



OLD MUTUAL®

# E&O Coverage

*Market Downturn Has Led to an Increase in Errors and Omissions Claims... Will You Be Next?*

## IMPORTANT FEATURES OF THE PLAN

- Choice of \$1 million or \$2 million annual aggregate limit per agent
- Annual Premium based on coverage amount chosen:
  - \$732 for \$1 million of coverage
  - \$1,012 for \$2 million of coverage
- Defense costs coverage in addition to limit of liability with no deductible on defense costs
- Deductible is \$500 per claim involving OM Financial Life and related companies products; \$2,500 per claim involving products of other companies
- Plan encompasses coverage for the sale and servicing of:
  - Life insurance, accident and health insurance, disability income insurance and annuities
  - Variable insurance products
  - Employee benefit plans funded with products noted herein
  - Mutual funds registered with the SEC and sold by a “Registered Representative” through a “Broker Dealer” so long as at the time of the sale the “Registered Representative” had a contract with such “Broker/Dealer” and was authorized to sell such mutual funds.
- Prior acts coverage for qualified agents
- Limited insolvency endorsement covers claims arising from insurer insolvency for carriers with AM Best B+ or better ratings
- Coverage provided for agent’s non licensed office staff
- Annual plan coverage will begin September 1
- Mid term enrollment for:
  - Newly appointed agents with OM Financial Life only if applying within 60 days of the appointment, or
  - Currently appointed agents enrolling within 60 days of the expiration date of prior E&O coverage
  - The premium charged is calculated from the enrollment/expiration date to the September 1st renewal date and is the greater of \$200 or the calculated premium - please see midterm enrollment premium schedule

You must enroll prior to the expiration date of your current insurance policy in order to preserve retroactive coverage.

***Errors and Omissions claims can severely damage your business.***

***Protect yourself and your business with OM Financial Life’s Group E&O Plan.***

***Underwritten by Zurich Insurance Group Company, this plan provides broad coverage at an affordable price, and the security of knowing that an inadvertent error on your part need not spell disaster for your business.***

***To enroll, complete and mail the attached enrollment form.***

# Commonly Asked Questions

## Who is covered?

You, as an agent with a current agent's agreement with OM Financial Life, are the named Insured. You are also referred to as the "Named Certificate Holder." Your staff, acting on your behalf, are also covered under your policy, but only if they are not a party to a contract with any other Insurance Company and only with regard to Professional Services provided by you. Your heirs, executors, administrators, and legal representations should you die, become incapacitated, or bankrupt.

## What products are covered?

The sale and servicing of:

1. Life insurance, accident and health insurance, disability income insurance and annuities
2. Variable insurance products,
3. Employee benefit plans funded with products noted herein.
4. Mutual funds registered with the SEC and sold by a "Registered Representative" through a "Broker Dealer" so long as at the time of the sale the "Registered Representative" had a contract with such "Broker/Dealer" and was authorized to sell such mutual funds.

## How do the deductibles work?

Deductibles apply to each claim, but do not apply to costs incurred in your defense. First dollar defense coverage is provided. A \$500 deductible applies to claims involving OM Financial Life and related companies' products, and a \$2,500 deductible applies to claims involving products of other companies.

## Will I be covered for errors committed prior to the beginning of the policy period?

Yes, you will be covered if you have maintained prior continuous and consecutive errors and omissions (E&O) coverage and had no prior knowledge of facts or circumstances that could result in a claim being made against you.

## Will my partnership or corporation be covered if it is named in a suit?

Yes, your partnership or corporation will be covered for claims arising out of professional services provided by you for others, as long as the claim arises out of activities and products otherwise covered by this policy.

## What happens if my contract with OM Financial Life is terminated or I retire?

Your full E&O coverage ceases at the expiration date of the policy or ninety (90) days after your contract is terminated, whichever is greater. However, you may report claims for a period of one (1) year for claims resulting from covered activities occurring before such date solely involving products provided by OM Financial Life. You may report claims resulting from covered activities occurring before such date involving all other products for a period of 90 days. No coverage shall be provided in the event you have any other applicable insurance.

If termination is due to death, disability, or retirement, you have an automatic extended reporting period of two (2) years to report any claim which occurred before such date resulting from covered activities while your contract was in force, as long as you do not have any other applicable insurance. This automatic extended reporting period of two (2) years may be extended as follows:

- A three-year extended reporting period for 200% of the last annual premium
- A five-year extended reporting period for 300% of the last annual premium
- An unlimited extension for 400% of the last annual premium charge

These options must be elected, in writing, and the additional premium paid within 60 days of the termination of coverage.

## What if the claim arises from the insolvency of the insurance carrier with which the business was placed?

If, at the time of the business was placed, obtained or recommended the insurer carries a rating of B+ or better with A.M. Best Company\*, you are covered for any claim based upon the insolvency, receivership, liquidation or inability to pay of any insurer in which the insured has obtained coverage or placed the funds or account of a customer.

\* Established in 1899, A.M. Best is America's oldest independent organization that rates the strength of insurance companies.

## What if the claimant wishes to negotiate for a settlement of claim?

The Insurer shall investigate and settle any claim subject to the Limit of Liability.

## What are some of the excluded activities under the policy?

The Financial Products Option and Independent Registered Investment Advisor (RIA) coverages are no longer available. The policy does not cover dishonest or fraudulent acts; liability assumed under contract or agreement; co-mingling of customer funds; activities as an actuary, accountant, attorney, real estate agent, or tax adviser; third party administrator activities, pension administration, or COBRA administration; securities or mutual funds, unless the mutual funds are registered with the SEC and sold by a "Registered Representative" through a "Broker Dealer" and so long as at the time of sale the "Registered Representative" had a contract with such "Broker Dealer" and was authorized to sell such mutual funds.

Also excluded are fines or penalties imposed by law; commission disputes; property and casualty insurance; actual or alleged unauthorized use of trade secrets or confidential or proprietary information; any claim brought against the insured by any other insured; and promises or guarantees as to the effect of fluctuations of interest rates with respect to future premium payments or as to market values. This is a partial list only and we refer you to the actual Master Policy.

Renew your Old Mutual sponsored agents Errors and Omissions coverage for the September 1, 2010 – September 1, 2011 policy period in just four easy steps:

1. Visit HYPERLINK “<http://www.omfn.com>”, scroll down and click on the E&O insurance banner.
2. Complete the enrollment form. If you currently have E&O insurance with Wells Fargo Insurance Services (WFIS), simply answer questions #1 and #2, select the limits desired and proceed to the payment section. First time program enrollees need to answer the additional question on the enrollment form, select limits desired and proceed to the payment section.
3. Select payment option
4. Click ‘submit’.

Of, if you prefer, you can simply call 888-306-0892 and speak with one of the WFIS program administrators who will help you enroll or answer any questions you may have about the program.

This is a brief description only. Policy must be consulted for details.

For more information, contact: Sponsored Agents Program Administrator  
Wells Fargo Insurance Services  
2502 Rocky Point Drive, 4th Floor  
Tampa, FL 33607  
Phone: 888-306-0892  
Email: [proservadmin@wellsfargo.com](mailto:proservadmin@wellsfargo.com)

Contracts issued by OM Financial Life Insurance Company, Baltimore, MD.

OM Financial Life Insurance Company offers a diverse portfolio of fixed and indexed interest and variable annuities and optional additional features. Before purchasing, consider your financial situation and alternatives available to you. Your OM Financial Life Insurance Company financial professional can help you determine the best alternatives for your goals and needs, or visit us at [www.omfn.com](http://www.omfn.com) for more information.

**1.888.513.8797 [www.omfn.com](http://www.omfn.com)**

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