



**APPLICATION FOR FINANCIAL ADVISORS
PROFESSIONAL LIABILITY INSURANCE PROGRAM**

- NEW BUSINESS RENEWAL BUSINESS

Please **return this page** and the following items with your application materials:

- A completed, **dated and signed** application.
- Form ADV Part I **only if you have not** filed electronically with IARD. *Please note your Part One must be a current and accurate disclosure of your firm.*
- Form ADV Part II and **all** Schedules. *Please note your Part Two must be a current and accurate disclosure of your firm.*
- Sample client contract(s) for **each** service rendered.
- A copy of **any** regulatory audits performed and your response.
- Financial Statements
- NEW BUSINESS APPLICANTS ONLY:** If you want prior acts coverage **and you have maintained continuous** claims made coverage, supply a Certificate of Insurance for current coverage as well as a coverage synopsis OR a copy of the Declarations Page and a copy of the current policy and endorsements.

HAVE YOU ATTACHED DETAILS ON A SEPARATE SHEET IF:

- Yes answer on **Question 6. Claims, Incidents, Knowledge of Circumstances**
- Yes answer on **Question 7 – Conflicts of Interest.**
- Yes answer on **Question 15**
- Yes answer on **Question 16 – Disclosure Events**
- Yes answer on **Question 17 – Organizational Changes**
- NEW BUSINESS APPLICANTS ONLY:** If managing assets, **18E & 18F Investment Philosophy / Investments in Portfolios**
- Yes answer on **Question 20 - Public Clients**
- NEW BUSINESS APPLICANTS ONLY:** Yes answer on **Question 22 – Cancellation / Non-Renewal**

PLEASE RETURN THIS PAGE WITH YOUR APPLICATION

HUDSON INSURANCE COMPANY HUDSON SPECIALTY INSURANCE COMPANY
PROFESSIONAL LIABILITY INSURANCE FOR FINANCIAL ADVISORS
APPLICATION CLAIMS MADE BASIS

THE POLICY FOR WHICH APPLICATION IS MADE, SUBJECT TO ITS TERMS, APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES IS REDUCED BY THE AMOUNTS INCURRED AS DEFENSE EXPENSES AND DEFENSE EXPENSES ARE SUBJECT TO THE DEDUCTIBLE.

Applicant's Legal Name			
Address			
Telephone		Fax	
Email		Web Site	

1. List all **employed (W-2) financial advisors including self**. Independent Contractors (1099) are **not** covered under the firm's policy and require separate applications or, if requested, can be added as additional insureds. **CPA firms** should list **only** those involved in financial planning / investment advisory services.

NAME OF ALL EMPLOYED FINANCIAL ADVISORS	PROFESSIONAL DESIGNATIONS	NASD SERIES LICENSES	NASD CRD NUMBER	FPA	NAPFA	GARRETT NETWORK	HEWITT ADVISOR	OTHER ASSOCIATION

2. List names of any independent contractors (**non-employees**) giving investment advice on behalf of your RIA or state NONE: _____
 Do you wish coverage for these independent contractors? Yes No

3. Form ADV Disclosures

Is your Form ADV Part One as filed and dated on the SEC IARD a current and accurate disclosure of your firm as of the date of this application? If not SEC IARD filed, provide complete Form ADV Part One in paper format.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not IARD filed
Is Form ADV Part Two including Schedule F attached and is it a current and accurate disclosure of your firm as of the date of this application?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you agree to notify the underwriter of any change to facts presented in this application between the date of this application and the effective date of insurance?	<input type="checkbox"/> Yes <input type="checkbox"/> No

4. List all professional liability insurance carried (e.g. accountants, tax preparation, group broker-dealer, life agent)

INSURER	LIMITS	DEDUCTIBLE	POLICY PERIOD	RETROACTIVE DATE

5. Requested Limits and Deductibles

PER CLAIM / AGGREGATE LIMITS REQUESTED		DEDUCTIBLE REQUESTED	
<input type="checkbox"/> \$ 50,000 / \$100,000	<input type="checkbox"/> \$ 1,000,000 / \$1,000,000	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$15,000
<input type="checkbox"/> \$ 100,000 / \$ 200,000	<input type="checkbox"/> \$ 1,000,000 / \$2,000,000	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$20,000
<input type="checkbox"/> \$ 250,000 / \$500,000	<input type="checkbox"/> \$ 2,000,000 / \$2,000,000	<input type="checkbox"/> \$5,000	<input type="checkbox"/> \$25,000
<input type="checkbox"/> \$ 500,000 / \$1,000,000	<input type="checkbox"/> Higher Limits:	<input type="checkbox"/> \$10,000	<input type="checkbox"/> \$50,000

6. Has any professional liability claim, complaint or proceeding been made against the firm or any associated professionals or is the applicant aware of any **circumstances** which may result in any claim being made against the applicant, its predecessors in business, or any of the applicant's present or past partners, officers, directors, employees or associated professionals? YES NO **If yes, provide details on a separate sheet.**

7. Conflicts of Interest –PLEASE PROVIDE DETAILS ON A SEPARATE SHEET FOR YES ANSWERS. Does any person proposed for this insurance:

A. Act as both trustee and advisor to any client?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO
B. Advise clients to invest in any enterprise in which any firm member has more than a 5% ownership interest?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO
C. Advise clients to invest in any enterprise in which another client has more than a 5% ownership interest?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO
D. Act as advisor to an entity in which your firm, its members or associated persons has more than a 5% ownership interest?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO
E. Does the applicant or its partners, officers, directors, employees or associated professionals act as a general partner in a limited partnership or a member of an LLC in which the applicant's clients, directly or indirectly, are solicited to invest?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO
F. Is any person proposed for insurance under this application or their spouse a more than a 5% owner, a director, an officer, an employee, or in a position of control for any entity or enterprise in which clients are solicited to invest?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO
G. As a CPA, do you perform attest work / consulting services for any accounting client who is also an advisory client of your RIA?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO
H. Is any person proposed for insurance under this application a director, an officer, an employee, or in a position of control for any entity or enterprise including all subsidiaries and affiliates which is also an advisory client?	<input type="checkbox"/> Yes	<input type="checkbox"/> NO

8. Do you use a Compliance Attorney or Consultant? Yes No Name: _____

9. Indicate **gross annual revenues derived from financial planning, advisory activities, commissions and/or product sales**. Do not include professional accounting services revenues.

YEAR	ANNUAL TOTAL GROSS REVENUES (100%)	% FEE ONLY REVENUES	% COMMISSION REVENUES	NO. OF FINANCIAL ADVISORS
Past Year 200__				
Current Year 200__				
Next Year 200__				

10. Indicate professional services by approximate percentage. Must equal 100%. Indicate all services provided by the practice regardless of whether the revenues are declared in Question 9.

%	NATURE OF PRACTICE
	Modular/Comprehensive Financial Plan Preparation/Advice
	Divorce Planning
	Discretionary Asset Management (LPOA)
	Non-Discretionary Asset Management (LPOA with Prior Consent)
	Asset Monitoring (No Limited Power of Attorney to Direct Trades)
	Investment Management Consulting (No LPOA)
	Product Sales Based On Financial Plan
	Product Sales Not Based On Financial Plan

%	NATURE OF PRACTICE (Continued)
	Timing Services
	Tax Preparation
	Accounting Services Other Than Tax Preparation
	Third Party Pension Administration
	Hourly Advice
	Wrap Accounts
	Other:
	Other: General Insurance Agent Duties/ Agent Recruiter

11. As an advisor, do you provide advice on, recommend or use alternative investments? No Yes If yes, as a percentage of your total practice advice/ portfolio use, please indicate what percentage the following alternative investments represent to the total firm advice / assets managed.

%	TYPE OF INVESTMENT
	Private Placements
	Hedge Funds / Fund of Hedge Funds
	Mortgages, mortgage pools, mortgage backed securities
	Commodity Futures
	Unrated Bonds
	Investment Related Real Estate
	Options Contracts
	Unregistered Securities

%	TYPE OF INVESTMENT
	General or Limited Partnerships
	Foreign Securities Excluding ADR's
	REITS Privately Traded
	Promissory Notes
	Tangibles (gold, silver, collectibles, coins, etc)
	Derivative Instruments
	Other:

12. If you receive commissions, indicate the breakdown of total commission income by percent. Must equal 100%. (See Attached Note)

%	TYPE OF PRODUCT
	Mutual Funds
	Variable Annuities
	Life / Health / Disability / Accident Sales / Long Term Care
	Viatical Agreements / Senior Settlements / Life Settlements
	Listed Stocks
	Unlisted Stocks
	Investment Grade Bonds
	Junk Bonds

%	TYPE OF PRODUCT (Continued)
	Promissory Notes / Leases / Receivables
	Private Placements
	REITS Other Than REIT Mutual Funds
	General or Limited Partnerships
	Unregistered Securities
	Foreign Securities / ADR'S
	Hedge Funds or Fund of Hedge Funds
	Options / Futures / Tangibles/CMO's/Derivatives

13. What % of revenue is derived from professional entertainers, celebrities, athletes and musicians? None OR _____%

14. Does the applicant provide personal management services (e.g. sports management / bill paying) to any client? NO Yes

15. Is any advisory client an investment company (mutual fund), REIT, limited partnership or private placement? NO Yes (Provide details)

If no such clients now, do you agree to notify the carrier within 30 days if you start to render advisory services to such a client? Yes No

16. Please CIRCLE yes or no. All YES answers, please supply details. Has the Applicant or any associated professional ever:

Yes	No	Had a professional license/registration denied, suspended, revoked, non-renewed or restricted?
Yes	No	Been formally reprimanded by any court/administrative/regulatory agency?
Yes	No	Had a complaint filed with consumer agencies, applicant's broker-dealer, the SEC, NASD, the IRS, state securities dept., insurance dept., or other regulatory agency?
Yes	No	Been audited by the SEC, NASD, state securities dept., or other licensing or regulatory agency? If yes, please supply audit letter and firm's response to regulator.
Yes	No	Been formally accused of violating any professional association's code of ethics?
Yes	No	Been convicted of a felony?
Yes	No	Been involved in or is aware of any fee disputes including suits?
Yes	No	Have you ever had a trading error loss? If so, please provide details including amounts and by whom the loss was paid.

17. Has the Applicant or any affiliate had an organizational change involving a merger, acquisition, divestiture, significant change in principals in the last three years? NO Yes If yes, provide details on a separate sheet.

18. If your firm has assets under management, complete the following:
CAFP0305003

A. Use a written Investment Policy Statement for other than ERISA accounts?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
B. Have Limited Power of Attorney to direct trades in the client's account? If yes: please answer:	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<input type="checkbox"/> I use full discretion to trade without prior consent of the client		
<input type="checkbox"/> I use discretion to trade within an Investment Policy Statement or written parameters		
<input type="checkbox"/> I decline to exercise the discretion and obtain prior consent for each and every trade.		
C. Excluding advisory fees, do you have power to withdraw/disburse funds in the account?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
D. Custodians: <input type="checkbox"/> Fidelity <input type="checkbox"/> Waterhouse <input type="checkbox"/> Schwab <input type="checkbox"/> 1st Trust/Data <input type="checkbox"/> Vanguard <input type="checkbox"/> NATC <input type="checkbox"/> Shareholders <input type="checkbox"/> Other:		

NEW BUSINESS APPLICANTS ONLY: 18 E. On a separate sheet, please briefly describe your investment philosophy.

NEW BUSINESS APPLICANTS ONLY: 18 F. On a separate sheet, please list the types/percentages of investments used in portfolios.

ALL APPLICANTS – COMPLETE THE FOLLOWING FOR ALL THOSE ACCOUNTS FOR WHICH THE APPLICANT ACTS AS INVESTMENT ADVISOR

19. Types of Clients:

TYPES OF CLIENTS	Number of Accounts	Market Asset Value	Largest Account Asset Value
Discretionary ERISA Pension / Employee Benefit Plans			
Discretionary Non-ERISA Pension / Employee Benefit Plans			
Discretionary All Other Accounts			
Non-Discretionary ERISA Pension / Employee Benefit Plans			
Non-Discretionary Non-ERISA Pension / Employee Benefit Plans			
Non-Discretionary All Other Accounts			
Total All Accounts Managed			

20. Does the applicant act as advisor for any Taft-Hartley, union, or governmental employee benefit plan? No Yes If yes, attach list of accounts and assets.

21. Number of accounts lost in the last 12 months and corresponding total assets under management: _____

Reasons for loss of accounts: _____

NEW BUSINESS APPLICANTS ONLY: 22. Except Missouri residents, has any Insurer refused, cancelled or non-renewed coverage? No Yes (Provide details)

Applicant declares and warrants that the statements set forth herein, including the Form ADV Parts I and II and all supplemental information provided to the Company, are complete and accurate and that no material facts have been suppressed or misstated and each is deemed material to any acceptance of the risk by the Company. Applicant understands and agrees this application, the Form ADV Parts I and II and all supplemental information will be made a part of any Policy issued and will be considered as incorporated into and constituting a part of the Policy and will be deemed a part of and attached, as if physically attached to any such Policy issued and any such Policy is issued in reliance upon the representations made. The Applicant agrees that if the information supplied to the Company changes between the date of this Application and the effective date of insurance, Applicant will immediately notify the Company of such changes and the Company may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. Applicant understands and agrees that failure to provide complete and accurate information to the Company, may at the option of the Company, result in the voiding of insurance and / or denial of any claim asserted.

NOTICE TO APPLICANT: Any person who knowingly files an application for insurance or statement of claim containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and also punishable by civil penalties in certain jurisdictions.

Print Name: _____ Title: _____
 Signature: _____ Date: _____
 (Owner, Partner, Senior Officer)

SIGNING THIS FORM OR REMITTANCE OF DEPOSIT DOES NOT BIND THE COMPANY OR THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE CONTRACT. YOU WILL BE NOTIFIED WHEN COVERAGE IS ACCEPTED AND BOUND.

Executive Perils

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