



SECURITY MUTUAL LIFE
INSURANCE COMPANY OF NEW YORK
SECURITY MUTUAL BUILDING • 100 COURT STREET
P.O. BOX 1625 • BINGHAMTON, NY 13902-1625
(607) 723-3551 www.smlny.com

ERRORS & OMISSIONS COVERAGE REQUIRED FOR FIELD ASSOCIATES CONTRACTING WITH SECURITY MUTUAL LIFE

E&O PROGRAM AVAILABLE THROUGH CONTINENTAL CASUALTY COMPANY (a member company of the CNA Group of Companies)

We are pleased to advise that an agent Errors & Omissions program is available through Continental Casualty Company (a member company of the CNA Group of Companies). The policy coverage dates for this E&O program run from December 1, 2013 to November 30, 2014. The program is administered by Insurance Specialties Services, Inc. (ISSI).

If you wish to take advantage of this program, please complete the attached E&O Enrollment form and send or fax with payment to ISSI. If you have any questions, please contact Agency Administration, 1-800-632-6567 (inside New York) or 1-800-346-7171 (outside New York), or kseaman@smlny.com. Agency Administration's FAX number is 607-773-2007.

PROVIDING PROOF OF COVERAGE THROUGH ANOTHER E&O CARRIER

Agents not joining the named E&O program above must provide proof of a minimum of \$1,000,000 agent's errors and omissions professional liability coverage in force through another carrier which extends to Security Mutual's products and services. It is mandated that you provide a copy of **one** of the following items (*in order of preference*) to the Agency Administration Department, *along with a cover letter from your office*:

- **Certificate of Insurance, OR,**
- **Declaration Page, OR,**
- **SML's Certification of E&O Coverage form (attached)**

Please note that if your Certificate or Declaration Page is in a Corporate Name, but you are only known to Security Mutual by your Individual Name, please indicate your name and your relationship to the corporation in your cover letter.

Please provide the proof of coverage along with your contract to your General Agency's Agency Specialist at the Home Office - Paulette Mancini, Pam Kendrick, Joanne Lescault, Cheryl Coolbaugh, Alice Mower, Karen Seaman (Worksite), Virginia Cron (Group).

***Processing of your Security Mutual Life contract will not proceed without the required E&O documents.
Thank you.***

ERRORS & OMISSIONS

ENROLLMENT FOR ERRORS & OMISSIONS COVERAGE

Through
Continental Casualty Company
(a member company of the CNA Group of Companies)
For All Contracted Field Associates
of
Security Mutual Life Insurance Company of New York ("SML")

RISK PURCHASING GROUP MEMBERSHIP:

By applying for this insurance, agents and representatives are applying for membership in the Insurance Professionals Protection Group. A group formed and operating pursuant to the federal Liability Risk Retention Act of 1986 (RRA 1986) [15 USC 3901 1 et seq.] There is no additional charge for this membership.

AGENT'S

Name: _____

Writing Number: _____ Telephone Number: _____

General Agency Name & Telephone# _____

Complete Business Address (Including Suite Numbers, Zip Codes, etc.)

Social Security Number: _____ E-Mail Address: _____

Date of your First Contract with SML (Month/Year): _____

Number of Years Licensed as an Agent: _____

In order for Series 6 Transactions to be considered under this policy, you **MUST** provide the **EXACT** name *NASD registered BROKER-DEALER* that you are currently registered with. You will be advised within 60 days if Series 6 Transactions coverage is available. Series 6 Transactions include Variable Products. **SERIES 7 TRANSACTIONS ARE NOT COVERED.**

Exact Name of Broker Dealer _____

Has applicant or anyone for whose actions applicant is responsible been the subject of disciplinary action by any insurance authority? _____ (If YES, attach full details.)

Has any policy or application for errors and omissions insurance or reinsurance on behalf of the applicant or any of its present partners, executive officers or to the knowledge of the applicant, on behalf of its predecessors in business, ever been declined, canceled or renewal refused within the last five years? _____ (If YES, attach full details.)

Have any errors and omissions claims been made against the applicant, any of its present partners, executive officers or directors, or to the knowledge of the applicant against its predecessors in business, or any partner, executive officer or director within the last ten years? _____(If YES, attach full details stating E&O carrier handling claim, etc.)

Are there any circumstances which may result in any errors and omissions claim being made against the applicant, its predecessor in business, or any past or present partner, executive officer or present partner, executive officer or director? _____(If YES, attach full details.)

List errors and omissions carrier(s) for the past 5 years. (If NONE, state "None.")

A. _____

B. _____

C. _____

D. _____

E. _____

Applicant hereby warrants and represents that the statements and answers to questions made herewith and attachments hereto are true, and applicant has not omitted or misrepresented any information. Applicant understands and agrees that the completion of this application does not bind Continental Casualty Company (a member company of the CNA Group of Companies) to issuance of an insurance policy or certificate.

Authorized Signature

(Type or Print Name Shown Above)

Title

Date

BASIC COVERAGE (EXCLUDES – Mutual Funds and Variable Products)

Base Plan of \$1 Million – 2013 ANNUAL PREMIUM for FIELD ASSOCIATES: \$799.00

Optional Plan of \$2 Million – 2013 ANNUAL PREMIUM for FIELD ASSOCIATES: \$927.00

OPTIONAL COVERAGE (INCLUDES –Mutual Funds and Variable Products)

Base Plan of \$1 Million – 2013 ANNUAL PREMIUM for FIELD ASSOCIATES: \$1,077.00

Optional Plan of \$2 Million – 2013 ANNUAL PREMIUM for FIELD ASSOCIATES: \$1,348.00

PAYMENT:

(Credit Card Users May Fax Enrollment form to ISSI, FAX: 215-918-0507)

Credit Card to be used: ____Master Card ____Visa

Account#_____

Expiration Date_____ Signature_____

TOTAL PREMIUM ENCLOSED: \$_____

**IF PAYING BY CHECK, SUBMIT ENROLLMENT FORM *WITH* PAYMENT TO ISSI, TO: INSURANCE
SPECIALTIES SERVICES, INC., 946 TOWN CENTER, NEW BRITAIN, PA 18901**

(PAYMENT SHOULD NOT BE SENT TO SECURITY MUTUAL).

QUESTIONS? CALL KATHY LINEY AT ISSI, TOLL FREE, 1-800-533-4579 OR (215) 918-0505

**AGENTS OF SECURITY MUTUAL LIFE INSURANCE COMPANY
PROFESSIONAL LIABILITY PROGRAM CLAIMS-MADE AND REPORTED**

TYPE OF COVERAGE:	Insurance Agent's Errors and Omissions
POLICY PERIOD:	12/1/2013 to 12/1/2014
INSURING COMPANY:	Continental Casualty Company (a member company of the CNA Group of Companies)
COVERED AGENTS:	Producers with a current contract with Security Mutual Life Insurance Company of New York who are identified by roster.
LIMIT OF LIABILITY:	\$1,000,000 Each Claim/\$1,000,000 Aggregate per agent OR \$2,000,000 Each Claim/\$2,000,000 Aggregate per agent Annual Program Aggregate: \$10,000,000 (Does not apply to New York Producers) *Defense costs are provided inside the limit of liability
DEDUCTIBLES:	\$1,000 each claim for Security Mutual Life Products \$2,500 each claim for covered products of other companies \$5,000 each claim for Mutual Funds and Variable Products Note: Deductibles apply to both defense costs and damages
PRIOR ACTS COVERAGE:	Prior Acts coverage will be provided if agent has maintained prior coverage in force without interruption and agent had no prior knowledge or awareness of facts or circumstances that could result in a claim being made against the agent.
BASIC COVERAGE:	The sale or attempted sale of life insurance, accident and health insurance, managed health care organization contracts, disability income insurance, fixed annuities and 24 hour care coverage (as defined by statutory law); the sale or attempted sale of employee benefit plans, individual retirement arrangements and KEOGH retirement plans; financial planning activities in conjunction with services described above, whether or not a separate fee is charged; services as a notary public; a General Agent's supervision, management and training of an Agent with respect activities otherwise covered by this coverage.
OPTIONAL COVERAGE:	If the Optional Coverage is elected, in addition to the basic coverage, coverage applies to the sale, attempted sale or servicing of variable annuities, variable life insurance and mutual funds that are registered with the SEC, if required, through a Broker/Dealer that is a member of the Financial Industry Regulatory Authority; investment advisory services; and the supervision, management and training of a Registered Representative by a registered principal with respect to activities otherwise covered by this coverage.
EXTENDED REPORTING:	Full coverage ceases on the date agent contract with the sponsor is terminated or agent retires. Agent will be able to report claims for one year after the date of termination. Eligible agents also have an option to purchase a 3 year extended reporting period for an additional premium of 200% of the last annual premium. No coverage shall be provided in the event the Agent has any other applicable insurance. A written request and additional premium must be received within 60 days of termination. Please contact ISSI, 946 Town Center, New Britain, PA 18901, Phone: 800/533-4579
IMPORTANT NOTE:	This outline provides brief general information regarding the professional liability program. It is not part of the policy, nor does it serve as a conclusive statement of its terms. It summarizes ISSI's understanding of certain aspects of this coverage.

SECURITY MUTUAL LIFE AGENTS E&O PROGRAM
PRORATA PREMIUM CALCULATION TABLE
12/1/2013 to 12/1/2014

***BASIC PLAN: \$1,000,000 LIMIT**

<u>Entry Date</u>	<u>Agent/Broker</u>	<u>Career Agent</u>
1-Dec	\$799.00	\$708.00
15-Dec	\$766.00	\$679.00
1-Jan	\$733.00	\$649.00
15-Jan	\$700.00	\$620.00
1-Feb	\$666.00	\$590.00
15-Feb	\$633.00	\$561.00
1-Mar	\$600.00	\$531.00
15-Mar	\$566.00	\$502.00
1-Apr	\$533.00	\$472.00
15-Apr	\$500.00	\$443.00
1-May	\$467.00	\$413.00
15-May	\$433.00	\$384.00
1-Jun	\$400.00	\$354.00
15-Jun	\$367.00	\$325.00
1-Jul	\$333.00	\$295.00
15-Jul	\$300.00	\$266.00
1-Aug	\$267.00	\$236.00
15-Aug	\$234.00	\$207.00
1-Sep	\$200.00	\$177.00
15-Sep	\$167.00	\$148.00
1-Oct	\$134.00	\$118.00
15-Oct	\$100.00	\$89.00
1-Nov	\$67.00	\$59.00
15-Nov	\$34.00	\$30.00

***BASIC PLAN: \$2,000,000 LIMIT**

<u>Entry Date</u>	<u>Agent/Broker</u>	<u>Career Agent</u>
1-Dec	\$927.00	\$836.00
15-Dec	\$889.00	\$802.00
1-Jan	\$850.00	\$767.00
15-Jan	\$812.00	\$732.00
1-Feb	\$773.00	\$697.00
15-Feb	\$734.00	\$662.00
1-Mar	\$696.00	\$627.00
15-Mar	\$657.00	\$593.00
1-Apr	\$618.00	\$558.00
15-Apr	\$580.00	\$523.00
1-May	\$541.00	\$488.00
15-May	\$503.00	\$453.00
1-Jun	\$464.00	\$418.00
15-Jun	\$425.00	\$384.00
1-Jul	\$387.00	\$349.00
15-Jul	\$348.00	\$314.00
1-Aug	\$309.00	\$279.00
15-Aug	\$271.00	\$244.00
1-Sep	\$232.00	\$209.00
15-Sep	\$194.00	\$175.00
1-Oct	\$155.00	\$140.00
15-Oct	\$116.00	\$105.00
1-Nov	\$78.00	\$70.00
15-Nov	\$39.00	\$35.00

***OPTIONAL PLAN: \$1,000,000 LIMIT**

<u>Entry Date</u>	<u>Agent/Broker</u>	<u>Career Agent</u>
1-Dec	\$1,077.00	\$986.00
15-Dec	\$1,033.00	\$945.00
1-Jan	\$988.00	\$904.00
15-Jan	\$943.00	\$863.00
1-Feb	\$898.00	\$822.00
15-Feb	\$853.00	\$781.00
1-Mar	\$808.00	\$740.00
15-Mar	\$763.00	\$699.00
1-Apr	\$718.00	\$658.00
15-Apr	\$674.00	\$617.00
1-May	\$629.00	\$576.00
15-May	\$584.00	\$535.00
1-Jun	\$539.00	\$493.00
15-Jun	\$494.00	\$452.00
1-Jul	\$449.00	\$411.00
15-Jul	\$404.00	\$370.00
1-Aug	\$359.00	\$329.00
15-Aug	\$315.00	\$288.00
1-Sep	\$270.00	\$247.00
15-Sep	\$225.00	\$206.00
1-Oct	\$180.00	\$165.00
15-Oct	\$135.00	\$124.00
1-Nov	\$90.00	\$83.00
15-Nov	\$45.00	\$42.00

***OPTIONAL PLAN: \$2,000,000 LIMIT**

<u>Entry Date</u>	<u>Agent/Broker</u>	<u>Career Agent</u>
1-Dec	\$1,348.00	\$1,257.00
15-Dec	\$1,292.00	\$1,205.00
1-Jan	\$1,236.00	\$1,153.00
15-Jan	\$1,180.00	\$1,100.00
1-Feb	\$1,124.00	\$1,048.00
15-Feb	\$1,068.00	\$996.00
1-Mar	\$1,011.00	\$943.00
15-Mar	\$955.00	\$891.00
1-Apr	\$899.00	\$838.00
15-Apr	\$843.00	\$786.00
1-May	\$787.00	\$734.00
15-May	\$731.00	\$681.00
1-Jun	\$674.00	\$629.00
15-Jun	\$618.00	\$577.00
1-Jul	\$562.00	\$524.00
15-Jul	\$506.00	\$472.00
1-Aug	\$450.00	\$419.00
15-Aug	\$394.00	\$367.00
1-Sep	\$337.00	\$315.00
15-Sep	\$281.00	\$262.00
1-Oct	\$225.00	\$210.00
15-Oct	\$169.00	\$158.00
1-Nov	\$113.00	\$105.00
15-Nov	\$57.00	\$53.00