing of:
 - a. Life Insurance, Accident and Health Insurance, Workers’ Compensation Insurance as part of a 24 Hour Accident and Health Insurance product, Disability Income Insurance, Annuities, and Long Term Care Insurance;
 - b. Variable products, including, but not limited to Variable Annuities, Flexible and Scheduled Premium Annuities and Variable Life Insurance;
 - c. Employee Benefit Plans, other than “Placement of Coverage with Multiple Employer Welfare Arrangements” (“MEWAs”), including Group Plans, Group or Ordinary Pension or Profit Sharing Plans, Retirement Annuities, Life, Accident and Health, and/or Disability Plans;
 - d. Mutual Funds registered with the Securities and Exchange Commission.
 - e. (1) “Securities” for which NYLSEC acted as “Broker/Dealer” in connection with the specific sale out of which the “Claim “ arose;
 - (2) “Securities” sold through a “Broker/Dealer” authorized by New York Life or its “Subsidiary”; or
 - (3) “Securities” sold through a prior “Broker/Dealer” under the following circumstances:
 - (a) the prior “Broker/Dealer” is a FINRA member firm;
 - (b) the “Insured” Registered Representative had a contract with the prior “Broker/Dealer” to sell “Securities” at the time the sale took place; and
 - (c) the “Securities” were approved products of the prior “Broker/Dealer”.

2. The provision of financial planning services or investment advice and the delivery of financial planning or investment products and programs, but only if the "Claim" involves the products listed above in Section F.1. and the referral of discretionary trusts funded solely with the products listed in Section F.1., above. This does not apply to Investment Advisor Representatives. See Section I below.
3. The referral of a person or organization to a Named Insured by an "Insured" Non-Soliciting Agent/Sub-Agent.
4. Providing investment advice as a fiduciary adviser pursuant to the Pension Protection Act of 2006, and any amendments thereto.

G. What Is Your Deductible?

There is no deductible for any claims with one exception (Please see Section III. S for the exception).

H. Are Prior Acts Covered Under the PLP?

Yes, Prior Acts are covered as long as:

- a. The Insured had no knowledge prior to his or her original date of enrollment in the PLP of a circumstance that could reasonably be expected to result in a Claim;
- b. There is no other valid and collectible insurance available
- c. The alleged errors or omissions fall within the scope of covered professional services; and
- d. If a claim involves the sale of a securities product, the covered Agent's prior broker/dealer:
 - was a member firm
 - had a registered representative agreement with the covered Agent at the time of sale; and
 - approved the security that was sold.

I. Is Financial Planning Covered?

Yes. Financial planning and investment advice are covered as long as they are rendered in relation to products included within the definition of "Professional Services". Agents who are also Investment Advisor Representatives of Eagle Strategies are covered for financial planning and investment advice for all products, other than those that are excluded, provided they have a written contract with Eagle Strategies that defines the scope of such advice and/or services and their compensation.

J. Am I Covered for the Sale of the Insurance Products of Other Life Insurance Companies?

Yes. Zurich's policy covers you for the professional services rendered by you as a life insurance agent for other companies.

K. Does Zurich Provide a Defense?

Yes. Zurich has the right and duty to defend a claim against you alleging negligent acts, errors, or omissions in rendering or failing to render Professional Services for third-parties in your capacity as a NYL agent. Subject to the policy terms and conditions, a defense is provided even if the suit is groundless, false or fraudulent. This means that Zurich will appoint counsel for you. You should not retain your own counsel unless Zurich gives you written consent to do so.

L. Can I Settle a Claim Without Zurich's Consent?

No. You should not make any payment, admit any liability or settle any claim without the written consent of Zurich. Doing so may jeopardize your coverage under the policy.

M. Is Personal Injury Coverage Provided Under the Policy?

Yes. Personal injury, (which includes libel, slander and defamation) is covered as long as it arises in connection with the rendering or failing to render professional services for clients in your capacity as an Agent or Registered Representative.

N. Am I Covered for Any Activities Related to Property and Casualty Insurance?

No.

O. Is the Cost of this Policy Competitive?

The premium for this policy is considerably less than the cost of procuring such insurance independently. In addition, this group policy provides broader coverage than most group policies at very competitive rates.

P. What Does "Claims Made and Reported" Mean?

A Claim is "made" when you first receive an oral or written demand for monetary damages, including but not limited to the service of suit or the institution of arbitration proceedings. A Claim is reported by your giving written notice of it to AON.

It is critical to remember that any Claim should be reported to AON in writing as soon as possible. Please see Section IV for instructions.

Q. What Is a Cost of Correction or Trade Error Claim?

A cost of correction or trade error claim ("Trade Error Claim") generally arises from your failure to follow or implement directions from a client in connection with a registered insurance product or investment. If the error is not immediately corrected, a

client would typically bring a claim. Trade Error Claims are covered under the policy as long as the negligent act, error or omission would otherwise be covered under the policy, the correction is approved by and made by NYL or a NYL subsidiary, and timely reported to Zurich. Please note that if an agent or registered representative makes a correction, the coverage does not apply.

R. Can I Get a Refund If I Terminate My Contract With NYL?

If your contract is terminated or you otherwise cease being a NYL agent during the policy period ("Applicable Policy Period"), your coverage under the PLP will continue as your primary coverage until the end of the policy period.

An exception to this rule is that if you obtain applicable coverage under another policy, the PLP will constitute excess coverage through the expiration of the Applicable Policy Period. Assuming that you are covered on either a primary or excess basis until the Applicable PLP policy period expires, there will be no refund.

You may obtain what is known as a "short rate" refund of a portion of your premiums if you send a written request to cancel your certificate of insurance during the policy period. However, such a refund would be less than a pro rata refund. More importantly, acts or omissions occurring subsequent to the effective date of the cancellation of the policy will not be covered under the PLP. Therefore, depending on whether you have obtained coverage under another policy and the scope of such coverage (e.g. whether it covers prior acts), you may have a gap in coverage and could be exposed to claims for which you do not have any insurance. If you wish to cancel your certificate of insurance, please contact Aon Affinity for additional information.

S. Is there an Extended Reporting Period (ERP)?

Yes. There are automatic (no additional premium is required) or optional ERPs for which you must pay additional premium (described below). An ERP will enable you to report claims commenced against you after the earlier of the expiration of the Applicable Policy Period (the policy period in which your NYL Agent's contract was terminated or you otherwise ceased being a NYL agent) or the effective date of the cancellation of your certificate of insurance.

Please note that the ERP only enables you to report claims involving acts or omissions that occurred prior to the earlier of the expiration of the Applicable Policy Period or the cancellation of your contract. Further, under no circumstances will there be coverage for sales made or services provided after the earlier of the expiration of the Applicable Policy Period or the cancellation of your coverage. Finally, the ERP will not be available if you have other applicable coverage.

Please note that the automatic ERPs have conditions and limitations. Please read the descriptions below. **Features of the ERP Options:**

- 1. Automatic ERPs** (these ERPs do not reinstate or increase the limits and are applicable only if there is no other applicable insurance):

- For the Period of Time that Zurich Underwrites the PLP - You will have an ERP that extends claim reporting to claims arising from Professional Services involving all products covered under the policy.
 - If the PLP Is Moved to Another Insurance Carrier - You will have an ERP that extends claim reporting for 3 years from the earlier of the expiration of the Applicable Policy Period or the cancellation of your coverage. For the first year, the ERP will extend claim reporting to all claims arising from Professional Services involving all products covered under the policy. During the last two years, this ERP will limit claim reporting to claims involving covered products issued or offered for sale by NYL or authorized by or sold through a NYL subsidiary.
- 2. Optional ERPs** (limits will be reinstated if you have been covered under the PLP for 3 years or longer, but will not be available if you have other applicable coverage).

If you want to protect yourself against possible gaps in coverage because of the possibility that the PLP could be moved to another insurance carrier, you have the right to purchase ERP coverage that is broader than the free automatic ERPs applicable under those circumstances. Please call Aon/Affinity for further information.

3. ERP Eligibility

- Automatic ERPs: - Those eligible include retired, disabled, terminated enrolled NYL agents (including agents who terminate their agent contract and become employees of NYL), or enrolled registered representatives of NYLSEC (and other broker dealers who have been approved by Zurich) who do not have other applicable insurance.
- Optional ERPs – Those eligible include the following enrollees in the PLP: retired and disabled NYL agents, NYLSEC registered representatives, terminated NYL agents (including agents who terminate their agent contract and become employees of NYL) and registered representatives of NYLSEC (and other broker dealers who have been approved by Zurich) who do not have other applicable insurance. Eligibility for the 5-year and unlimited optional ERPs described above is limited to enrolled retired, permanently and totally disabled agents or the estates of expired agents who were enrolled at the time of death where there is no other applicable insurance.

4. ERP Election:

- Automatic ERPs – no election required. Subject to the terms and conditions of the policy, the ERP is automatically provided to those who are eligible at no additional cost.
- Optional ERPs – those eligible must elect to purchase by contacting AON and paying the applicable premium and fees within the greater of 60 days from the expiration of the Applicable Policy Period or cancellation of the agent's coverage under the Zurich policy or 30 days from the date of mailing or delivery of the notice about the ERPs from Zurich.

5. ERP Inception:

The ERPs begin upon expiration of the earlier of the Applicable Policy Period or the cancellation of your coverage.

III. POLICY EXCLUSIONS

This Policy shall not apply to:

A. Fraud

Any "Claim" arising out of any act, error, or omission of the "Insured" committed with dishonest, fraudulent, malicious or knowingly wrongful purpose or intent; however, notwithstanding the forgoing, the "Insured" shall be afforded a defense, subject to the terms of this Policy, until the allegations are subsequently proven by a final adjudication. In such event, the "Insured" shall reimburse the Company for all "Defense Costs" incurred by the Company;

B. Bodily Injury/Property Damage

Any "Claim" alleging bodily injury, sickness or death of any person, or injury to or destruction of any tangible property, including loss of use thereof;

C. Contractual Liability

Any "Claim" alleging the liability of others assumed by the "Insured" under any contract or agreement unless such liability would have attached to the "Insured" even in the absence of such agreement;

D. Insured Owned/Controlled Enterprises

Any "Claim" by an enterprise, which one or more "Insureds" own, operate, control or manage; or any "Claim" by an enterprise which owns, operates, controls or manages an "Insured";

E. Insured Sponsored Benefit Plan

Any "Claim" made against the "Insured" based upon or arising out of any Pension, Profit Sharing, Health and Welfare or other Employee Benefit Plan or Trust sponsored by the "Insured" as an employer;

F. Willful Violations of Security Regulations

Any "Claim" arising out of a willful or alleged willful violation of the rules or regulations of the National Association of Securities Dealers or the Securities and Exchange Commission or the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 or the Investment Advisers Act of 1940 and any amendments thereto, or of any state securities statute or regulatory agency; however, notwithstanding the foregoing, the "Insured" shall be afforded a defense, subject to the terms of this Policy, until the allegations are subsequently proven by a final adjudication. In such event, the "Insured" shall reimburse Zurich for all "Defense Costs" allocable to defending such "Claim" incurred by Zurich.

G. Promises/Guarantees as to Future Security Values

Any "Claim" based upon a loss arising out of the "Insured" making or stating any promises or guarantees as to the future values of "Securities", however, this exclusion shall not apply to a loss arising from the sale of insurance products that are also "Securities" products including, but not limited to, variable products such as variable universal life insurance and variable annuities nor shall this exclusion apply to any "Claim" based upon or arising out of the making or stating any promises as to the

future value of any insurance products including, but not limited to, whole life and universal life insurance;

H. Third Party Professional Services

Any "Claim" arising out of services performed by the "Insured" as an actuary, accountant, attorney or real estate agent or real estate broker, property/casualty insurance agent or third party claims administrator;

I. Commingling or Use of Client Funds

Any "Claim" arising out of, or contributed to by, any commingling of, or use of client funds;

J. Insolvency

Any "Claim" directly arising out of the insolvency, receivership, bankruptcy, or inability to pay of any organization in which the "Insured" has placed or obtained coverage or in which an "Insured" has placed the funds of a client or account; however, this exclusion shall not apply if the "Claim" is based upon the insolvency, receivership, liquidation or inability to pay of:

1. Any life, accident or health insurer or any product approved for sale by NYLSEC that was rated as "A-" or better by A.M. Best Company or had an equivalent rating by Moody's or Standard and Poor's or any other comparable rating agency at the time the business was placed; or
2. Horizon Healthcare of New Jersey, Inc.
3. Horizon Healthcare of New York, Inc.
4. Group Health Incorporated
5. Health Insurance Plan
6. Vytra Health Plans
7. Humana Inc.
8. Golden West Health Plan, Inc.

Furthermore, this exclusion shall not apply if the "Claim" is based upon the insolvency, receivership, liquidation or inability to pay of UnumProvident Corporation or any of its subsidiaries ("Unum Provident") provided that UnumProvident was rated "B" or better by A.M. Best or had an equivalent rating by Moody's or Standard & Poor's or any other comparable rating agency at the time the business was placed with Unum Provident;

K. Claims by Other Insured Agents or NYL

Any "Claim" arising out of disputes by or between "Insureds" or between an "Insured" and an "Additional Insured" or any other insurance agent or broker, including but not limited to disputes concerning commissions, fees, client lists or entitlements;

L. Failure to Collect or Pay Premium or Tax Monies

Any "Claim" arising out of the "Insured's" inability or refusal to pay or collect premium, claim or tax monies;

M. MEWA's

Any "Claim" arising from or contributed to by the "Placement of Coverage with Multiple Employer Welfare Arrangements" as defined in the Employee Retirement Income Security Act of 1974 and any amendments thereto; "Placement of Coverage with Multiple Employer Welfare Arrangements" shall mean the placement of coverage with a multiple employer welfare arrangement where the direct contract for providing benefits is between the multiple employer welfare arrangement and the recipient of the benefit. However, "Placement of Coverage with Multiple Employer Welfare Arrangements" shall not include placement of coverage where the direct contract for providing benefits is between the recipient of the benefit and an insurance company (1) recognized as a carrier by the insurance regulatory agency in the applicable state or jurisdiction and (2) appropriately licensed to provide the coverage in the state or jurisdiction where the coverage is in force.

N. Investment Products Owned by Agents

Any "Claim" against an "Insured" arising out of or involving investment products partially or totally owned by the "Insured" Agent or Employee;

O. Unlicensed Organizations

Any "Claim" arising from or contributed to by the placement of a client's coverage or funds directly or indirectly with any organization which is not licensed to do business in the state or jurisdiction with authority to regulate such business. However, this exclusion does not apply to any "Claim" arising from or contributed to by the placement of a client's coverage or funds directly or indirectly with any organization which is an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;

P. Formation/Operation of HMOs, PPOs, RRGs, and Self-Insured Programs

Any "Claim" arising out of the ownership, formation, operation, or administration of a health maintenance organization, preferred provider organization, risk retention group, self-insurance program or purchasing group;

Q. Fluctuation in Market Value of Any Security

Any "Claim" based solely upon a loss alleged to have been sustained through fluctuation in market value of any security;

R. No Known Wrongful Acts Involving Security Sales

Any "Claim" arising out of a negligent act, error, or omission of an "Insured" in the rendering or failing to render "Professional Services" when the "Professional Services" involve the sale and/or servicing of "Securities" through any "Broker/Dealer", unless prior to the date the registered representative contracted with NYLSEC, the registered representative had no knowledge of any facts or circumstances that could reasonably be expected to give rise to the "Claim";

S. Promissory Notes and Viatical Settlements

Any "Claim" arising out of the purchase, sale or the giving of advice regarding promissory notes, viatical settlement, viaticated insurance benefits, or any security backed by viatical settlements. However, this exclusion does not apply to any "Claim" arising from or contributed to the referral or failure of referral by a Named Insured Agent on a not-for-fee or non-income basis or persons to whom the Named Insured Agent renders or has rendered "Professional Services" to life settlement or viatical

settlement companies or life settlement or viatical settlement brokers, provided such life settlement or viatical settlement companies or life settlement or viatical settlement brokers are in compliance with any licensing and/or certification requirements effective in the jurisdiction in which such companies or brokers operate.

- Sub-Limit of Liability: \$1,000,000 each Claim/\$1,000,000 Policy Annual Aggregate
- Deductible: \$2,500 each Claim/Each Named Insured
(Applicable to Defense Costs and Damages)

T. Known Prior Acts

In the event that prior to the first effective date of coverage issued to the Insured (person enrolled in the PLP), an Insured or Additional Insured had knowledge of any negligent act, error or omission, which could reasonably be expected to result in a "Claim".

IV. NOTICE OF CLAIMS

The PLP requires notification in **writing** to Zurich as soon as practicable of any customer's or client's oral or written monetary demand made against you, trading error committed by you or any circumstances you become aware of which may give rise to a claim. Report the claim to AON, the PLP Administrator, who will report the claim to Zurich on your behalf.

REMEMBER: Coverage may be waived in its entirety under the following circumstances: i) the failure to report a trading error or customer's oral or written monetary demand to Zurich as soon as practicable; ii) the making of a payment or admission or the assumption of liability or incurrence of expenses without the prior written consent of Zurich; or iii) the failure to cooperate with Zurich.

A. What Are My Obligations Under the Policy for Reporting Claims or Potential Claims?

Coverage is on a "Claims Made and Reported" basis. This means that claims made against you, the Insured, during the current policy period must be reported in writing to Zurich during the current policy period. Oral notification does not constitute a report of a claim.

B. What Is Considered a Claim?

A claim is considered an oral or written demand for monetary damages against you. This includes the service of suit or the institution of arbitration proceedings against you, but shall not include a demand for non-monetary or injunctive relief.

If you become aware of any negligent act, error or omission, which may give rise to a claim, you may report the available particulars as soon as possible to Zurich. Should the circumstances develop into a claim at some future date, your reporting of this potential incident will serve as a notice of claim under this current policy period.

C. What Should I Do If I Have a Claim?

1. Make a copy of the claim report form found at the back of this guide. Promptly complete the claim report form and send it and any correspondence received from the complainant to the address indicated on the form.
2. If the claim is a lawsuit, also send a copy of the complaint with the claim report form by overnight express mail or fax.
3. Develop a written chronology of events giving rise to the claim. This should be forwarded to Zurich after the claims adjuster has been identified.
4. Be prepared to provide a copy of your file to the Zurich claims adjuster.

D. What Actions Should I Avoid in the Event of a Claim?

1. Do not make any payment, admit liability, promise to make a payment, or incur any expense (including retaining a lawyer) without Zurich's prior written consent. Doing so may jeopardize your coverage.
2. Once an incident has been identified or an errors and omissions claim has been made, great care should be exercised to avoid any disclosures or discussion of any facts or information relating to the claim with anyone, unless they identify themselves to be from Zurich, NYL's OGC, Corporate Compliance or Agency Departments, AON or a designated representative appointed to handle your claim.

E. What Should I Do If in Doubt about Whether or How to Report a Claim or If I Have a Coverage Question?

For advice contact: AON Affinity Insurance Services
New York Life PLP Administration
159 East County Line Road
Hatboro, PA 19040
Attention: Claims
Phone: (800) 509-6126
Fax: (877) 443-9183

F. What Happens After the Claim is Reported?

- A representative from Zurich will contact you within a few days to acknowledge the receipt of the claim and discuss the particulars of the situation. Additional information or documents may be requested.
- Coverage under the PLP will be determined and you will be advised of any coverage issues.
- If necessary, Zurich will appoint an attorney to represent you. In order to ensure the best possible defense, you should cooperate completely with the lawyer. This means that you should provide full details and be candid. Your lawyer will not be able to provide you with the best possible defense if s/he does not know all of the facts.

G. What Should I Do If I Need Proof of My E&O Coverage?

Contact: AON Affinity Insurance Services
New York Life PLP Administration
159 East County Line Road
Hatboro, PA 19040
Phone: (800) 509-6126
Fax: (877) 443-9183

V. REQUESTS FOR CERTIFICATES OF INSURANCE

DO NOT MAIL TO NEW YORK LIFE 'S HOME OFFICE

Send this request to:

Aon Affinity Insurance Services
159 East County Line Road
Hatboro, PA 19040
(800) 509-6126
FAX: (877) 443-9183
Email: info@agents-eo.com

(For Policy Period 9/1/10 – 9/1/11)

Agent Name: _____

Agent Code #: _____

General Office: _____

Agent's Address: _____

Telephone #: _____

Fax #: _____

Email Address: _____

****Please note that E-mail is the preferred method for requesting Certificates.***

**VI. IMPORTANT TELEPHONE NUMBERS and ADDRESSES
for the
NEW YORK LIFE AGENTS' PURCHASING GROUP'S
E&O PROGRAM**

For information regarding the following:

- **Certificates of Insurance, Enrollment Questions and Extended Reporting Options**
- **Claims Advice on Reporting a Claim**
- **Coverage or Miscellaneous Questions**

Contact: Aon Affinity Insurances Services
159 East County Line Road
Hatboro, PA 19040
1-800-509-6126
E-mail: info@agents-eo.com
FAX: (877) 443-9183

Website: www.nylife.agents-eo.com

For Eligibility or Ledger Deduction Questions:

Contact: New York Life Agent Compensation Line
1-212-576-8282

NEW YORK LIFE AGENTS' PURCHASING GROUP
Professional Liability Plan (PLP) Claim Report Form
Policy # EOC-28-08-624-13
September 1, 2010 – September 1, 2011
Privileged & Confidential—Prepared in Defense or Anticipation of a Claim

Date:

Agent Code:

Name:

Address:

Phone:

1. Date you became aware of this claim:

2. If a lawsuit, date you were served with complaint:

3. Name of client/claimant making claim against you:

4. Product/type of business which is the subject of this claim:

5. Do you have any other Errors & Omissions Insurance? YES NO
If yes, provide name of Carrier, Policy Number and Limits:

6. Please attach copies of all pertinent correspondence. If you have been served with a lawsuit, a copy of the suit also must be enclosed. You will be expected to provide Zurich with a written description of the circumstances leading to this claim. This writing should be sent directly to Zurich after the claims adjuster is identified.

Notification of claims or potential claims should be mailed without delay to:

AON Affinity Insurance Services
New York Life PLP Administration
159 East County Line Road
Hatboro, PA 19040
Attention: Claims
Phone: (800) 509-6126
Fax: (877) 443-9183

All lawsuits must be sent via Overnight Delivery to the above address.

Do not discuss this matter with anyone unless they identify themselves to be from Zurich, New York Life's OGC, Corporate Compliance or Agency Departments, or AON.