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Insurance Agents and Brokers E&O writeNOW!

E&O writeNOW! is a Professional Liability Insurance program that features simplified underwriting for qualifying applicants. E&O writeNOW! offers a streamlined application process that simplifies quoting and binding. The applicant that meets program qualifications can choose options from the rate card and request to bind.

PROGRAM HIGHLIGHTS

- Property Casualty Agents
- Life and Health Agents
- Personal and Advertising Injury Coverage
- In-house Claims Department
- Available to risks with Commission up to \$1.5 MM

QUALIFICATIONS

- New business to NAS
- Minimum 3 years as an agent licensed in the line(s) of coverage sold (if agency is less than 3 years old, provide resumes of key employees)
- Claim free for 5 years

EXCLUDED CLASSES

The following are classes of businesses that are **not** eligible for the E&O writeNOW!

- MGA/MGU
- Financial Advisors
- Wholesale Agencies
- Third Party Administrators
- Viatical Sales
- Excluded States: AL, AK, IL, LA, MS, TX, WV, NY City, and FL's Dade and Broward Counties

Coverage cannot be bound under the terms and conditions of this program for applicants that do not fall within the program qualifications; however, those applicants will be considered for coverage outside the program.

If this risk has been previously submitted to NAS, then it does not qualify for this Program.

HOW TO PURCHASE THIS INSURANCE

1. Fully complete the E&O writeNOW! Application, including the attached D-1 Disclosure form for CA risks or Surplus Lines form for non-CA risks
2. Calculate the premium from the premium chart
3. Sign and date (must be within 45 days prior to binding) and return the completed application to your broker with your check for the premium, plus state taxes, policy issuance fee and any applicable broker fee.
4. For applicants that currently have coverage, forward a copy of the current/expiring dec page showing the limits of Liability and Retroactive Date.

\$5,000 SIR **RATES ARE VALID THROUGH 06/30/10**

Excluded States: AL, AK, IL, LA, MS, TX, WV, NY City and FL's Dade and Broward Counties

	Insurance Agent WriteNOW Rating				
	500K/500K	500K/1MM	1MM/1MM	1MM/2MM	2MM/2MM
<u>Commission</u>					
1 - 100K	\$2,000	\$2,175	\$2,500	\$2,875	\$3,375
>100K – 250K	\$2,200	\$2,393	\$2,750	\$3,163	\$3,713
>250K – 500K	\$3,587	\$4,125	\$4,483	\$5,155	\$6,052
> 500K – 750K	\$4,782	\$5,499	\$5,978	\$6,874	\$8,070
> 750K - 1MM	\$5,579	\$6,416	\$6,974	\$8,020	\$9,414
> 1M – 1.5M	\$6,376	\$7,332	\$7,970	\$9,165	\$10,759

These rates are effective from 01-01-10 until 06-30-10 and supersede any prior rating.

These rates apply to **Insurance Agents writeNOW! Program** written by NAS on **Miscellaneous E&O Policy Form [P1847E-0609](#)** ([Summary of Changes](#)), and endorsed with:

- Nuclear Incident Exclusion ([E1847B-0605](#))
- War and Civil War Exclusion ([E1847C-0108](#))
- Terrorism Exclusion ([E1847D-0108](#))
- Insurance Agent and Broker Amendatory Endorsement ([E1847EH-0609](#))

NetGuard™ Plus Enhancement Endorsement

Are you protected against Identity Theft?

Does your company hold sensitive customer information, employee information or any other confidential information? Information like credit card numbers, social security numbers, email addresses, names and addresses can lead to a significant loss, if the information is lost or stolen. This growing exposure can be mitigated by purchasing a NetGuard™ Plus enhancement endorsement from NAS Insurance in conjunction with your Miscellaneous E&O policy. This important coverage enhancement will include the following:

NetGuard™ Plus Coverage	<u>Option 1</u>	<u>Option 2</u>
NetGuard™ Plus Endorsement (E1847EDF-0609)	<u>Limit</u> <u>Retention</u>	<u>Limit</u> <u>Retention</u>
Network Security & Privacy Insurance – Coverage for third party claims arising out of a breach of private information.	\$100,000 \$5,000 (SIR)	\$1,000,000 \$5,000 (SIR)
Customer Notification and Credit Monitoring – Will cover the cost to complete the mandatory customer notification process, and will also pay for credit monitoring for your affected customers (Subject to coverage sub-limits).	\$25,000 \$500 (SIR)	\$25,000 \$500 (SIR)
Fines & Penalties Insurance – Will cover the fines and penalties the insured is required to pay by a U.S. regulatory agency for a privacy breach. This includes HIPAA and the new Red Flag Federal Regulations.	\$25,000 \$500 (SIR)	\$25,000 \$500 (SIR)
Data Recover Costs Insurance – First party coverage for all reasonable and necessary sums required to recover and/or replace data that is compromised, damaged, lost, erased or corrupted.	\$25,000 \$500 (SIR)	\$25,000 \$500 (SIR)
Multimedia Insurance – Coverage for copyright/trademark infringement, libel/slander, advertising, plagiarism personal injury and more.	\$100,000 \$5,000 (SIR)	\$100,000 \$5,000 (SIR)
NetGuard™ Plus Enhancement Premium	\$500	\$1,000

**INSURANCE AGENTS AND BROKERS E&O writeNOW!
PROGRAM APPLICATION**

Section One – Applicant

1. Name of Applicant: _____
(as it should appear on the policy)

Mailing Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Phone: _____ E-mail: _____

Web Site: _____ No. of years in business: _____

Is firm: Corporation Partnership Individual LLC Other

For questions 2-9, if the answer is “Yes”, coverage cannot be bound as per the terms and conditions of this program. If you desire an indication outside the program, please provide details for the “Yes” answers.

2. Is the applicant firm controlled, owned or affiliated with any other firm, corporation or company? Yes No
3. Does the applicant provide Claim Adjusting services? Yes No
4. Act as Third Party Administrator? Yes No
5. Act as Reinsurance Broker? Yes No
6. Provide Safety or Loss Control Consultant? Yes No
7. Is the applicant involved in Mutual Fund Sales? Yes No
8. A) Does the applicant derive more than 10% of its premium or commission from any one of the following:
- a. Long Haul Trucking Yes No
 - b. Aviation Yes No
 - c. Excess/Umbrella Yes No
 - d. Bonds/Surety Yes No
 - e. Animal Mortality/Bloodstock Yes No
- B) Does the applicant derive more than 35% of its premium or commission from any one of the following:
- a. Markets rated Below B+, Captives or Off Shore Yes No
 - b. Professional Liability Yes No
 - c. Crop Yes No
 - d. Workers Compensation Yes No
 - e. Marine Yes No
9. Has the applicant firm ever been involved in the formation, management or administration of any of the following:
- a. Self-insured trusts Yes No
 - b. Insurance pools Yes No
 - c. Risk retention groups Yes No
 - d. Health maintenance organizations Yes No
 - e. Any other self-insured risk-bearing entities Yes No

For questions 10-18, if the answer is “No”, coverage cannot be bound as per the terms and conditions of this program. If you desire an indication outside the program, please provide details for the “No” answers.

10. Do all locations share the same policies & procedures? N/A Yes No
(Answer N/A if the applicant has 1 location)
11. Have all principals been licensed in the types of insurance sold for at least 3 years? Yes No

Office Procedures

12. Is all incoming mail date stamped? Yes No
13. Are all binders confirmed in writing? Yes No
14. Are procedures in place to notify certificate holders, mortgagees, regulatory agencies, etc. of cancellations or material changes in coverage? Yes No
15. Does the applicant have a date control system in place to track policy and binder expirations, etc.? Yes No
16. Is a signed acceptance agreement from clients required if coverage or limits are more restrictive than requested? Yes No
17. Are all revenues derived from Retail Insurance Commissions? Yes No
18. Please provide the breakdown of your Commission by line of cover for the upcoming policy period:

Line of cover

Commission

Standard personal \$ _____

Standard commercial \$ _____

Non-standard personal \$ _____

Non-standard commercial \$ _____

Life, Accident & Health \$ _____

19. Total Commission: \$ _____

If total Commission exceeds \$1.5MM, coverage cannot be bound through this program. If you desire an indication outside this program, please submit to NAS through the normal brokerage channels.

Insurance History

20. Please list the Applicant’s Professional Liability Insurance Coverage carried during the past three (3) years, including any periods without coverage.

Name of Insurer	Policy Period From: MM/DD/YY To: MM/DD/YY	Limits of Liability	Retention	Premium

21. Does the current policy have a prior acts limitation or retroactive date? Yes No
If “Yes”, please indicate date: _____ / _____ / _____

Claims History

For questions 22 and 23, if the answer is “Yes”, coverage cannot be bound as per the terms and conditions of this program. If you desire an indication outside the program, please provide details for the “Yes” answers.

- 22. Have any claims, suits, or demands been made against the applicant, a predecessor firm, any past or present principals, partners, officers, or employees within the past five (5) years? Yes No
- 23. After inquiry with all principals, partners and officers, is the applicant aware of any dispute, error, omission, act or circumstance that is, or could reasonably be expected to become a claim under the policy for which this application is submitted to the Underwriters? Yes No

Section Two – Coverage Selection (*Check options desired*):

<u>TOTAL COMMISSION</u>	<u>LIMIT DESIRED</u>	<u>PREMIUM</u>
\$ _____	<input type="checkbox"/> \$500,000 / \$500,000 <input type="checkbox"/> \$500,000 / \$1,000,000 <input type="checkbox"/> \$1,000,000 / \$1,000,000 <input type="checkbox"/> \$1,000,000 / \$2,000,000 <input type="checkbox"/> \$2,000,000 / \$2,000,000	\$ _____

Requested effective date (no backdating): _____

Section Three – Notice to the Applicant

- A. The applicant represents to the best of its knowledge and belief that the statements set forth herein are true and complete.
- B. The applicant agrees that after receipt of the completed application form, underwriters have two working days to either confirm or deny coverage. It is also agreed this application shall be the basis of insurance and will be attached to and made part of the policy should a policy be issued.
- C. The applicant further represents that if the information supplied on this application changes between the date of the application and the inception date of the policy period, the applicant will immediately notify the underwriter of such a change, and the underwriter may modify or deny coverage.

Signed: _____ Date: _____
Authorized signature of a Principal or Officer

Print Name: _____ Title: _____
(Must be signed and dated no more than 45 days prior to binding)

Section Four – Payment Instructions

Premium:	\$ _____
Plus CA Taxes & Fees:	\$ _____ 3.225% in addition from 1/1/10 thru 1/31/10
	\$ _____ 3.250% in addition effective 2/1/2010
Policy Issuance Fee: (Not Applicable in MD, MT, FL, WY)	\$ <u>100</u> (MI \$25, NJ \$50)
Broker fee:	\$ _____
TOTAL PAYMENT	\$ _____

If this risk is subject to surplus lines tax, you must arrange for filing the affidavit and for payment of the applicable State tax/fees in addition to the premium.

- **Policy fee is fully earned**
- **Written Policies are subject to a minimum earned premium of 25%**
- **No Flat Cancellations**

"NOTICE:

1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.
5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.
6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU."

Name of Applicant: _____

Signature of Applicant: _____

Title: _____

Date: _____

SURPLUS LINE FORM

**THIS MUST BE COMPLETED IN FULL IN ORDER TO ISSUE THE POLICY
INFORMATION REGARDING THE FILING AND PAYMENT OF SURPLUS LINE TAXES**

Name of Applicant _____

Surplus Lines License
Number for this filing _____

License Filing State _____

Name of Individual
or Company License Holder _____

Address of License Holder _____

Signature of Person
Completing this Form
(need not be license holder) _____

Date _____