

## Supplemental Application For Investment Advisors Coverage

1. Name of Applicant: \_\_\_\_\_  
(attach a copy of the firm's current letterhead)
- Contact: \_\_\_\_\_ E-mail Address: \_\_\_\_\_
- Mailing Address: \_\_\_\_\_
- Telephone #: \_\_\_\_\_ Fax #: \_\_\_\_\_
- URL: http:// \_\_\_\_\_ Date Established: \_\_\_\_\_
- Individual: ☐ Corporation: ☐ Partnership: ☐ LLC/LLP: ☐ Other: \_\_\_\_\_
- Parent Organization (None ☐): \_\_\_\_\_

2. List any subsidiary, predecessor, acquired or merged firms for which coverage is requested:

Name of Firm	Date of Formation or Transaction	# of Professional Staff <u>that joined you</u>	% of firm annual billings <u>assigned to you</u>

3. List all investment advisers who are employed (W-2) and Independent Contractors (1099) that work solely on behalf of the Named Insured. Accounting firms should list only those that provide financial planning/investment advisory services. Independent Contractors (1099) that provide services independent of the names applicant are not covered under policy and require separate applications or, if requested, may be added as additional insureds.

Name of All Employed Investment Advisers	Years in Practice	Professional Designations	NASD Series Licenses	NASD CRD Number	FI360	CFDD	Other Associations

4. Are any of **your** investment advisers also registered representatives for a Broker-Dealer? ☐ Yes ☐ No  
If "yes", please provide the name of the Broker-Dealer and attach evidence or certificate of separate insurance coverage.

5. List the names of any independent contractors (non-employees) giving investment advice on **your** behalf:  
\_\_\_\_\_ Or, None ☐

6. Provide gross annual revenues derived from financial planning, advisory activities, commissions and/or product sales. Do not include professional accounting services revenues unless **you** require coverage for tax preparation work.

Year	Annual Total Gross Revenues (100%)	% Fee Only Revenues	% Commission Revenues	Number of Financial Advisors
Last Year 20_____				
Present Year 20_____				
Projected for next Year 20_____				

7. CONFLICTS OF INTEREST

(a) Do **you**:

- (i) act as both trustee and advisor to any client? ☐ Yes ☐ No
- (ii) advise clients to invest in any enterprise in which you have an ownership interest? ☐ Yes ☐ No
- (iii) advise clients to invest in any enterprise in which another client has an ownership interest? ☐ Yes ☐ No
- (iv) act as an advisor to an organization in which **you** have an ownership interest? ☐ Yes ☐ No

- (b) Do **you** have an ownership interest or act as a director, officer, an employee or act in any position of control for any organization in which clients are solicited to invest? ☐ Yes ☐ No

- (c) Is any person proposed for insurance under this application a director, an officer, an employee, or in a position of control for any organization or enterprise, including all subsidiaries and affiliates, for any advisory client? ☐ Yes ☐ No

- (d) Are **you** or any of **your** partners, officers, directors, employees or associated professionals a CPA? ☐ Yes ☐ No

If "yes", do any such persons perform attest work/consulting services for any accounting client who is also an advisory client? ☐ Yes ☐ No

If you respond "yes" to any of the questions in 7. Above, provide full details on a separate sheet.

8. Do **you** use a Compliance Attorney or Consultant? ☐ Yes ☐ No

If "yes", provide name if individual: \_\_\_\_\_

9. Provide professional services by approximate percentage (must equal 100%):

Nature of Practice	%
Asset Monitoring (No Limited Power of Attorney to Direct Trades)	
Discretionary Asset Management - ERISA (LPOA)	
Divorce Financial Consulting	
Non-Discretionary Asset Management (LPOA with Prior Consent)	
Hourly Advice	
Modular/Comprehensive Financial Plan Preparation/Advice	
Product Sales Based on Financial Plan	
Referral To Third Party Managers	
Wrap Accounts	

Nature of Practice	%
Discretionary Asset Management - Individual (LPOA)	
Investment Management Consulting (No LPOA)	
Third Party Pension Administration (not claims)	
Timing Services	
Product Sales Not Based on Financial Plan	
Tax Preparation	
Accounting Services Other Than Tax Preparation	
Other:	
Other:	

10. As an advisor, do **you** provide advice on, recommend, or use alternative investments? ☐ Yes ☐ No  
 If "yes", provide the percentage of **your** total practice advice and/or portfolio use that the following alternative investments represent to the total advice and/or assets managed. Do not include investments that are used within a mutual fund.

Type Of Investment	%
Private Placements	
Commodity Futures	
Promissory Notes	
Tangibles (gold, silver, collectibles, coins, etc.)	
Hedge Funds/Fund of Hedge Funds	
Mortgages, mortgage pools, mortgage backed securities	
Private Placements	
REITS Privately Traded	
Investment Related Real Estate	

Type Of Investment	%
Unrated Bonds	
Options Contracts	
Unregistered Securities	
Foreign Securities Excluding ADR's	
General or Limited Partnerships	
Unlisted Stocks	
Derivative Instruments	
Other:	
Other:	

11. Do **you** receive commissions? ☐ Yes ☐ No  
 If "yes", provide a breakdown of total commission income by percent. Must equal 100%

Type Of Product	%
Mutual Funds	
Variable Annuities	
Life/Health/Disability/Accident Sales/Long Term Care	
Listed Stocks	
Investment Grade Bonds	
Promissory Notes/Leases/Receivables	
Private Placements	
REITS other than REIT Mutual Funds	
Options/Futures/Tangibles	

Type Of Product	%
CMO's/Derivatives	
Foreign Securities (excl. ADR'S)	
Subprime Mortgages or Subprime CMO's of CDO's	
General or Limited Partnerships	
Unregistered Securities	
Unlisted Stocks	
Junk Bonds	
Hedge Funds or Fund of Hedge Funds	
Viatical Agreements/Senior Settlements/Life Settlements	

12. What percentage of **your** revenue is derived from professional entertainers, celebrities, athletes and musicians? \_\_\_\_\_% If ZERO, check here ☐
13. Do **you** provide personal management services (e.g. sports management or bill paying, etc.) to any professional entertainers, celebrities, athletes and musicians? ☐ Yes ☐ No
14. Is any advisory client an investment company (mutual fund), REIT, limited partnership or private placement? ☐ Yes ☐ No  
 If "yes", provide details on a separate sheet.  
 If "no", do **you** agree to notify us within thirty (30) days if **you** begin providing advisory services to such a client? ☐ Yes ☐ No
15. Do **you** have an employee dishonesty insurance policy or bond, which covers theft of client funds? ☐ Yes ☐ No  
 If "yes", provide a copy of **your** employee dishonesty insurance policy or bond declarations page.

**16. Have **you** or any associated professional ever:**

- (a) Had a professional license or registration denied, suspended, revoked, non-renewed or restricted or have you been convicted of a felony? ☐ Yes ☐ No
- (b) Been formally reprimanded by any court, administrative or regulatory agency? ☐ Yes ☐ No
- (c) Had a complaint filed with any consumer agency, state securities department, insurance department or **your** broker-dealer, SEC, NASD, or other regulatory agency? ☐ Yes ☐ No
- (d) Been audited by the SEC, NASD, any state securities department, or other licensing or regulatory agency? ☐ Yes ☐ No  
If "yes", provide a copy of the audit letter and **your** response.
- (e) Been formally accused of violating any professional association's code of ethics? ☐ Yes ☐ No
- (f) Have you or your firm provided services for 1031 exchanges? ☐ Yes ☐ No
- (g) Been involved in or is aware of any fee disputes including suits? ☐ Yes ☐ No
- (h) Ever had a trading error loss in excess of \$5,000? If "yes" provide details including dates, amounts and by whom the loss was paid. ☐ Yes ☐ No

If "yes" to any part of Question 16., provide details on a separate sheet.

**17. Are **you** associated with, or consult, with any Broker-Dealer, Investment Adviser or Investment Manager that does not use an independent third party as a custodian for investment funds?**

☐ Yes ☐ No

If "yes" provide details on a separate sheet.

**18. During the last three (3) years have **you** or any affiliate been involved in, or presently considering or contemplating any merger, acquisition, divestiture or significant change in principal?**

☐ Yes ☐ No

If "yes" provide details on a separate sheet.

**19. Do **you** act as advisor or consultant for any Taft-Hartley, Union, or Governmental employee benefit plans?**

☐ Yes ☐ No

If "yes" attach a list of accounts and assets on a separate sheet.

**20. (a) Number of accounts lost in the last twelve (12) months: \_\_\_\_\_**

(b) Total assets under management for accounts lost in the last twelve (12) months: \$ \_\_\_\_\_

(c) Reason for loss of accounts: \_\_\_\_\_

**21. Do you direct trades in client's custodial accounts?**

☐ Yes ☐ No

If "yes", complete the following:

Use a written Investment Policy Statement for other than ERISA accounts?

☐ Yes ☐ No

(a) Have Limited Power of Attorney to direct trades in the client's account?

☐ Yes ☐ No

If "Yes" please answer:

☐ **You** use full discretion to trade without prior consent of the client.

☐ **You** use discretion to trade within an Investment Policy Statement or written parameters.

☐ **You** decline to exercise discretion and obtain prior consent for each and every trade.

(b) Excluding advisory fees and authorized disbursement to an account with the same registration or the client, do **you** have power to withdraw/disburse funds in the account? ☐ Yes ☐ No

(c) Custodians: ☐ Fidelity ☐ TD Ameritrade ☐ Schwab ☐ Pershing ☐ FISERV

☐ Assetmark ☐ NATC ☐ SSG ☐ Other: \_\_\_\_\_

## 22. TYPES OF ACCOUNTS

TYPES OF ACCOUNTS	% of Fees	Number of Accounts	Market Asset Value (\$)	Largest Account Asset Value (\$)
Non-Discretionary ERISA Pension/Employee Benefit Plans				
Non-Discretionary All Other Accounts				
Investment Management Consulting Accounts (No Direct Management)				
Referral to Third Party Money Manager Accounts (No Direct Management)				
Discretionary ERISA Pension/Employee Benefit Plans (please provide a copy of the Investment Advisers ERISA bond)				
Discretionary All Other Accounts				
Total All Accounts				

## 23. FORM ADV DISCLOSURES

- (a) Is **your** Form ADV Part I as filed and dated on the SEC IARD a current and accurate disclosure of **you** as of the date of this application? If not SEC IARD filed, provide complete Form ADV Part I in paper format.

☐ Yes ☐ No  
☐ Not IARD filed

- (b) Is **your** Form ADV Part II including schedules as filed and dated on the SEC IARD a current and accurate disclosure of **you** as of the date of this application? If not SEC IARD filed, provide complete Form ADV Part II in paper format.

☐ Yes ☐ No  
☐ Not IARD filed

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

Insurer	Limits of Liability	Deductible	Type of Insurance	Policy Period	Retroactive Date

25. Has any professional liability claim(s), complaint, or proceeding been made against **you** or any person or organization proposed for this insurance or any predecessor organization? If "yes", provide full details on a separate sheet.

☐ Yes ☐ No

26. Is (are) any person(s) or organization(s) proposed for this insurance aware of any fact, error, omission, circumstance or situation that might provide grounds for any claim under the proposed insurance?

☐ Yes ☐ No

If "yes", provide full details on a separate sheet.

27. Have **you** and/or any of its directors, officers and/or employees, its predecessors, subsidiaries, affiliates, employees and/or any other person or organization proposed for this insurance been involved in or have knowledge of any pending or completed governmental regulatory, investigative or administrative proceedings?

☐ Yes ☐ No

If "yes", provide full details on a separate sheet.

28. Has any insurer declined, cancelled or non-renewed any Investment Adviser Professional Liability Insurance or any similar insurance on behalf of any person(s) or organizations(s) proposed for this insurance?

[This Question Not Applicable in Missouri.]

29. EFFECTIVE DATE OF COVERAGE \_\_\_\_\_

30. PRIOR ACTS DATE \_\_\_\_\_

31. REQUESTED LIMITS:

\_\_\_\_\_ \$250,000/\$750,000

\_\_\_\_\_ \$500,000/\$1,000,000

\_\_\_\_\_ \$1,000,000/\$1,000,000

\_\_\_\_\_ \$2,000,000/\$2,000,000

### **FRAUD WARNINGS**

**FOR APPLICANTS IN THE FOLLOWING STATES:**

**COLORADO** - It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**DISTRICT OF COLUMBIA** - WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**FLORIDA** - Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**KANSAS** - Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**KENTUCKY and PENNSYLVANIA** - Any person who knowingly and with intent to defraud, any insurance company or other person files an application for insurance containing any materially 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 subjects such person to civil and criminal penalties.

**MARYLAND** - Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**OHIO** - Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OKLAHOMA** - Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**OREGON** - Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information, information concerning any material fact, may have committed a fraudulent insurance act.

**PUERTO RICO** - Any person who knowingly and with intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

**FOR APPLICANTS IN ALL OTHER STATES EXCEPT NEW YORK:**

Any person who knowingly presents a false claim or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison, and denial of insurance benefits.

**FOR APPLICANTS IN NEW YORK** - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially 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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**This supplemental application must be signed by the owner (if the agency is a sole proprietorship), a duly authorized officer (if the agency is a corporation), or a partner (if the agency is a partnership). Carbon or stamped signatures are not acceptable.**

Applicant signature(s): \_\_\_\_\_

Print name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Agent: \_\_\_\_\_

Producer: \_\_\_\_\_ License number: \_\_\_\_\_

I/We HEREBY DECLARE that the above statements and particulars are true to the best of my/our knowledge and that I/we have not suppressed or misstated any facts, and I/we agree that this supplemental application shall be the basis of the coverage issued by the company providing this insurance, and shall be deemed attached to and part of the policy. It is also acknowledged that the applicant is obligated to report any changes in the information provided herein that occur after the date of signature but prior to the effective date of coverage.

No coverage is provided unless a policy or certificate is issued. If the policy or certificate is issued, one signed copy of the application will be attached to the policy or certificate. Signature of the application and submission of a check does not bind the company to the issuance of an insurance policy. If the company declines to issue a policy, the premium check will be returned.

- Premium check, if applicable, should be made payable to Utica National Insurance Group.
- Return application and premium check, if applicable, to:  
UTICA NATIONAL INSURANCE GROUP  
ERRORS & OMISSIONS DEPARTMENT  
P. O. BOX 530  
UTICA, NY 13503  
OR  
180 GENESEE ST., NEW HARTFORD, NY 13413
- You may also fax to: (315) 235-4641 or scan and email to [eo.apps@uticanational.com](mailto:eo.apps@uticanational.com).

