



Agent's of ARMtech – Group Master E&O Policy Outline of Coverage

Policy Period: March 1, 2008 to March 1, 2009

Insurer:

American Automobile Insurance Company
(a Fireman's Fund Insurance Company)
2007 A.M. Best's A (Excellent):XV

"The information obtained from A.M. Best dated November, 11, 2007 is not in any way CalSurance's warranty or guaranty of the financial stability of the insurer in question, and that the information is current only as of the date of publication."

Risk Purchasing Group Membership:

By applying for this insurance, agents are applying for membership in the Financial Sales Professionals Risk Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901et seq.). There is no additional charge for this membership.

Limit of Liability:

\$ 500,000 each claim/\$1,000,000 annual aggregate; *OR*
\$1,000,000 each claim/\$1,000,000 annual aggregate

Deductible:

- OPTION 1: \$5,000 each claim for ARMtech products and \$5,000 each claim for all other covered products; or
- OPTION 2 - \$5,000 each claim for ARMtech products and \$7,500 each claim for all other covered products; or
- OPTION 3 - \$7,500 each claim for ARMtech products and \$7,500 each claim for all other covered products.

Retroactive Date:

The prior acts coverage (Retroactive Date), provided under the policy is the earlier of:

- the inception date of the Agency's first claims-made property and casualty insurance agents professional liability policy that has been maintained in force without interruption, or
- the effective date of your first continuous agency contract with ARMtech.

Coverage:

Coverage is provided to you on a "Claims Made and Reported" basis. This means the policy applies to negligent acts, errors or omissions or Personal Injury provided that:

- the Claim is first made against you during the Policy Period and is reported to the Insurer in writing during the same Policy Period, or the Extended Reporting Period (if applicable); and
- the act, error or omission or Personal Injury occurred on or after the Retroactive Date; and
- prior to the effective date of this policy, you did not have knowledge of any act, error or omission or Personal Injury which could reasonably be expected to result in a Claim; and
- if the act, error or omission or Personal Injury occurred prior to the effective date of this Policy Period, there is no other valid and collectible insurance available to you.

Eligible Participants/Named Insured:

This program is open to currently contracted ARMtech agencies that can answer "YES" to all of the following questions

- Do five or less licensed contracted ARMtech agents (whether employees or sub producers) place business through your agency?
- Does at least 50% of your commission/revenue come from the sales of agricultural products?
- Have you been in business at least three years under the current management or if under three years, has your agency completed ARMtech's authorized training program?
- Does at least 20% of your commission/revenue come from the sale of ARMtech products? (Note – this requirement does not apply to agencies that have contracted within the past 12 month)
- Has your agency had one claim or less in the past five years, and less than \$50,000 in total incurred?
- Agencies with no more than 10% of revenues derived from the sale of deferred annuities to seniors aged 65 or older?

Professional Services Includes:

Those services rendered in connection with a covered Product by The Agent or the Agency Staff which shall include:

- Soliciting (whether directly or indirectly), negotiating, placing, recommending, selling or servicing a Covered Products; but not including surrender, conversation, or any alternation of a Covered Product in order to acquire or invest in anything other than a Covered Product;
- Providing advise or consulting solely related to a Covered Product, including financial planning or consulting solely related to a Covered Product but not including any advice or recommendation to in any way convert, redeem or alter a Covered Product in order to acquire or invest in anything other than a Covered Product;
- Appraising real or personal property in connection with soliciting, placing, selling or servicing a Covered Product;
- Providing loss control or risk management service in connection with soliciting, placing, selling or servicing a Covered Product.
- Assisting a client in obtaining premium financing for a Covered Product through an entity not affiliated with any Insured; or
- The supervision or training of Agency/Agency Staff.

What is a considered a Covered Product?

A Covered Product means products offered by either ARMtech or by any insurance company pursuant to a written contract with the Agency, as long as such insurance company was authorized to transact such business in the state or jurisdiction. Covered Products include:

- Property and casualty insurance coverage (including Crop); or
- Workers Compensation Insurance; or
- Life Insurance (other than Variable Life Insurance products), Accident and Health Insurance, Disability Income Insurance or Fixed Annuities, including Individual Retirement Annuities; or
- Group Employee Benefit Plans or Disability Plans, Provided such Plan are fully insured at all times, but not including Group or Ordinary Pension or Profit Sharing Plan; or
- Expert witness testimony.

Duty to Defend?

Yes, to those claims for which coverage applies

Claims Administration:

Brown & Brown of California, Inc. dba, Lancer Claims Services

Program Administration:

Brown & Brown of California, Inc. dba, CalSurance

Contact Information:

For a Certificate of Insurance, copy of the policy, or coverage questions, visit www.calsurace.com/agcrop or contact us at 800-745-7189.

This document is a summary of the coverage provided. All statements contained herein are subject to all of the terms, Conditions, and Exclusions of the actual Policy.

A Copy of the policy is available by calling CalSurance at 800-745-7189

