

ENDORSEMENT

This endorsement, effective 12:01AM: **Date**
Forms a part of Policy No.: **Policy Number**
Issued to: **Issued To**
By: **Writing Company**

REGULATORY ACTION EXTENSION (CIVIL FINES & PENALTIES)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

LIFE AGENT BROKER-DEALER PROFESSIONAL LIABILITY

In consideration of the premium for this policy, it is hereby understood and agreed that the policy is amended as follows:

1. **SECTION I INSURING AGREEMENTS** is amended by appending the following to the end thereof:

RA. Regulatory Action Coverage

The **Insurer** shall pay **Loss** on behalf of any **Insured** or **Executive** as a result of a **Regulatory Action**:

1. first made against such **Insured** or **Executive** during the **Policy Period** for a **Wrongful Act** of such **Insured** or **Executive** occurring on or after the **Prior Acts Date** and prior to the end of the **Policy Period**; and
2. reported to the **Insurer** as required by this policy.

2. The Definition of "**Claim**" as set forth in **SECTION III. DEFINITIONS** is amended by appending the following to the end thereof:

Claim shall also mean a **Regulatory Action**.

3. Solely with respect to the coverage afforded under this endorsement, the Definition of "**Wrongful Act**" as set forth in **SECTION III. DEFINITIONS** is amended by appending the following to the end thereof:

Wrongful Act shall also mean an actual or alleged act, error or omission committed by an **Executive** in their capacity as such.

4. The Definition of "**Loss**" as set forth in **SECTION III. DEFINITIONS** is amended by deleting subparagraph **i.** thereof in its entirety and replacing it with the following:

- i.** taxes, fines or penalties imposed against an **Insured**; provided, however, **Loss** shall include those civil fines or pecuniary penalties assessed against any **Insured Person** for an unintentional and non-willful violation by such **Insured Person** of any federal, state or local law or regulation, where such fines and penalties are insurable by law in connection with a **Regulatory Action**;

5. The "**Prior Acts Date**" for each **Executive** shall be the same date specified as such for the **Sponsor Broker-Dealer**.

6. For purposes of this REGULATORY EXTENSION, the following terms shall have the following meanings:

“**Executive**” means any natural person who was, is or shall be a duly elected or appointed director, officer, partner, principal, trustee, regent, governor, general counsel, chief compliance officer, chief conflicts officer, risk manager, general partner, managing member or member of a board of managers, of a **Sponsor Broker-Dealer**.

“**Insured Person**” means any:

- a. **Executive**; and
- b. natural person Agent, Registered Representative or Registered Investment Adviser.

“**Regulatory Action**” means:

- a. an administrative or regulatory proceeding (other than an investigation) by an **Enforcement Authority** against an **Insured**, which shall be deemed first made upon receipt of a notice of charges, complaint or similar document by the **Insured**; and
- b. a formal investigation of an **Insured** by an **Enforcement Authority**, which shall be deemed first made upon service on or receipt by the **Insured** of a written document from such **Enforcement Authority** identifying such **Insured** as a target of the investigation, including a notice of investigation, target letter, Wells Notice or similar document;

Regulatory Action shall not include, and this policy shall not cover, any request by an **Enforcement Authority** that is part of a routine or regularly scheduled audit, inspection or general oversight or compliance activity.

“**Regulatory Aggregate**” means \$<XXXX>.

7. The **Enforcement Authority** exclusion set forth in paragraph L. of **SECTION IV. EXCLUSIONS** is deleted in its entirety.
8. It is further understood and agreed as follows:
 - i. The **Regulatory Aggregate** shall be the maximum liability of the **Insurer** for all **Loss** under this REGULATORY EXTENSION for all **Claims** combined, and shall apply regardless of the number of **Claims**, **Insureds**, **Wrongful Acts** or **Related Wrongful Acts**. The **Regulatory Aggregate** shall be part of, and not in addition to, the **Policy Aggregate** set forth in **Item 6.** of the Declarations.
 - ii. The maximum liability of the **Insurer** for all **Loss** for each **Insured** under this REGULATORY EXTENSION shall be:
 - a. For an **Agent**, \$<XXXX> each **Claim**, and \$<XXXX> in the aggregate, which amounts shall be part of, and not in addition to, such **Agent’s** elected each **Claim** and aggregate Limits of Liability option set forth in **Item 7.A.i.** of the Declarations and stated in such **Agent’s Certificate**, the **Regulatory Aggregate**, and the Policy Aggregate set forth in **Item 6.** of the Declarations;
 - b. For a **Registered Representative** or **Registered Investment Adviser**, \$<XXXX> each **Claim**, and \$<XXXX> in the aggregate, which amounts shall be part of, and not in addition to, such **Registered Representative’s** or **Registered Investment Adviser’s** elected each **Claim** and aggregate Limits of Liability option set forth in **Item 7.A.ii.** of the Declarations and stated in such **Registered Representative’s** or **Registered Investment Adviser’s Certificate**, the **Regulatory Aggregate**, and the Policy Aggregate set forth in **Item 6.** of the Declarations; and
 - c. For all **Sponsor Broker-Dealers** and **Executives**, combined, \$<XXXX> each **Claim**, and \$<XXXX> in the aggregate, which amounts shall be part of, and not in addition to, the each **Claim** and aggregate Limits of Liability set forth in **Item 7.B.** of the Declarations, the **Regulatory Aggregate**, and the Policy Aggregate set forth in **Item 6.** of the Declarations.

All other terms and conditions of this policy remain unchanged.