

State: New York **Filing Company:** Farm Family Casualty Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Professional Liability
Project Name/Number: NY FFCIC E&O Initial Filing/

Filing at a Glance

Company: Farm Family Casualty Insurance Company
 Product Name: Professional Liability
 State: New York
 TOI: 17.2 Other Liability-Claims Made Only
 Sub-TOI: 17.2019 Professional Errors and Omissions Liability
 Filing Type: Form/Rate/Rule
 Date Submitted: 07/29/2019
 SERFF Tr Num: ANPC-132023273
 SERFF Status: Closed-Approved
 State Tr Num: R2019002691
 State Status: Closed
 Co Tr Num: 31-EO-FF-190469RF
 Effective Date: 01/01/2020
 Requested (New):
 Effective Date
 Requested (Renewal):
 Author(s): Janice Herron
 Reviewer(s): Rose Brandon-Lowe (primary)
 Disposition Date: 09/17/2019
 Disposition Status: Approved
 Effective Date (New): 01/01/2020
 Effective Date (Renewal):

**This filing was provided as part of
 The New York Insurance ADVISOR
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 or call 800-896-8000**

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TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
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General Information

Project Name: NY FFCIC E&O Initial Filing Status of Filing in Domicile: Pending
Project Number: Domicile Status Comments: New York is our domicile state.
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 09/17/2019
State Status Changed: 09/17/2019 Deemer Date:
Created By: Janice Herron Submitted By: Janice Herron
Corresponding Filing Tracking Number:

Filing Description:

Farm Family Casualty Insurance Company (FFCIC) is submitting a new program for our Errors and Omissions product.

Following our conference call of January 16, 2019, with Gerald Scattaglia, Siu Ping Wong, Bruce Ascher and Denise Chatman, Farm Family is submitting our proprietary Errors and Omissions product for your review.

Please see the filing memorandum attached under the Supporting Documentation tab for the details.

Please note that this is a resubmission of State Tracking #R2019001882, SERFF Tracking #ANPC-131946693, Company Tracking #31-EO-FF-190326RF.

Company and Contact

Filing Contact Information

Janice Herron, Regulatory Compliance janice.herron@americannational.com
Analyst II
American National Corporate 417-887-4990 [Phone] 2441 [Ext]
Centre 417-877-5014 [FAX]
1949 E. Sunshine
Springfield, MO 65899-0251

Filing Company Information

Farm Family Casualty Insurance Company	CoCode: 13803	State of Domicile: New York
P.O. Box 656	Group Code: 408	Company Type: Property and Casualty
Albany, NY 12201-0656	Group Name: AMERICAN	State ID Number:
(518) 431-5000 ext. [Phone]	NATIONL FIN GRP	
	FEIN Number: 14-1415410	

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

State: New York **Filing Company:** Farm Family Casualty Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
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Speed-To-Market Field: enter code "98" for Speed-To-Market filings. Enter "0" for N/A.: N/A

Terrorism Exclusion Field: enter code "46-01" for filings which includes forms, rates or rules for the Terrorism Exclusion. Enter "0" for N/A.: N/A

Mold (Fungi, Bacteria, Virus) Exclusion Field: enter code "46-02" for filings which includes forms, rates or rules for the Mold Exclusion. Enter "0" for N/A.: N/A

On the Rate/Rule Schedule Tab, the "Add Rate Data" button must be changed to "yes" for all rating rules and rate filings in order for the appropriate fields to be completed. Please enter "Yes" for filings with the rate data fields completed and "No" for all other filings.: Yes

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Rose Brandon-Lowe	09/11/2019	09/17/2019

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending	Rose Brandon-Lowe	08/28/2019	08/28/2019

Response Letters

Responded By	Created On	Date Submitted
Janice Herron	09/09/2019	09/09/2019

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Farm Family Certificate Of Insurance	Janice Herron	09/11/2019	09/11/2019
Supporting Document	EO-209 9-19 to 10-19	Janice Herron	09/11/2019	09/11/2019
Form	Insurance Agents Errors and Omissions Liability Insurance Policy	Janice Herron	08/27/2019	08/27/2019
Supporting Document	EO-214 7-19 to 8-19	Janice Herron	08/27/2019	08/27/2019

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Disposition

Disposition Date: 09/17/2019
Effective Date (New): 01/01/2020
Effective Date (Renewal):
Status: Approved

Comment: This refers to your correspondence of July 29, 2019, submitted for our review. Reference is also made to the company's various correspondences wherein you provided additional information.

The forms are approved while the rate/rule pages are acknowledged pursuant to Article 23 of the New York Insurance Law effective January 1, 2020, for new business, as requested.

Very truly yours,

LINDA A. LACEWELL
Superintendent of Financial Services

By:

Rose Brandon Lowe
Senior Insurance Examiner
Property Bureau
(212) 480-5516
Rose.Brandonlowe@dfs.ny.gov
http://www.dfs.ny.gov

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Farm Family Casualty Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes

State: New York Filing Company: Farm Family Casualty Insurance Company
 TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
 Product Name: Professional Liability
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Professional Liability and Errors and Omissions Review Standards Checklist		Yes
Supporting Document	Commercial Liability Insurance Review Standards Checklist		Yes
Supporting Document	Commercial Liability Insurance Form Filing Compliance Questionnaire		Yes
Supporting Document	Commercial Lines Cancellation & Nonrenewal Form Filing Compliance Questionnaire (NYIL 3426)		Yes
Supporting Document	Claims-Made Policies Form Filing Compliance Questionnaire		Yes
Supporting Document	Defense-Within-Limits Policies Form Filing Compliance Questionnaire		Yes
Supporting Document	Side-By-Side Comparisons		Yes
Supporting Document	Sexual harassment coverage requirements		Yes
Supporting Document	Rates and/or Rating Plans		Yes
Supporting Document	Consent-to-rate requirements		Yes
Supporting Document	Audit Provisions/premium Audit Rules		Yes
Supporting Document	Minimum Premium/Return Premium and Minimum Earned Premium Rules		Yes
Supporting Document	Renewal Discounts - General Liability and Professional Liability		Yes
Supporting Document	ANIA Purchasing Group - Letter of Approval from NYSDFS		Yes
Supporting Document	Rate Comparison for Old Program to New Program		Yes
Supporting Document	Form Markups - EO-207, EO-208, EO-214, EO-227 NY		Yes
Supporting Document	EO-214 7-19 to 8-19		Yes
Supporting Document	Supplemental Memorandum		Yes
Supporting Document	General Rule Markups		Yes
Supporting Document	Forms Markups		Yes
Supporting Document	EO-209 9-19 to 10-19		Yes
Form	Farm Family Application for Insurance - Group Insurance Agents Errors and Omissions Liability Policy		Yes
Form	Farm Family Agent Application For Coverage Under ANIA Purchasing Group Policy		Yes
Form (revised)	Farm Family Master Policy Declarations		Yes

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Farm Family Master Policy Declarations		Yes
Form (revised)	Farm Family Certificate Of Insurance		Yes
Form	Farm Family Certificate Of Insurance		Yes
Form	Farm Family Certifcate Of Insurance		Yes
Form (revised)	Insurance Agents Errors and Omissions Liability Insurance Policy		Yes
Form	Insurance Agents Errors and Omissions Liability Insurance Policy		Yes
Form (revised)	New York State Amendatory		Yes
Form	New York State Amendatory		Yes
Rate (revised)	FFCIC E & O General Rules		Yes
Rate	FFCIC E & O General Rules		Yes
Rate	FFCIC E & O Rate Pages		Yes

State: New York **Filing Company:** Farm Family Casualty Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Professional Liability
Project Name/Number: NY FFCIC E&O Initial Filing/

Objection Letter

Objection Letter Status Pending
Objection Letter Date 08/28/2019
Submitted Date 08/28/2019
Respond By Date

Dear Janice Herron,

Introduction:

This refers to the captioned file submitted on July 29, 2019 for our review.

We have the following concerns/comments:

1.Please confirm, in writing, that the only changes that have been made to the forms/rate/rules were those changes that were made in direct response to the Department File number R2019001882..

2.With respect to EO-214 8-19 Pursuant to section 153.4 (a) CERTIFICATES Issued under a group master policy shall CONTAIN ALL MATERIAL TERMS AND CONDITIONS OF COVERAGE AFFECTING A GROUP MEMBER, unless the group master policy is incorporated by reference, in which event a COPY OF SUCH MASTER POLICY SHALL ACCOMPANY THE CERTIFICATE OR SHALL BE PROMPTLY PROVIDED TO A GROUP MEMBER UPON REQUEST. Form clarification purposes, please amend the form to clearly state how EACH INSURED AGENT will receive the Master Policy.

3.With respect to EO-208 7-19 - The declarations portion of the form must be revised to include the % charged for EACH extended reporting period option (pursuant to 73.7(b) (1) of Department Regulation No. 121).

4.With respect to EO-227 NY 7-19 C. Section J. Conditions is amended as follows: 1. The following is added to Paragraph 5. Legal Action Against Us: - Please note that it is the opinion of our Office of General Counsel that the term "personal injury" encompasses any injury contemplated as "personal injury liability" under Insurance Law § 1113(a) (13) of the New York Insurance Law, including injury arising out of economic interests of any person. The provision is more restrictive than that required by this section of the New York Insurance Law. Alternatively, the form can be amended to state that "With respect to ALL claims, (except property damages claims) that are covered under the policy..." to fully comply with the NYIL.

5.With respect to G-EO-1 – (Manual) Claims Count - please note that this policy must be written on a "pay on behalf of" basis rather than on an indemnification basis. Revise.

We await your prompt reply. In the meantime, the captioned filing is not approved in New York. Please be advised that a substantive reply must be provided by the company within seven (7) days of the date of this letter. If such response is not received, the file will be considered withdrawn and closed accordingly without further communication. Should the company wish this Department to again review the subject matter of this filing, a new submission that addresses the outstanding issues included in this correspondence, must be made.

Very truly yours,

Rose Brandon Lowe
Senior Insurance Examiner
Property Bureau
(212) 480 5516
Rose.Brandonlowe@dfs.ny.gov

State: New York **Filing Company:** Farm Family Casualty Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability
Product Name: Professional Liability
Project Name/Number: NY FFCIC E&O Initial Filing/

<http://www.dfs.ny.gov>

Conclusion:

Sincerely,
Rose Brandon-Lowe

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/09/2019
Submitted Date	09/09/2019

Dear Rose Brandon-Lowe,

Introduction:

Response 1

Comments:

Please see the Supporting Documentation, Forms Schedule and Rate/Rule Schedule tabs.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Supplemental Memorandum
Comments:	
Attachment(s):	Response to 8_28_19 Objections.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Supplemental Memorandum
Comments:	
Attachment(s):	Response to 8_28_19 Objections.pdf

Satisfied - Item:	General Rule Markups
Comments:	
Attachment(s):	EO Rule Pages - 0619 to 0919.pdf

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Supplemental Memorandum
Comments:	
Attachment(s):	Response to 8_28_19 Objections.pdf
Satisfied - Item:	General Rule Markups
Comments:	
Attachment(s):	EO Rule Pages - 0619 to 0919.pdf
Satisfied - Item:	Forms Markups
Comments:	
Attachment(s):	EO-208 7-19 to 9-19.pdf EO-209 12-18 to 9-19 FF CERT of INS.pdf EO-227 NY 7-19 to 9-19 New York State Amendatory.pdf

SERFF Tracking #:

ANPC-132023273

State Tracking #:

R2019002691

Company Tracking #:

31-EO-FF-190469RF

State: New York

Filing Company:

Farm Family Casualty Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

Product Name: Professional Liability

Project Name/Number: NY FFCIC E&O Initial Filing/

Form Schedule Item Changes

Item No.	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Farm Family Master Policy Declarations	EO-208	9-19	DEC	New			EO-208 9-19.pdf	Date Submitted: 09/09/2019 By: Janice Herron
<i>Previous Version</i>									
1	Farm Family Master Policy Declarations	EO-208	7-19	DEC	New			EO-208 7-19 FF MASTER DEC.pdf	Date Submitted: 07/29/2019 By: Janice Herron
2	Farm Family Certificate Of Insurance	EO-209	9-19	CER	New			EO-209 9-19 FF CERT of INS.pdf	Date Submitted: 09/09/2019 By: Janice Herron
<i>Previous Version</i>									
2	Farm Family Certificate Of Insurance	EO-209	12-18	CER	New			EO-209 12-18 FF CERT of INS - UPDATED 5-1-19.pdf	Date Submitted: 07/29/2019 By: Janice Herron
3	New York State Amendatory	EO-227 NY	9-19	END	New			EO-227 NY 9-19 New York State Amendatory.pdf	Date Submitted: 09/09/2019 By: Janice Herron
<i>Previous Version</i>									
3	New York State Amendatory	EO-227 NY	7-19	END	New			EO-227 NY 7-19 New York State Amendatory.pdf	Date Submitted: 07/29/2019 By: Janice Herron

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	FFCIC E & O General Rules	G-EO-1 through G-EO-4 (01/01/20)	New		09/09/2019 By: Janice Herron
<i>Previous Version</i>					
1	FFCIC E & O General Rules	G-EO-1 through G-EO-4 (01/01/20)	New		07/29/2019 By: Janice Herron

Conclusion:

Thank you for the continuing review of our filing.

Sincerely,

Janice Herron

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Amendment Letter

Submitted Date: 09/11/2019

Comments:

Please see the revised EO-209 (10-19), Certificate of Insurance. We have added the required language, "THE MASTER POLICY AND ENDORSEMENTS ARE DELIVERED TO EACH CERTIFICATE HOLDER".

Changed Items:

Form Schedule Item Changes									
Item No.	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Farm Family Certificate Of Insurance	EO-209	10-19	CER	New			EO-209 10-19 FF CERT of INS.pdf	Date Submitted: 09/11/2019 By:
<i>Previous Version</i>									
1	Farm Family Certificate Of Insurance	EO-209	9-19	CER	New			EO-209 9-19 FF CERT of INS.pdf	Date Submitted: 09/09/2019 By: Janice Herron
<i>Previous Version</i>									
1	Farm Family Certificate Of Insurance	EO-209	12-18	CER	New			EO-209 12-18 FF CERT of INS - UPDATED 5-1-19.pdf	Date Submitted: 07/29/2019 By: Janice Herron

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	EO-209 9-19 to 10-19
Comments:	
Attachment(s):	EO-209 9-19 to 10-19 FF CERT of INS.pdf

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Amendment Letter

Submitted Date: 08/27/2019

Comments:

Please be advised that we have amended the EO-214, Insurance Agents Errors and Omissions Liability Insurance Policy. We are correcting a typographical error on Page 8, Section 7(b) (2) (c). We have revised exclusion (b) to say material misrepresentation.

If you have questions or need additional information, please let me know.

Sincerely,

Janice Herron

Changed Items:

Form Schedule Item Changes									
Item No.	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Insurance Agents Errors and Omissions Liability Insurance Policy	EO-214	8-19	PCF	New			EO-214 8-19 FF Ins Agents E-O Liability Ins Policy.pdf	Date Submitted: 08/27/2019 By:
<i>Previous Version</i>									
1	Insurance Agents Errors and Omissions Liability Insurance Policy	EO-214	7-19	PCF	New			EO-214 7-19 FF Ins Agents E-O Liability Ins Policy.pdf	Date Submitted: 07/29/2019 By: Janice Herron

No Rate Schedule Items Changed.

SERFF Tracking #:	ANPC-132023273	State Tracking #:	R2019002691	Company Tracking #:	31-EO-FF-190469RF
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State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	EO-214 7-19 to 8-19
Comments:	
Attachment(s):	EO-214 7-19 to 8-19 FF Ins Agents E-O Liability Ins Policy.pdf

SERFF Tracking #:

ANPC-132023273

State Tracking #:

R2019002691

Company Tracking #:

31-EO-AF-190469RF

State: New York

Filing Company:

Farm Family Casualty Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

Product Name: Professional Liability

Project Name/Number: NY FFCIC E&O Initial Filing/

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Farm Family Application for Insurance - Group Insurance Agents Errors and Omissions Liability Policy	EO-206	12-18	ABE	New			EO-206 12-18 FF RPG Application.pdf
2		Farm Family Agent Application For Coverage Under ANIA Purchasing Group Policy	EO-207	7-19	ABE	New			EO-207 7-19 AGENT FF EO Application.pdf
3		Farm Family Master Policy Declarations	EO-208	9-19	DEC	New			EO-208 9-19.pdf
4		Farm Family Certificate Of Insurance	EO-209	10-19	CER	New			EO-209 10-19 FF CERT of INS.pdf
5		Insurance Agents Errors and Omissions Liability Insurance Policy	EO-214	8-19	PCF	New			EO-214 8-19 FF Ins Agents E-O Liability Ins Policy.pdf
6		New York State Amendatory	EO-227 NY	9-19	END	New			EO-227 NY 9-19 New York State Amendatory.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

Insurance Agents Errors and Omissions Liability Coverage
AGENT APPLICATION FOR COVERAGE UNDER ANIA PURCHASING GROUP POLICY

FARM FAMILY CASUALTY INSURANCE COMPANY
P.O. Box 656
Albany, NY 12201

THIS IS A CLAIMS-MADE POLICY. This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims first made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

1. Applicant's Name: _____
Principal Contact: _____
2. Principal Place of Business Address: _____

Mailing Address: _____

3. E-mail Address: _____
Web Site: _____
Phone Number: _____
4. Your Region Number: _____
Your Agency Number: _____
Your Personal Code/Agent Code: _____
5. Effective Date of Coverage: _____
6. Coverage Options (Please indicate your choice)

Limits of Liability:

- () \$1,000,000 per Claim / \$3,000,000 Aggregate per Policy Period
() \$2,000,000 per Claim / \$3,000,000 Aggregate per Policy Period
() \$2,000,000 per Claim / \$5,000,000 Aggregate per Policy Period
() \$3,000,000 per Claim / \$3,000,000 Aggregate per Policy Period
() \$4,000,000 per Claim / \$4,000,000 Aggregate per Policy Period
() \$5,000,000 per Claim / \$5,000,000 Aggregate per Policy Period

Deductibles:

- () \$500
() \$1,000
() \$2,500

Underwriting Section must be answered by all applicants. Any YES responses must be described/explained in detail:

7. Do you have any other E&O coverage? NO () YES ()
If **YES**, please provide the following details:
Name of Company: _____
Address: _____
Policy Number: _____
Amount of Coverage: _____
8. During the past five years, have any E&O claims or lawsuits been made against you? NO () YES ()
If **YES**, please provide the following details:
Date of Loss: _____
Name of Claimant: _____
Possible amount: \$ _____
Provide a brief narrative of circumstance:

9. During the past five years, are you aware of any circumstances which may result in an E&O claim being made against you? NO () YES ()
If **YES**, please provide the following details:
Date of Loss: _____
Name of Possible Claimant: _____
Possible amount of claim: _____
Provide a brief narrative of circumstance:

10. Are you currently appointed with any other company besides American National Property And Casualty Company or Farm Family Casualty Insurance Company? NO () YES ()
If **YES**, you must list each company:

11. Have you applied for membership with the ANIA Purchasing Group? NO () YES ()

Subject to applicable policy conditions, terms and exclusions, coverage is provided only for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".

Premiums may be paid by automatic deduction from commissions. If you choose not to have automatic deductions, then the entire premium must be paid and attached to this application.

*****Completion of this form does not bind coverage*****

I, the undersigned, agree that the statements herein are made for the express purpose of inducing the company to issue insurance coverage and these statements are true, correct and any certificate issued as a result of material misrepresentation shall be declared void. Misrepresentation shall be deemed material if knowledge by the company of the facts misrepresented would have led to a refusal by the company to issue any certificate. I understand that any binder or insurance coverage issued as a result of this application will be based on the facts and answers stated herein. I understand that if any premium remittance by me or on my behalf is not honored by payer (bank), it will be deemed nonpayment of premium and no coverage will be afforded.

Applicant Fraud Warning:

For **NY**: 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 violation.

Applicant Signature

Date

Farm Family Casualty Insurance Company
P.O. Box 656
Albany, NY 12201

Application for Insurance

Group Insurance Agents Errors and Omissions Liability Policy

THIS IS A CLAIMS-MADE POLICY. This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims first made against an Insured while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless an Insured Agent purchases additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one, three or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

1. Name of Group:
2. Is the Group a Risk Purchasing Group pursuant to the Federal Liability Risk Retention Act of 1986? Yes _____ No _____
3. In what state is the Group domiciled?
4. When was the Group formed?
5. Describe the membership of the Group:
6. For what states do members of the Group seek coverage?
7. Is the Group currently registered as a Risk Purchasing Group in each of those states?
8. Has the Group ever been sanctioned or fined by any public agency or government entity?
If yes, provide details.

Applicant Fraud Warning:

For NY: 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 violation.

I hereby apply,

Name of Group

Date: _____

By _____<insert signature>_____, **Officer**

FARM FAMILY CASUALTY INSURANCE COMPANY
P.O. Box 656
Albany, NY 12201

INSURANCE AGENTS ERRORS AND OMISSIONS LIABILITY COVERAGE

MASTER POLICY DECLARATIONS

THIS IS A CLAIMS-MADE POLICY. This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims first made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

MASTER POLICY NUMBER: _____

ITEM 1. NAME OF POLICYHOLDER AND MAILING ADDRESS:

ANIA Purchasing Group
1949 E. Sunshine Street
Springfield, MO 65899-0001

ITEM 2. LIMIT OF LIABILITY:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 3. POLICY PERIOD:

FROM _____ TO _____, 11:59 P.M., Central time

ITEM 4. DEDUCTIBLE:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 5. PREMIUM:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 6. POLICY INDEX:

In consideration of the payment of the required premium and subject to the Declarations, terms, conditions, limitations and provisions of this policy, Farm Family Casualty Insurance Company agrees to provide the insurance described in the policy.

This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in each certificate of each Insured Agent. The policy covers only claims first made against an Insured while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless additional extended reporting period coverage is purchased. The length of the Automatic Extended Reporting Period is 60 days; the lengths and premiums of the Optional Extended Reporting Periods are:

one year - 50% of the annual premium developed under coverage for a Certificate issued under this "policy";

three years - 100% of the annual premium developed under coverage for a Certificate issued under this "policy"; or

six years - 150% of the annual premium developed under coverage for a Certificate issued under this "policy";

and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

Authorized Representative

ITEM 6. **DEDUCTIBLE:** \$ _____
ITEM 7. **TOTAL PREMIUM:** \$ _____
ITEM 8. **RETROACTIVE DATE:** _____
ITEM 9. **POLICY INDEX:**

Rating Information

Type of Agent	<Input Agent Type>
Size of Book	<Input Book Size>
Policy Deductible	<Input Deductible>
Limit of Liability	<Input Limit>
Years with Company	<Input Yrs with Co>
Claims-made Step Factor	<Input Step Factor>
5-year Claim Count	<Input Claim Count>

The insurance evidenced by this certificate is subject to all the terms, conditions and limitations of the Master Policy and loss, if any, will be adjusted and shall be payable in accordance therewith.

Subject to all applicable policy terms, conditions and limitations, coverage is only provided for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".

CLAIM NOTIFICATION – The policy requires notification in writing as soon as practicable of any claim or demand made against you. Send claim notification to:

Farm Family Service Center
Insurance Agent E&O Claims Processing
1949 E. Sunshine Street
Springfield, MO 65899
Telephone: (417) 887-4990

This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims actually made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

Insurance Agents Errors and Omissions Liability Insurance Policy

MASTER POLICY NUMBER: _____

IMPORTANT NOTICE: COVERAGE UNDER THIS "POLICY" IS AFFORDED ON A CLAIMS-MADE BASIS -- PLEASE READ THE ENTIRE "POLICY" CAREFULLY TO DETERMINE YOUR RIGHTS AND OBLIGATIONS, AND WHAT IS AND IS NOT COVERED.

Throughout this "policy", the terms or expressions "you", "your", "yours", and "insured agent" refer to the Insured Agent as set forth in a Certificate of Insurance issued under the Master Policy. The terms or expressions "the Company", "Company's", "we", "us", and "our" refer to the company providing this insurance. "American National" means American National Insurance Company and/or the affiliate or affiliates of American National with which the "Certificate" holder is contracted as an Insured Agent.

Other words or phrases that appear in quotation marks have special meaning. Refer to Section **A. Definitions**.

In consideration of the payment of the required premium, and subject to the "Declarations", "Certificate", terms, conditions, limitations, deductible, and Limit of Liability of this "policy", "we" and "you" agree as follows:

A. DEFINITIONS

As used in this "policy":

1. "Certificate" means the Certificate of Insurance issued to the Insured Agent seeking coverage under this "policy".
2. "Claim(s)" means any communication, whether or not in writing, including but not limited to correspondence, service of a suit, or demand for arbitration, received by one or more "insureds" which seeks coverage, money, reimbursement or damages.
3. "Claim expense(s)" means those fees, costs, and expenses incurred in connection with the investigation, adjustment, settlement, or resolution, of any "claim", and/or any suit or other proceeding arising out of or in connection with such "claim". "Claim expense(s)" include the fees and expenses of independent adjusters engaged by the Company, but do not include the salary and/or expenses of any employee or officers of the Company. "Claim expense(s)" include "legal fees and expenses".
4. "Coverage period" means that period from and after the earlier of:
 - a. The "retroactive date", or
 - b. The initial inception or effective date of coverage under a "Certificate"until termination of coverage under the "policy" or a "Certificate".

Subject to the terms and conditions of this "policy", the initial "policy period" shall be the period beginning on the date coverage begins on the first "Certificate" issued to the Insured Agent under the "policy" and ending on the last day of the "master policy period" containing that date; and shall continue and automatically extend for successive twelve-month renewal "policy period(s)", for as long as coverage under a "Certificate" remains continuously in force.

5. "Declarations" means the declarations and any supplementary declarations on the "policy".
6. "Extended Reporting Period" means that period of time provided for under the "policy" or any endorsement, beyond or after the "policy period", during which "claims" may be made with respect to an "insured's" "wrongful act" during the "coverage period".
7. "Insured" and "Insured's" refer to any person or organization qualifying as such under Section **C. Who Is an Insured**.

8. "Interrelated wrongful acts" means "wrongful acts" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts;
 - c. A common pattern of conduct in selling or servicing products to which this insurance applies.
9. "Legal fees and expenses" means defense counsel fees, costs, expert witness fees and similar expenses incurred in the defense of an "insured".
10. "Master policy period" means the period shown in the "Declarations" issued to the policyholder listed in the "Declarations".
11. "Policy" means the Master Policy issued to the policyholder listed in the "Declarations". As to an Insured Agent, it means the Master Policy issued to the policyholder listed in the "Declarations" together with the application and any change forms of the Insured Agent, and any endorsements listed on the "Certificate", all of which are made part of the "policy" by reference.
12. "Policy period" means the period shown as the inception date to the expiration date shown in the "Certificate" or its earlier termination date, if any.
13. "Retroactive date" means the date specified in the "Certificate" and is the date on which coverage will first be afforded for a "wrongful act" occurring on or after that date. No coverage shall be afforded for any "wrongful act" occurring prior to the "retroactive date" regardless of when a "claim" is first made to you or to the Company.
14. "Risk Purchasing Group" means the policyholder listed in the "Declarations".
15. "Wrongful act" means any negligent act, error or omission, in rendering or failing to render professional insurance services.

B. INSURING AGREEMENT

1. The Company shall pay on an "insured's" behalf all sums which an "insured" becomes legally obligated to pay as a result of any "claim" or "claims" first made during the "policy period" or any applicable extended reporting period that arise out of an "insured's" "wrongful act" for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".
2. A "claim" will be deemed "first made" when the Company receives written notice of a "claim" or suit from the Insured Agent or a third party, but this shall not preclude the Company from utilizing written notice of the incident as the trigger of coverage under the "policy".
3. The Company shall have the right and duty to defend in an "insured's" name, and on an "insured's" behalf, any covered "claim" or covered suit against an "insured" alleging a "wrongful act" and seeking monetary damages arising out of and in connection therewith, even if such "claim" or suit is groundless, false, or fraudulent. The Company shall have the right to investigate and negotiate the resolution or settlement of any "claim" or suit as it may, in its sole discretion, deem appropriate. The Company shall not be obligated to pay any "claim" or judgement in excess of the available Limit of Liability set forth in the "Certificate". The Company's right and duty to defend ends when we have used up the applicable Limit of Liability in the payment of judgments or settlements.
4. The Company shall pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of the "Certificate", all premiums on appeal bonds required in any suit defended, all court costs taxed against an "insured" in any such suit, and all interest accruing on any judgement after such judgement is entered and until the Company has paid, tendered, or deposited in court, that part of any such judgement as does not exceed the Company's Limit of Liability thereon. Any post-judgment interest paid under this provision shall not reduce the Limit of Liability.

C. WHO IS AN INSURED

"Insured" means:

1. The Insured Agent listed on the "Certificate",

2. Any entity in which the Insured Agent is a principal owner but solely for the entity's liability arising out of the "wrongful act" of the Insured Agent, or those for whom the Insured Agent is legally responsible, in the rendering or failing to render professional insurance services, and
3. Any person for whose "wrongful act" you are determined to be legally responsible in the rendering or failing to render professional insurance services for, on behalf of, or at the direction of you.

D. CLAIM EXPENSES

1. If a "claim" is made or a suit is brought against an "insured" during the "policy period" or any applicable extended reporting period for money damages arising out of an alleged "wrongful act" covered under this "policy", the Company will pay all associated "claim expenses" as defined herein. Payment of "claim expenses" will not reduce the Limit of Liability.
2. The Company will reimburse an "insured" for all reasonable expenses, other than travel expenses and lost income or earnings, incurred at the Company's direction or request in connection with the investigation, adjustment, trial, settlement, or other resolution of such "claim" or suit. Such reimbursement will not reduce the Limit of Liability.

E. CLAIMS MADE EXTENSION CLAUSE

If you become aware of any fact or circumstance which may give rise to a "claim" against you, for which coverage may be afforded under this "policy", and you provide notice of such fact, or circumstance to the Company during the "policy period" or any applicable extended reporting period, then any "claim" subsequently made against you arising out of such fact, or circumstance shall, for the purposes of this "policy", be deemed to have been made during the "policy period" in which you provided your initial notice to the Company.

F. RETROACTIVE DATE

The "retroactive date", as defined herein, may not be changed during the "coverage period" and any "Extended Reporting Period".

G. LIMIT OF LIABILITY

1. Subject to the terms and conditions of this "policy", the Limit of Liability stated in the "Certificate" as "per claim" is the most we will pay for all damages arising out of the same or related claims. Related claims shall be deemed a single "claim" subject to a single Limit of Liability. Related claims means all "claims", without regard to the number of insureds, claims made, suits brought or claimants, arising out of a "wrongful act" or "interrelated wrongful acts" or out of a single event or series of related events with a common cause. All related claims shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against the "Insured".

"Claim expenses" are in addition to, and not part of the Limit of Liability set forth in the "Declarations" or "Certificate". Payment of "claims expenses" by us incurred due to a "claim" shall not serve to reduce such Limit of Liability, but we are not obligated to pay any "claim expenses" after such Limit of Liability has been exhausted.

2. The Limit of Liability stated in the "Certificate" as an "aggregate per policy period" is the most we will pay for all damages arising out of all "claims" first made during the applicable "policy period" and any applicable "extended reporting period". The aggregate Limit of Liability for an "extended reporting period" shall be a part of, and not in addition to, the aggregate Limit of Liability for the last 12-month renewal "policy period", or any applicable portion thereof.

H. DEDUCTIBLE

The deductible shall apply to any payment for loss for any "claim" made against an "insured". Upon payment by the Company of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such payment up to the amount of the deductible shown on the "Certificate". The deductible shall not apply to "legal fees and expenses".

I. EXCLUSIONS

This insurance does not apply to:

1. Any “claim” for false arrest, detention or imprisonment; libel, slander, disparagement, defamation or invasion or violation of the right of privacy, discrimination, wrongful entry or eviction, or invasion of any right of private occupancy; misappropriation of advertising ideas or style of doing business; infringement of copyright, title or slogan;
2. Any “claim” for bodily injury to, or sickness, disease or death of any person, or damage to or destruction of any property, including the loss of use thereof;
3. Any “claim” arising out of any dishonest, fraudulent, malicious, criminal or willful conduct committed or alleged to have been committed by or at the direction of an “insured”;
4. Any “claim” arising out of the alleged direct or indirect use by an “insured” of nonpublic information in a manner prohibited by applicable law, rule, or regulation;
5. Any “claim” arising directly or indirectly out of any violation or alleged violation of any law, rule, ruling or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information including but not limited to the Telephone Consumer Protection Act (TCPA) or the CAN-SPAM Act of 2003, including any amendment of or addition to such laws, rules or regulations.
6. Any fines, penalties, taxes, punitive or exemplary damages assessed against an “insured” including but not limited to those imposed under any law, rule, ruling, regulation, regulatory agency, or court. However, if suit is brought alleging both compensatory and punitive or exemplary damages arising out of or in connection with a “wrongful act” otherwise covered under this “policy”, the Company may elect to defend an “insured” in such suit without assuming any legal obligation to indemnify an “insured” for any such amount;
7. The loss of monies resulting from any commingling of funds or failure to pay or collect premium, return premium, commissions, tax monies or failure to collect contributions owed to any fund or to make the return of any contributions to any employer;
8. Any “claim” by and between an “insured” and any other agent or broker for damages arising out of any past or present business or client relationships or alleged tortious interference therewith;
9. Any “claim” arising out of an “insured’s” alleged unfair competition, unfair trade practice, violation of any covenant not to compete, any covenant not to solicit, or any similar restrictive covenant in an “insured’s” agent agreement with the Company or in any previous agent agreement an “insured” may have had or have entered into with any prior company;
10. Any alleged unfair, unlawful, or illegal discrimination or treatment of any individual or group identified as or constituting a protected class or group under any law, rule, ruling or regulation;
11. Any “claim” arising out of any alleged “wrongful act”, or violation of any duty owed by an “insured” to another, not within the coverage afforded under this “policy” as defined in paragraph **B.1.** above;
12. Any liability assumed by an “insured” under any contractual agreement, either oral or in writing. This exclusion does not apply to liability which an “insured” would have in the absence of any such agreement;
13. Any profit or advantage to which an “insured” was not legally entitled, including any claim, demand, or suit seeking return by an “insured” of any financial remuneration paid to an “insured” under any contract or agreement, whether oral or in writing;
14. Any “claim” or “claims” made for, or on behalf of an “insured”, an “insured’s” spouse, children, parents, grandparents or any blood relatives of an “insured” or of an “insured’s” spouse or ex-spouse, or by any resident of an “insured’s” household, or by any entity owned in whole or in part by you or any blood relatives of you;

15. Any “claim” arising out of or in connection with any “employee pension benefit plan” and/or “employee welfare benefit plan” as those terms are defined in the Employee Retirement Income Security Act of 1974 (ERISA), as amended, sponsored by an “insured”, or any entity which an “insured” owns or controls, or in regard to any such plan in which an “insured” is a participant or a named fiduciary as those terms are used under the Employee Retirement Income Security Act of 1974 (ERISA), as amended;
16. Any “claim” arising out of activities of an “insured” in regard to any non-insured (meaning the funding vehicle of the plan is other than insurance or any annuity(s) issued by the Company) “employee pension benefit plan” and/or “employee welfare benefit plan” as those terms are defined in the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As used here, a “non-insured” employee pension benefit or employee welfare benefit plan means any such plan funded to any extent by means other than an insurance “policy” or annuity issued by the Company;
17. Any “claim” arising out of a violation of any law, rule, ruling or regulation of the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any other federal or state securities law, rule, ruling or regulation;
18. Any employment or work contract related liability, including but not limited to any “claim” or cause of action arising out of or in connection with any alleged refusal to employ or contract with, termination of employment or contract, harassment, retaliation, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination;
19. An “insured’s” liability under any workers’ compensation, unemployment compensation, disability benefits, or any similar law, rule, ruling, or regulation;
20. Any liability arising out of the rendering or failure to render any services, professional or otherwise, as an accountant, actuary, lawyer, real estate agent, real estate manager, trustee, carpenter, construction contractor, repair person; or any other services of whatever kind not required in conjunction with the rendering of professional insurance services for policies written or serviced in your capacity as a contracted insurance Agent of American National, or with American National’s written permission.
21. Any “claim” based upon, arising out of or in connection with, whether directly or indirectly, the insolvency, receivership, liquidation or inability to pay, of any insurer, reinsurer, trust, or any other risk bearing, ceding, or assuming organization, or investment vehicle, in which an “insured” has placed or obtained coverage for or on behalf of any individual, customer, client or account;
22. Any “claim” arising out of a “wrongful act” occurring prior to the “retroactive date” shown on the “Certificate” issued to you in conjunction with this “policy”;
23. Any “claim” for which an “insured” is afforded coverage (or may have been afforded coverage but for the exhaustion of any applicable limits of liability) under any policy or Certificate of Insurance of which this “policy” or “Certificate” is a renewal or replacement, or which this “policy” or “Certificate” succeeds in time;
24. Any awards, judgements, damages, or similar amounts or matters which may be deemed uninsurable as a matter of public policy or judicial declaration under any applicable law and/or in any jurisdiction in which this “policy” shall be interpreted or construed;
25. Any “claim” relating to nuclear liability;
26. Any disciplinary action or proceeding against an “insured” brought by or on behalf of any federal, state, local government agency, administrative authority; or any professional or trade licensing organization;
27. Any “claim” for relief other than monetary damages.

J. CONDITIONS

1. The Insured Agent and "Insured's" Duties in Event of Claim or Suit:

- a.** You must notify us on behalf of all "insureds" as soon as practicable of any "claim" or suit, or occurrence which could reasonably be expected to be the basis of a "claim" or suit against an "insured". To the extent possible, such notice should include:
 - (1)** How, when and where the occurrence or "claim" took place;
 - (2)** The names and addresses of any claimant (and witnesses);
 - (3)** The nature and type of the alleged act, error, or omission;
 - (4)** The nature and extent of any claimed loss;
 - (5)** Copies of any demands, notices, summonses or legal papers you receive in connection with the "claim" or any suit arising out of or in connection with such "claim"; and
 - (6)** Any authorization necessary for the Company to obtain records and other information from any other individuals or parties.
- b.** Upon receipt of notice of a "claim" or suit, you and any "insured" are obligated to:
 - (1)** Cooperate with us in the investigation, settlement, or defense of the "claim" or suit; and
 - (2)** Assist us as necessary and at our request in the enforcement of any right against any person or party that may be liable to you or the claimant for the alleged "claim", injury, or damage for which coverage might otherwise be afforded under this "policy".

Important Notice: Notice of a "claim" received by an "insured" is not notice to the Company of a "claim" being made under this "policy". Notice of a "claim" received by any agent or employee of the Company, other than an "insured", with sufficient particularity to allow the Company to identify the Insured Agent against whom the "claim" is being made and/or the claimant making such "claim", shall constitute notice to the Company of a "claim" being made under this "policy".

Failure to give the Company notice required to be given by this "policy" within the time specified will not invalidate any "claim" made by an "insured", an injured person or any other claimant if:

- 1.** It is shown not to have been reasonably possible to give such notice within the prescribed time and notice was given as soon as reasonably possible thereafter; and
- 2.** The failure to provide timely notice did not prejudice us.

No "insured" shall, except at his or her own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.

2. Other Insurance

- a.** Primary Insurance -- Subject to subsection **b.** Excess Insurance, this insurance is primary, but if other valid and collectible insurance is available to the Insured Agent for a loss we cover, our obligations are not affected unless any of the other insurance is also primary, or contributes on a pro rata or equal shares basis, in which case we will participate with any and all other participating insurers as follows:
 - (1)** If all other available insurance permits contribution by equal shares, each insurer will contribute equal monetary amounts until:
 - (a)** Each insurer has paid its applicable limit of liability, or
 - (b)** The claimant has been made whole, or
 - (c)** None of the loss remains, whichever comes first.
 - (2)** If any other available insurance does not permit contribution by equal shares, each insurer shall participate based on the ratio of its applicable limit of liability to the total applicable limits of liability for all participating insurers.
- b.** Excess Insurance - For any person who is an "insured" under Section **C.3.** of the "policy", other than the Insured Agent, this insurance is excess over any other valid and collectible insurance.

3. Subrogation

- a.** In the event of any payment of any "claim" under this insurance, the Company shall be subrogated to all of an "insured's" rights of recovery therefore against any person or organization and the "insured" shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

- b. An “insured” shall do nothing after receiving notice of a “wrongful act” or “claim” to prejudice such rights.

4. Representations

By accepting coverage pursuant to a “Certificate” issued under this “policy”, you agree:

- a. The statements in the “Certificate” are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued the “Certificate” in reliance upon your representations.

5. Legal Action Against Us

No person, party, or entity shall have a legal right under this “policy”:

- a. To join us as a party or otherwise bring us into a suit seeking damages against an “insured”; or
- b. To sue us under this “policy”, unless all of its terms and conditions have been otherwise fully complied with.

A person, party, or entity may sue us to recover on an agreed settlement or on a final judgment against an “insured”, but we will not be liable for damages that are not payable under this “policy” or that are in excess of the applicable Limit of Liability listed in the “Certificate”. An agreed settlement means a settlement and release of liability signed by us, an “insured” and the claimant or the claimant’s legal representative.

6. Transfer Of Duties Upon Exhaustion Of Limits Of Liability.

- a. If we conclude that based on occurrences, offenses, “claims” or suits which have been reported to us and to which this insurance may apply, the policy limits are likely to be used up in the payment of judgments or settlements, we will notify the Insured Agent, in writing to that effect.
- b. When a limit of liability has actually been used up in the payment of judgments or settlements:
 - (1) We will notify the Insured Agent, in writing, as soon as practicable, that:
 - (a) Such a limit has actually been used up; and
 - (b) Our duty to defend suits seeking damages subject to that limit has also ended.
 - (2) We will initiate, and cooperate in, the transfer of control to any appropriate insured of all “claims” and suits seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said “claims” and suits.

We agree to take such steps, as we deem appropriate to avoid a default in, or continue the defense of, such suits until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any “claim” or suit seeking damages that would have been subject to that limit, had it not been used up, if the “claim” or suit is reported to us after that limit of insurance has been used up.
 - (3) The Insured Agent, and any other insured involved in a suit seeking damages subject to that limit, must arrange for the defense of such suit within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such suit must be made as soon as practicable.
- c. The Insured Agent will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph **b. (2)** above.

The duty of the Insured Agent to reimburse us will begin on:

 - (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph **b. (1)** above; or
 - (2) The date on which we sent notice in accordance with paragraph **b. (1)** above, if we did not send notice in accordance with paragraph a. above.
- d. The exhaustion of any limit of liability by the payment of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition **6**.

- e. If the Insurer has paid any amounts in settlement or satisfaction of “claims” or judgements in excess of the applicable limit of liability, or within the amount of the applicable deductible, the Insured shall be liable to the Insurer for any and all such amounts and upon demand shall pay such amounts to the Insurer.

7. Cancellation Clause

- a. The policyholder or the Insured Agent may cancel coverage under this “policy” at any time by mailing or delivering written notice of cancellation to the Company. If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. For coverage in effect 60 days or less, the Company may cancel this “policy” or coverage under a “Certificate” by mailing or delivering written notice of cancellation to the policyholder and/or Insured Agent as applicable, not less than:
 - (1) 20 days before the effective date of cancellation if we cancel for any reason not included in paragraph (2) below; or
 - (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the “policy” or a “Certificate”, or in the presentation of a “claim” thereunder;
 - (d) After issuance of the “policy” or “Certificate”, or after the last renewal date, discovery of an act or omission, or a violation of any “policy” or “Certificate” condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current “policy period”;
 - (e) Material change in the nature or extent of the risk, occurring after issuance or last renewal anniversary date of the “policy” or “Certificate”, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the “policy” or “Certificate” was issued or last renewed;
 - (f) Any determination by any state or federal agency having jurisdiction that the Company’s continued operation or on-going premium production will jeopardize the Company’s solvency or be hazardous to the interest of the Company’s policyholders, creditors, or the general public;
 - (g) Any determination by any state or federal agency having jurisdiction that the continuation of the this “policy” or a “Certificate” would violate, or would place the Company in violation of, any provision of any applicable statute or regulation; or
 - (h) Revocation or suspension of the Insured Agent’s license to act as an insurance agent or otherwise conduct the business of insurance.
- c. For coverage in effect for more than 60 days or a renewal or a continuation of a “policy” or “Certificate” we issued, we may cancel coverage only for any reasons listed in paragraph 7.b.(2) above, provided we mail the policyholder and/or Insured Agent, as applicable, a notice of cancellation at least 15 days before the effective date of cancellation.
- d. We will mail or deliver our notice, including the reason, to, as applicable, the policyholder and/or Insured Agent’s last mailing address known to us and to the authorized agent. Proof of mailing will be sufficient proof of notice.
- e. Notice of cancellation will state the effective date of cancellation. The “policy period” will end on that date. If we cancel for nonpayment of premium, our notice of cancellation will state the amount due.
- f. If coverage under this “policy” is cancelled, we will send the Insured Agent any premium refund due. If we cancel or the Insured Agent retires, the refund will be pro-rata. If the Insured Agent cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund. However, when the premium is advanced under a premium finance agreement, the Company will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

- g. Suspension of coverage is not considered a cancellation of coverage.

8. Nonrenewal

- a. If we decide not to renew this “policy” or a “Certificate”, we will send notice as provided in paragraph b. below.
- b. If we decide not to renew coverage under this “policy” or a “Certificate”, we will mail or deliver written notice, stating the reason for nonrenewal, to the policyholder shown in the “Declarations” and/or to the Insured Agent shown in the “Certificate”, as applicable, at least 60 days but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous “policy”.
- c. Notice will be mailed or delivered to the policyholder at the address shown in the “Declarations” and/or to the Insured Agent at the address shown in the “Certificate”, as applicable. If notice is mailed, proof of mailing will be sufficient proof of notice.
- d. We will not send you notice of nonrenewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the coverage under the “policy” has been replaced or is no longer desired.

9. Premiums

The premium for coverage under this “policy” is computed in accordance with our rules, rates and minimum premiums applicable to the insurance afforded.

- a. The Insured Agent shown in the “Certificate”:
 - (1) Is responsible for the payment of all premiums for coverage pursuant to a “Certificate” under the “policy”; and
 - (2) Will be the payee for any return premiums we pay for coverage pursuant to a “Certificate” under the “policy”.
- b. The “Risk Purchasing Group” listed on the “Declarations” may collect premiums on behalf of an Insured Agent and remit them to us. However, such premiums shall not be paid out of the group’s general funds or other source.

10. Business and Premium Validation

We may, but are not obligated to, examine and audit your books and records as they relate to coverage under this “policy” or a “Certificate” at any time during the “coverage period” and up to three years after the final termination of this “policy” or coverage under a “Certificate”.

11. Bankruptcy

Bankruptcy or insolvency of the Insured Agent or of the Insured Agent’s estate will not relieve us of our obligations under this “policy” or a “Certificate”.

K. EXTENDED REPORTING PERIODS

1. Automatic Sixty (60) Day “Extended Reporting Period”:

- a. If this “policy”, or coverage under a “Certificate”, is subject to any termination of coverage, then the Insured Agent shall be notified in writing within thirty (30) days after termination of coverage of the Automatic “Extended Reporting Period” coverage and the availability of, the premium for, and the importance of purchasing Optional Extended Reporting Period coverage.
- b. There shall be an Automatic “Extended Reporting Period” which starts with the end of the “policy period” and lasts for 60 days. It provides an additional period to report “claims” and does not grant new or additional limits, extend the “policy period” or change the coverage provided.
- c. If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage, then any “claim” first made against an “insured” during the Automatic “Extended Reporting Period” for any “wrongful act” which took place on or after the “retroactive date”, but before the end of the “policy period”, will be considered to be a “claim” first made during the “policy period”.

- d. The Automatic “Extended Reporting Period” may not be cancelled and requires no additional premium.

2. Automatic Difference in Terms Six (6) Year “Extended Reporting Period”:

If coverage for the Insured Agent under a “Certificate”, replaces or immediately follows a prior policy or certificate issued to the Insured Agent by Farm Family Casualty Insurance Company that is terminated by the Company, there shall be an Automatic Difference in Terms “Extended Reporting Period” for that prior policy for six (6) years. The Automatic Difference in Terms “Extended Reporting Period” starts at the termination date of the prior policy and applies only to any reduction in coverage under this “policy” as compared to the prior policy. There is no charge for the Automatic Difference in Terms “Extended Reporting Period”. If this “policy” or coverage under a “Certificate” terminates for any reason, the Automatic Difference in Terms “Extended Reporting Period” coverage only applies for the portion of the six year period, beginning with the termination date of the prior policy, during which the Insured Agent maintains Automatic or Optional “Extended Reporting Period” coverage under this “policy”.

3. Optional “Extended Reporting Period”

- a. If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage, then the Insured Agent shall have an option to purchase an Optional “Extended Reporting Period” of twelve (12), thirty-six (36) or seventy-two (72) months so that any “claim” first made against an “insured” during the Optional “Extended Reporting Period” for any “wrongful act” which took place on or after the “retroactive date”, but before the end of the “coverage period”, will be considered to be a “claim” first made during the “policy period” provided the Optional “Extended Reporting Period” was purchased according to the provisions in **d.(2)** below.
- b. This Optional “Extended Reporting Period” provides an additional period to report “claims”.
- c. The 12, 36 or 72 month “Extended Reporting Period” will start at the end of your “policy period”, not at the end of the 60 day Automatic “Extended Reporting Period”.
- d. Notice and Acceptance for the Optional “Extended Reporting Period”:
 - (1) If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage then we will notify the Insured Agent in writing of the importance of purchasing the Optional “Extended Reporting Period” coverage within thirty (30) days of the date of termination of coverage of the premium for, and the provisions of the “Extended Reporting Period”.
 - (2) The Insured Agent will have the greater of sixty (60) days from the date of termination of coverage, or thirty (30) days from the date of mailing of the “Extended Reporting Period” notice provided for above, to accept the Optional “Extended Reporting Period”. The insured agent must:
 - (a) Submit a written acceptance which we receive within 60 days after the termination of the “policy” or 30 days from the date of mailing of the “Extended Reporting Period” notice provided for above;
 - (b) Show the length of the period of extension desired;
 - (c) Promptly pay an additional premium due of 50% of the annual premium developed under this “policy”, if you request the 12 month “Extended Reporting Period” option; or
 - (d) Promptly pay an additional premium due of 100% of the annual premium developed under this “policy”, if you request the 36 month “Extended Reporting Period” Option; or
 - (e) Promptly pay an additional premium due of 150% of the annual premium developed under this “policy”, if you request the 72 month “Extended Reporting Period” Option.

If the Insured Agent’s request for the “Extended Reporting Period” and premium payment are not received by the Company in a timely manner, as provided for in paragraph **d.(2)** above, the “Extended Reporting Period” options may not be exercised at a later date.

- e. If this “policy”, or coverage under a “Certificate”, is cancelled and the Insured Agent elects to purchase the Optional “Extended Reporting Period”:

- (1) Any return premium due the Insured Agent as a result of the termination of coverage under the "policy" shall be credited toward the premium for the "Extended Reporting Period" endorsement, if you elect such coverage.
 - (2) Any additional premium due us for the period coverage under the "policy" was in force must be fully paid before any payments will be applied to premium due for the Optional "Extended Reporting Period" Endorsement.
- f. The Optional "Extended Reporting Period" will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Optional "Extended Reporting Period" may not be cancelled. The premium charged for the Optional "Extended Reporting Period" coverage will be based upon our manual rates and rules in effect on the date that this "policy" was issued or last renewed, whichever is later, and will be commensurate with the coverage provided.
- g. Optional "Extended Reporting Period" Aggregate Limit:
 - (1) The aggregate liability limit for the one year "Extended Reporting Period" coverage shall be equal to one hundred percent of the "policy's" annual aggregate limit.
 - (2) The aggregate liability limit for the three year "Extended Reporting Period" coverage shall be equal to one hundred percent of the "policy's" annual aggregate limit.
 - (3) The aggregate liability limit for the six year "Extended Reporting Period" coverage shall be equal to one hundred percent of the "policy's" annual aggregate limit.
- h. The Company is not obligated to provide Optional "Extended Reporting Period" upon termination of coverage for nonpayment of premium or fraud if the Insured Agent's coverage under this "policy" has been in effect for less than one year.

L. ASSIGNMENT

Your rights under this "policy" or a "Certificate" may not be assigned without our prior written consent. Any assignment in violation of this provision shall not bind us in any way.

President

Secretary

NEW YORK STATE AMENDATORY

This endorsement changes the policy. Please read it carefully.

This endorsement modifies in insurance provided by the following:
Insurance Agents Errors and Omissions Liability Insurance Policy

A. Section A. Definitions is amended to add the following:

1. "Termination of coverage" means, whether made by us or the "insured" at any time:
 - a. Cancellation or nonrenewal of a policy; or
 - b. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion, or any other change in coverage less favorable to the "insured".

B. Section I. Exclusions is amended as follows:

1. Paragraph **21.** does not apply when the entity is an insurance company licensed in New York State or any residual market facilities.
2. Paragraph **25.** is deleted and replaced by the following:

Any "claim":

 - a. For damages arising from a "wrongful act" with respect to an occurrence:
 - (1) With respect to which a "claimant" is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "claimant" is entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof with any person or organization.
 - b. For damages arising from a "wrongful act" in which the damages claimed result from bodily injury or property damage resulting from the "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, a "claimant" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of a "claimant"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by a "claimant" or services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located

within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to “property damage” to such “nuclear facility” and any property thereat.

As used in this exclusion:

“Claimant” means the person or entity making a “claim” against an “insured” under this policy.

“Hazardous properties” includes radioactive, toxic or explosive properties.

“Nuclear material” means “source material”, “Special nuclear material” or “by-product material”.

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a “nuclear reactor”.

“Waste” means any waste material (a) containing “by-product material” other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its “source material” content; and (b) resulting from the operation by any person or organization of any “nuclear facility” included under the first two paragraphs of the definition of “nuclear facility”.

“Nuclear facility” means:

- (a) Any “nuclear reactor”,
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing “spent fuel”, or (3) handling, processing or packaging “waste”,
- (c) Any equipment or device used for the processing, fabricating or alloying of “special nuclear material” if at any time the total amount of such material in the custody of the “insured” at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of “waste”;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

C. Section J. Conditions is amended as follows:

1. The following is added to Paragraph 5. Legal Action Against Us:

With respect to all “claim(s)”, if we deny a “claim” or disclaim liability based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly

against us, in which the sole question is our disclaimer or denial based on the failure to provide timely notice, unless within 60 days following such disclaimer or denial, we or the “insured”

- a. Initiates an action to declare the rights of the parties under this “policy” or a “Certificate”; and
- b. Names the injured person or other claimant as a party to the action.

2. Subparagraph **b.(2)(f)** of Paragraph 7. **Cancellation Clause** is deleted and replaced with the following:

Any determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public.

3. Subparagraph **b.(2)(g)** of Paragraph 7. **Cancellation Clause** is deleted and replaced with the following:

Any determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code.

4. Paragraph 8. **Nonrenewal** is deleted and replaced with the following:

- a. If we decide not to renew this “policy” or a “Certificate”, we will send notice as provided in paragraph c. below.

- b. If we conditionally renew coverage under this “policy” or a “Certificate” subject to a:

- (1) Change of limits;

- (2) Change in type of coverage;

- (3) Reduction of coverage

- (4) Increased deductible

- (5) Addition of exclusion; or

- (6) Increased premiums in excess of 10%, exclusion of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in paragraph c. below

- c. If we decide not to renew coverage under this “policy” or “Certificate”, or to conditionally renew this “policy” or “Certificate” as provided in paragraphs 8a. and 8.b. above, we will mail or deliver written notice to the policyholder shown in the “Declarations” and/or to the Insured Agent shown in the “Certificate”, as applicable, at least 60 days but not more than 120 days before:

- (1) The expiration date; or

- (2) The anniversary date if this is a continuous “policy”.

- d. Notice will be mailed or delivered to the policyholder at the address shown in the “Declarations” and/or to the Insured Agent at the address shown in the “Certificate”, as applicable. If notice is mailed, proof of mailing will be sufficient proof of notice.
- e. Notice will include the specific reasons for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- f. If we violate any of the provisions of paragraphs **8.c.**, **d.** or **e.** above by sending the policyholder and/or Insured Agent, as applicable, an incomplete or late conditional renewal notice or a late nonrenewal notice
 - (1) If the late conditional renewal notice or late nonrenewal notice is provided by the Company prior to the expiration date of coverage under this “policy” and/or a “Certificate”, as applicable, coverage will remain in effect at the same terms and conditions of this “policy” and/or a “Certificate”, as applicable, at the lower of the current rates or the prior period’s rates until 60 days after such notice is mailed or delivered, unless the policyholder and/or Insured Agent, as applicable, during this 60 day period, has replaced the coverage or elects to cancel. In the event the Company extends the “policy period” or “master policy period” to comply with paragraphs **8c.**, **d.** or **e.** above, the Limit of Liability stated in the “Certificate” as an aggregate per policy period for coverage under the expiring “Certificate” shall be increased in proportion to the extension of coverage.
 - (2) If the late condition renewal notice or late nonrenewal notice is provided by the Company on or after the expiration date of coverage under this “policy” and/or a “Certificate”, as applicable, coverage will remain in effect at the same terms and conditions of this “policy” and/or a Certificate, as applicable, for another “policy period”, at the lower of the current rates or the prior period’s rates, unless the policyholder and/or Insured Agent, as applicable, during this additional “policy period”, has replaced the coverage or elects to cancel.
- g. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (1) Upon expiration of the 60 day period; or
 - (2) Notwithstanding the provisions in paragraph **f.(1)** and **f.(2)**, as of the renewal date of coverage under the “policy”, and/or a “Certificate”, if we send the policyholder and/or Insured Agent, as applicable, the conditional renewal notice at least 30 days prior to the expiration or anniversary date of the “policy”.
- h. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the coverage under the “policy” has been replaced or is no longer desired.

D. Section K. Extended Reporting Periods is amended to add the following:

- 4. During a claims-made relationship and any “Extended Reporting Period”, a person employed or otherwise affiliated with the “insured” and, during such affiliation, covered by this “policy” or a “Certificate” issued to the “insured”, shall continue to be covered and any “extended reporting period” after such affiliation has been ceased for such person’s covered acts or omissions during such affiliation.
- 5. a. If this “policy” or a “Certificate” is issued to a corporation, partnership, or similar entity, it shall provide Optional “Extended Reporting Period” coverage upon “termination of coverage” to any person covered under the policy if the “insured” has been placed in liquidation or bankruptcy or permanently ceases operations and does not purchase, or have purchased for it by its designated trustee, “Extended Reporting Period” coverage.’

- b.** An Optional “Extended Reporting Period” as described in this provision will be available only if such person requests the “Extended Reporting Period” coverage within 120 days of the “termination of coverage”
- c.** We will have no obligation to provide notice to any such person of the availability of “Extended Reporting Period” coverage described in this provision.
- d.** We may charge the person for whom “Extended Reporting Period” coverage is provided a premium commensurate with the exposure.

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
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Rate Change Type:	Neutral
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Overall Percentage of Last Rate Revision:	0.000%
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Effective Date of Last Rate Revision:

Filing Method of Last Filing:

SERFF Tracking Number of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Farm Family Casualty Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		FFCIC E & O General Rules	G-EO-1 through G-EO-4 (01/01/20)	New		EO Rule Pages - 0919.pdf
2		FFCIC E & O Rate Pages	R-EO-1 and R-EO-2 (01/01/20)	New		EO Rate Pages 01-01-20.pdf

This section contains the rules and rating procedures for the rating of the Errors and Omissions program. For all cases not specifically provided for in this manual, the rules, rates and policy forms filed by or on behalf of the Company shall apply.

Cancellation

In the event the policy is cancelled prior to the expiration, premium will be refunded on a pro rata basis.

Claims Count

A claim is counted for rating purposes under the following circumstances:

- The claim occurs on or after the inception date of the Insured Agent's E&O coverage through the policy of ANIA Purchasing Group with ANPAC or FFCIC. Claims which occurred prior to this date are not considered in the claims count;
- Only amounts paid on an "insured's" behalf for a claim will be considered, excluding "claim expense(s)";
- There is no claim payment threshold.

Coverage

The Errors and Omissions program is a claims-made coverage which provides coverage for covered claims made during the coverage period of the policy.

The policy does not apply to any claims arising out of any wrongful act occurring prior to the earlier of:

- (a) the date of the Insured's initial enrollment in this program or
- (b) the Retroactive Date for any policy of the Insured Agent with ANPAC or FFCIC which immediately preceded this policy with no gap in coverage.

Deductible

The following deductibles are available:

\$ 500
\$ 1,000
\$ 2,500

Please refer to company rate pages for applicable factor.

Eligibility

This program was developed to provide Errors and Omissions Liability Coverage for agents who are members of ANIA Purchasing Group. ANIA Purchasing Group is eligible to procure a policy provided it is a registered Risk Purchasing Group formed pursuant to the Federal Liability Risk Retention Act of 1986 (15 U.S.C. § 3901, et. seq.) Subject to Underwriting requirements, individual agents who are contracted insurance agents with American National Insurance Company and its affiliated Multiple Line Operating Companies are eligible for coverage under the Policy provided they are members of ANIA Purchasing Group; and provided ANIA Purchasing Group is registered as Risk Purchasing Group in the state of the Insured Agent.

Different rating factors are applied to the following types of agents. Please refer to the company rate pages for applicable factor.

1. **Multi-Line Agent:**

Has the authority to sell P&C directly to policyholder.

2. **Multi-Line General Agent (MLGA) Only:**

The responsibilities of an MLGA include the oversight of operations in a specific territory and agents in that territory. The MLGA in this category has a minimal individual book of business. MLGA's having temporary custody of a terminated agent's book of business may also be included in this category.

3. **MLGA and Agent:**

The responsibilities of an MLGA and Agent include the oversight of operations in a specific territory and agents in that territory. The MLGA who also acts as an agent qualifies as such if he/she has a book of business with a written premium over \$50,000.

Coverage is provided for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period". American National means American National Insurance Company and/or the affiliate or affiliates of American National with which the "Certificate" holder is contracted as an Insured Agent.

Extended Claims Reporting Coverage

The extended claim reporting coverage provides coverage for wrongful acts that occurred prior to the agent's termination date with the company and after the retroactive date.

If coverage for the Insured Agent replaces or immediately follows a prior policy or certificate issued by American National Property And Casualty Company or Farm Family Casualty Insurance Company that was terminated by one of those companies, there shall be an Automatic Difference in Terms Extended Reporting Period (ADT ERP) for six (6) years at no charge. The ADT ERP starts at the termination date of the prior policy and applies only to any reduction in coverage. If the coverage for the Insured Agent terminates for any reason, the ADT ERP only applies to the portion of the six (6) year period, beginning with the termination date of the prior policy, during which the Insured Agent maintains Automatic or Optional "Extended Reporting Period" coverage under the policy.

Extended claim reporting coverage may be purchased from the date of termination. There will be an automatic 60 day reporting period at no charge at the agent's termination date. Agents will be offered an optional ONE-year, THREE-year or SIX-year tail policy, which period includes the 60-day automatic Extended Reporting Period.

The charges for the extended reporting period options can be found in the company rate pages.

Limits of Liability

The Errors and Omissions policy is an annual policy available with the following limits of liability:

<u>Per Claim Limit</u>	<u>Aggregate Per Policy Period</u>
\$1,000,000	\$3,000,000
\$2,000,000	\$3,000,000
\$2,000,000	\$5,000,000
\$3,000,000	\$3,000,000
\$4,000,000	\$4,000,000
\$5,000,000	\$5,000,000

Please refer to company rate pages for applicable factor.

Midterm Changes

Mid-term changes are not allowed.

Insurance Agents Errors and Omissions Liability Coverage
General Rules
Countrywide
Edition: 01/01/2020

Policy Term

The Errors and Omissions program is a claims-made policy written for a period of one year and renewed annually by a renewal certificate or from inception until cancelled either by the insured or the company. The initial term of coverage for an Insured Agent will begin upon inception of coverage and, unless otherwise terminated, will end at the end of the encompassing policy term of ANIA Purchasing Group.

Premium

Errors and Omissions coverage is subject to a minimum premium of \$750.

Retroactive Date

The Insurance Agents Errors and Omissions Liability Coverage is a CLAIMS-MADE policy. The retroactive date means the date specified in the "Certificate" and is the date on which coverage will first be afforded for a "wrongful act" occurring on or after that date.

If coverage for an Insured Agent replaces or immediately follows a prior policy or certificate insured to the Insured Agent by American National Property And Casualty Company or Farm Family Casualty Insurance Company, and that coverage was terminated by one of those companies, the retroactive date of the Insured Agent under the prior policy shall carry over to the Insured Agent's coverage with ANIA Purchasing Group.

Insurance Agents Errors & Omissions Liability Coverage

Base Rate	1771
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Type of Agent	Factor
Multi-Line	1.00
MLGA Only	0.72
MLGA and Agent	1.05

Size of Book	Factor
\$0 - 750,000	0.67
\$750,001 - 999,999	0.78
\$1,000,000 - 1,249,999	0.89
\$1,250,000 - 1,499,999	1.00
\$1,500,000 - 1,999,999	1.07
\$2,000,000 - 2,499,999	1.14
\$2,500,000 - 2,999,999	1.22
\$3,000,000 - 4,999,999	1.24
\$5,000,000 and over	1.29

Deductible	Factor
\$500	1.24
\$1,000	1.00
\$2,500	0.88

Increased Limit	Factor
1M/3M	1.000
2M/3M	1.230
2M/5M	1.240
3M/3M	1.451
4M/4M	1.639
5M/5M	1.812

Agent Yrs w/ANPAC or Farm Fam	Factor
0-2	1.00
3-5	1.05
6-10	1.03
More than 10	1.00

Step Factors	Factor
1st year	0.60
2nd year	0.75
3rd year	0.85
4 or more years	1.00

Extended Reporting Period	Charge
1 year	50% of expiring annual premium
2 years	100% of expiring annual premium
5 years	150% of expiring annual premium

5 Year Paid Claim Count	Factor
0	1.00
1	1.00
2+	1.10

Minimum Agent Premium	750.00
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State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Supporting Document Schedules

Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	NY - Filing Memo.pdf Response to Disposition Comments.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Professional Liability and Errors and Omissions Review Standards Checklist
Comments:	
Attachment(s):	Commercial Lines Checklist.pdf E&O Review Standards Checklist.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Commercial Liability Insurance Review Standards Checklist
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Commercial Liability Insurance Form Filing Compliance Questionnaire
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Commercial Lines Cancellation & Nonrenewal Form Filing Compliance Questionnaire (NYIL 3426)
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Claims-Made Policies Form Filing Compliance Questionnaire
Comments:	
Attachment(s):	Claims Made Questionnaire.pdf

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Item Status:	
Status Date:	
Bypassed - Item:	Defense-Within-Limits Policies Form Filing Compliance Questionnaire
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Side-By-Side Comparisons
Comments:	
Attachment(s):	Comparison Rates FFCIC.pdf Comparison FFCIC v.2compare.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Sexual harassment coverage requirements
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Rates and/or Rating Plans
Comments:	
Attachment(s):	RF-2 Actuarial Memo.pdf E&O Rate Filing Sequence 2020.pdf RT-4 program information.pdf Rate Filing Sequence Checklist.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Consent-to-rate requirements
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Audit Provisions/premium Audit Rules
Bypass Reason:	Not applicable

State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Minimum Premium/Return Premium and Minimum Earned Premium Rules
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Renewal Discounts - General Liability and Professional Liability
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	ANIA Purchasing Group - Letter of Approval from NYSDFS
Comments:	
Attachment(s):	ANIA Purchasing Group - Letter of Approval from NYSDFS.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Rate Comparison for Old Program to New Program
Comments:	
Attachment(s):	Objection 1 Response.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Form Markups - EO-207, EO-208, EO-214, EO-227 NY
Comments:	
Attachment(s):	EO-207 7-19 AGENT FF EO Application - REV.pdf EO-208 7-19 FF MASTER DEC - REV.pdf EO-214 7-19 FF Ins Agents E-O Liability Ins Policy - REV.pdf EO-227 NY 7-19 New York State Amendatory - REV.pdf
Item Status:	
Status Date:	

Satisfied - Item:	EO-214 7-19 to 8-19
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State:	New York	Filing Company:	Farm Family Casualty Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability		
Product Name:	Professional Liability		
Project Name/Number:	NY FFCIC E&O Initial Filing/		

Comments:	
Attachment(s):	EO-214 7-19 to 8-19 FF Ins Agents E-O Liability Ins Policy.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Supplemental Memorandum
Comments:	
Attachment(s):	Response to 8_28_19 Objections.pdf
Item Status:	
Status Date:	
Satisfied - Item:	General Rule Markups
Comments:	
Attachment(s):	EO Rule Pages - 0619 to 0919.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Forms Markups
Comments:	
Attachment(s):	EO-208 7-19 to 9-19.pdf EO-209 12-18 to 9-19 FF CERT of INS.pdf EO-227 NY 7-19 to 9-19 New York State Amendatory.pdf
Item Status:	
Status Date:	
Satisfied - Item:	EO-209 9-19 to 10-19
Comments:	
Attachment(s):	EO-209 9-19 to 10-19 FF CERT of INS.pdf
Item Status:	
Status Date:	

Farm Family Casualty Insurance Company

Insurance Agents Errors and Omissions - Filing Memo

Following our conference call of January 16, 2019, with Gerald Scattaglia, Siu Ping Wong, Bruce Ascher and Denise Chatman, Farm Family is submitting our proprietary Errors and Omissions product for your review. It includes the Insurance Agents Errors and Omissions Master Policy (EO-214), Master Policy Application - Group Insurance Agents E&O (EO-206), Insurance Agents Errors and Omissions Application for Coverage under ANIA Purchasing Group Policy (EO-207), Master Declarations (EO-208), Certificate of Insurance (EO-209), NY Amendatory (EO-227), as well as rate and rule pages.

As mentioned in our call, we have revamped our current E&O program. One of the new features includes ANIA Purchasing Group. To give its captive insurance agents the opportunity to procure E & O insurance from the Company on a group basis, Farm Family helped form a risk purchasing group for its agents. ANIA Purchasing Group is a Missouri-domiciled company. Its members are contracted insurance agents of America National Insurance Company and its affiliated multiple line operating companies, or such former agents with extended reporting period coverage. It was registered and approved by the Missouri Insurance Department as of October 9, 2018. It was registered and approved with the NYDFS as of December 6, 2018. A copy of the New York approval letter can be found under supporting documents.

Along with New York, we intend to make this particular product available to our captive agents in Connecticut and Massachusetts. Our multiple- line affiliate will be offering the product to agents in other states that are part of the group. Agents who obtain insurance through the ANIA Purchasing Group Master Policy will receive individual Certificates of Insurance. Accordingly, they each have the ability to choose their own separate deductible and per claim and aggregate limits of insurance.

As mentioned in our conference call of January 16, 2019, we plan to non-renew the policies in our current program. All agents with a current policy will be offered the opportunity to join ANIA Purchasing Group and obtain a policy through it. We have confirmed with you that we do not need to make a withdrawal filing of the Errors and Omissions material currently in use in NY.

Additionally, we have taken several steps to eliminate the need for agents that join the new program to simultaneously obtain a tail in the old program. We will be carrying over the retroactive date from the old program to the new. Additionally, the new policy contains an Automatic Difference in Terms Six (6) Year Extended Reporting Period (please see page 10 of the E&O policy). Agents that do not obtain coverage in the new program will be offered tail coverage under the old program. To provide a further breakdown of some of the differences between the two programs, please refer to the comparison chart we have provided under supporting documents.

Thank you for your time and assistance during our conference call. We hope the enclosed material meets with your approval.

**Farm Family Casualty Insurance Company
Insurance Agents Errors and Omissions Policy
Response to Disposition Comments**

This filing is a resubmission of NY Filing # R2019001882, which was disapproved on 07/05/2019. Please see our responses to comments received in the disposition of that filing.

1. Farm Family Agent Application For Coverage Under ANIA Purchasing Group Policy EO-207

a. Page 3 – First paragraph – Please revise to comply with Section 3105(b)(1) of the New York Insurance Law.
We have revised EO-207 to comply with Section 3105(b)(1).

b. Pursuant to Section 73.7(a) of Department Regulation 121 the Declarations and Application (or addenda thereto) must contain a conspicuous claims-made notice (on page 1).

c. Please revise the claims-made notice on Farm Family Master Policy Declarations EO-208 to match the notice on Farm Family Agent Application For Coverage Under ANIA Purchasing Group Policy EO-207.
We have revised EO-208 to contain the same notice on EO-207.

2. Please confirm if Certificates (Farm Family Certificate Of Insurance EO-209) will be issued to each agent.
Yes. Each agent will receive a Certificate.

3. Insurance Agents Errors and Omissions Liability Insurance Policy EO-214

a. Page 1 – Definition of Claim - Coverage is provided on a pay-on-behalf-of basis (not on an indemnification/indemnify or reimbursement basis. The term “indemnification” must be replaced with “damages”.
We have made this revision.

b. Page 2 - B. INSURING AGREEMENT-4.

The form should be revised to clearly indicate that post-judgment interest will be paid outside of the limits of liability.
We have made this revision.

c. Page 2 – Definition of Retroactive Date has “or reported to you...” Please be advised that claims-made and reported coverage is not acceptable to this Department inasmuch as it violates the tenets of Regulation No. 121 which permits insurers to write coverage on a claims-made basis. Please delete “or reported”.
We have made this revision.

d. Page 2 – Definition of Reporting Period - Please be advised that claims-made and reported coverage is not acceptable to this Department inasmuch as it violates the tenets of Regulation No. 121 which permits insurers to write coverage on a claims-made basis. Please revise.
We have deleted the definition of “Reporting Period” in response to this comment.

e. Page 2 – “The Company shall pay on an “insured's” behalf all sums which an “insured” becomes legally obligated to pay as a result of any “claim” or “claims” first made during the “policy period”. Please revise to, “The Company shall pay on an “insured's” behalf all sums which an “insured” becomes legally obligated to pay as a result of any “claim” or “claims” first made during the “policy period” or any applicable extended reporting period”.
We have made this revision.

f. Page 3 – Item D

D1 - “during the policy period” should be revised to “during the policy period or any applicable extended reporting period.

We have made this revision.

D2 - Page 3. D. Claim Expenses – Item 2 - Note that the company has the responsibility to pay on behalf of the insured for damages and defense expenses in addition to the limit of liability. Please revise.

We have made this revision.

g. Page 3 – Item E – “and you provide notice of such fact, or circumstance to the Company during the “policy period”” Please revise to “and you provide notice of such fact, or circumstance to the Company during the “policy period” or any applicable extended reporting period”.

We have made this revision.

h. Page 3 – Deductible - Please be advised that it is the company’s obligation to pay the third party including the deductible, if it is found to be liable. The company, however, can then seek reimbursement of the deductible from the insured. Please amend or withdraw the endorsements accordingly.

We have revised this paragraph accordingly.

i. Page – Exclusion 21 - Please note that it is our position that such exclusion should not be applicable to insurance companies that are licensed in the State or any residual market facilities. Please revise accordingly.

We have amended this exclusion accordingly within the New York Amendatory Endorsement EO-227 NY.

j. Page 5 – Exclusion 25 - Please be advised that this Department does not permit Nuclear exclusions to be broader than the industry-standard exclusion (Please refer to ISO Form IL 00 23 for an example). As such, the form should be revised accordingly.

We have amended this exclusion within the New York Amendatory Endorsement EO-227 NY, mirroring the provisions set forth within ISO Form IL 00 23, and conforming them to the type of coverage provided by an Insurance Errors & Omissions policy.

k. Page 8 – Item 7.b.f – Please revise to comply with Section 3426(c)(1)(F) of the New York Insurance Law.

We have amended this provision within the New York Amendatory Endorsement EO-227 NY.

l. Page 8 – Item 7.b.g – Please revise to comply with Section 3426(c)(1)(F) of the New York Insurance Law.

We have amended this provision within the New York Amendatory Endorsement EO-227 NY.

Page 8 – Item 7.b.i and j - Please delete as this is not in compliance with Section 3426 of New York Insurance Law.

We have deleted these paragraphs.

m. Page 9 – Item 9 – Premiums - must be revised to comply with Section 153.5(a) AND 153.5(b) of Department Regulation No. 135 (i.e., must CLEARLY state that the Risk Purchasing Group/Policyholder (ANIA) MAY collect and remit premiums on behalf of each insured agent and should NOT be paid out of the group’s general funds or other source).

We have revised accordingly.

n. Page 10 – Item 2 – ERP - American National Property And Casualty Company or Farm Family Casualty Insurance Company – This file is only for Farm Family Casualty Insurance Company – Please revise throughout all the forms to only state Farm Family Casualty Insurance Company.

We have made this revision.

o. Page 10 – Item 3.d.2 – written request must be revised to written acceptance pursuant to Section 73.3(e)(3) of Department Regulation 121.

We have made this revision.

p. Please include the definition of termination of coverage pursuant to Section 73.1(n) of Department Regulation 121.

The definition has been added within the New York Amendatory Endorsement EO-227 NY.

q. Please include the provision of Section 73.3(m) and (n) of Department Regulation 121.

These provisions have been added to the New York Amendatory Endorsement EO-227 NY.

r. Page 10 2. Automatic Difference in Terms Six (6) Year “Extended Reporting Period”

Please give a couple of illustrated examples for this provision.

This provision will provide for a six-year extended reporting period beginning at the termination date of the prior policy. Any claims made pursuant to this extended reporting period will be adjusted per the prior policy for any reductions in coverage introduced in this new policy.

An example would be Exclusion 14. The prior policy’s exclusion pertained to claims made for or on behalf of an insured or their relatives. The new policy adds to the exclusion any entity owned in whole or in part by the insured or their relatives. With the Automatic Difference in Terms extended reporting period, a claim made by or on behalf of an entity owned in whole or in part by the insured or their relatives would still be covered (i.e. if a company owned by the insured agent’s spouse makes an E & O claim against the insured agent for improper insurance coverage on a policy purchased through the insured agent).

s. Please include the provisions of Section 3420(a)(6) of the New York Insurance Law.

This has been added to the New York Amendatory Endorsement EO-227 NY.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

COMMERCIAL LIABILITY INSURANCE FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 1 OF 3

COMPANY Farm Family Casualty Insurance Company

Co. File No. 31-EO-FF-190

Company Contact: Janice Herron

Phone Number: 417-887-4990 Ext2441

E-Mail Address: Janice.Herron@AmericanNational.com

Claims Made Eligible? YES

Sub-Type

of

Insurance

Type of Insurance Other Liability

Professional Errors and Omissions Liability

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law Section Nos. 1113, 2307, 3105, 3106, 3420 and/or 3426. Form, page and paragraph references that bring the submission into compliance must be included. Enter "NA" in this column for any item not applicable to the filing being submitted. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

I. ALL POLICIES

A. Policy complies with §2307 as follows:

1. Is there coverage for any of the following?
 - a. Punitive or exemplary damages
 - b. Intentional acts
 - c. Assault and battery, except for defense of person or property

YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

B. Does the policy comply with § 3420 as follows?

1. Policy is written on a "pay on behalf of" basis rather than on an indemnification basis
2. Policy contains a proper insolvency clause
3. Policy contains a proper judgment clause, and does not include the requirement that the judgment be "final", or obtained "after actual trial"
4. Policy contains a provision permitting notice of claim to be given to company's agent.
5. Is there a provision that failure to give timely notice shall not invalidate any claim if such notice is given as soon as reasonably possible? [NYIL §3420(a)(4)]
6. Is there a provision that failure to give timely notice shall not invalidate any claim, unless such failure has prejudiced the insurer? [NYIL §3420(a)(5)]
7. Is there a provision that, with respect to all liability claims (except property damage), if the insurer disclaims liability or denies coverage based upon the failure to provide timely notice, the injured person or other claimant may maintain an action directly against the insurer, provided the disclaimer or denial is based on such failure? [NYIL §3420(a)(6)]

YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

C. Defense Provisions

1. Policy provides defense even if allegations are groundless, false or fraudulent?
2. Policy provides for the orderly transfer of defense duties when a limit of liability is used up in the payment of judgements or settlements
3. ☐ Policy is written on a defense within limits basis; Does it comply with Regulation 107? (complete DWL checklist)

YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
YES <input type="checkbox"/>	NO <input type="checkbox"/>

- D.** If policy includes coverage for personal injury, does it contain, in substance, the items contained in §1113(a)(13)?

YES <input type="checkbox"/>	NO <input type="checkbox"/>
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- E.** If the policy covers bodily injury, and that definition does not include mental anguish that results from a wrongful act, is some form of rate relief given?

YES <input type="checkbox"/>	NO <input type="checkbox"/>
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- F.** Does policy language comply with §3426? (complete §3426 checklist)

YES <input type="checkbox"/>	NO <input type="checkbox"/>
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NOTE: All citations are to the applicable sections of Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law sections 1113, 2307, 3105, 3106, 3420 and/or 3426.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

COMMERCIAL LIABILITY INSURANCE FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 2 of 3

COMPANY Farm Family Casualty InsuranceCompany

Sub-Type of Insurance Professional Errors and Omissions Liability

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law Section Nos. 1113, 2307, 3105, 3106, 3420 and/or 3426. Form, page and paragraph references that bring the submission into compliance must be included. Enter "NA" in this column for any item not applicable to the filing being submitted. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

I. ALL POLICIES (continued)

- | | | |
|--|-------------------------------------|---|
| <p>G. <input checked="" type="checkbox"/> Policy is written on a claims-made basis; Does it comply with Regulation 121? (complete claims-made checklist) YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> | |
| <p>H. Does the policy contain warranties that violate §3105 or §3106?</p> | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p>I. If more than one policy issued by the company/affiliate covers the loss, is coverage limited to the policy with the highest limit?</p> | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p>J. Does the policy contain a definition of loading or unloading?</p> | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p>K. Does the policy contain the name of an unlicensed company?</p> | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p>L. Are there any blank forms?</p> | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p>M. Are all forms numbered? YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> | |
| <p>N. Policy application:</p> | | |
| <p>1. Has been filed for approval if part of the policy YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> | |
| <p>2. Complies with Regulation 95 YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> | |
| <p>O. If policy contains a tobacco exclusion, is the exclusion limited to the deleterious health effects associated with the use of such products? YES <input type="checkbox"/></p> | <p>NO <input type="checkbox"/></p> | |
| <p>P. Is there a provision requiring that disputes between the company and insured be resolved through arbitration?</p> | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |

II. "LEGAL SERVICES INSURANCE" IN LIABILITY POLICIES

- A.** Indicate below which, if any, "Legal Services Insurance" coverages are provided (See Department Regulation 162) Unless "None" is checked, complete Legal Services Insurance Checklist
- ☐ (i) Defense only coverage for administrative proceedings
- ☐ (ii) Defense coverage for claims seeking injunctive or other non pecuniary relief
- ☐ (iii) Defense of allegations which are excluded
- ☐ (iv) Coverage for insured who initiates legal action
- ☐ (v) Other _____ (Specify)
- ☒ (vi) None

III. DIRECTORS AND OFFICERS POLICIES

In addition to the requirements of I and II above, does the policy contain the minimum retention and coinsurance amounts required by Regulation 110? YES ☐

IV. EMPLOYEE BENEFITS POLICIES

In addition to the requirements of I and II above, does the policy contain any coverages which would substantially provide for the giving of legal advice? YES ☐ NO ☐

NOTE: All citations are to the applicable sections of Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law sections 1113, 2307, 3105, 3106, 3420 and/or 3426.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

COMMERCIAL LIABILITY INSURANCE FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 3 of 3

COMPANY Farm Family Casualty Insurance Company

Sub-Type of Insurance Professional Errors and Omissions Liability

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law Section Nos. 1113, 2307, 3105, 3106, 3420 and/or 3426. Form, page and paragraph references that bring the submission into compliance must be included. Enter "NA" in this column for any item not applicable to the filing being submitted. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

V.	If the policy is a following form excess liability policy, does it contain language conforming policy to all New York requirements if an unlicensed company is an underlying carrier?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
VI. For Umbrella Policies				
1.	Insureds consent is required to settle claims within the insured's retention, unless such consent is unreasonably withheld	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
2.	Policy provides coverage for Workers Compensation and Employers Liability where an employee is subject to the NY Workers Compensation Law		YES <input type="checkbox"/>	NO <input type="checkbox"/>
VII. Employment Practices				
	In addition to the requirements of I and II above, coverage is provided only for claims resulting from disparate impact or vicarious liability	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
VIII. Does the policy contain a pollution exclusion or definition that includes any of the following as a pollutant:				
	Lead		YES <input type="checkbox"/>	NO <input type="checkbox"/>
	Noise		YES <input type="checkbox"/>	NO <input type="checkbox"/>
	Electromagnetic Fields		YES <input type="checkbox"/>	NO <input type="checkbox"/>
IX. If the policy contains a lead exclusion:				
1.	Is there a manual rule providing for a premium reduction of between 2% and 10% (1% for BOPS)? Note: For Commercial Umbrella or Excess Liability policies there must be a credit of between 2% and 10% if the underlying coverage does not have a lead exclusion or when the policy premium is not based upon the underlying premium.	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
2.	Is there a manual rule that the exclusion may only be attached to policies insuring structures built prior to 1980 which have a significant potential lead exposure and have not undergone lead abatement procedures?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
X. PURCHASING GROUPS				
	In addition to compliance with all form and rate requirements, Notice of Intent has been filed with Excess Lines Unit of the Property Bureau.	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	

NOTE: All citations are to the applicable sections of Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law sections 1113, 2307, 3105, 3106, 3420 and/or 3426.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

LINE OF BUSINESS: Other Liability

LINE(S) OF INSURANCE

CODES

CODE: 17.0000

Professional E & O

17.2019

IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
GENERAL REQUIREMENTS FOR ALL FILINGS		The following web site represents the Department's initiative to streamline the procedures for form, rate and rule filings: https://www.dfs.ny.gov/insurance/filer.htm	Form/Page/Para Reference
COVER LETTER AND EXPLANATORY MEMORANDUM	CL 11 (1998)	The filing should include a cover letter, and an explanatory memorandum clearly explaining the intent of the filing, and highlighting any substantive changes (such as changes in ratemaking methodology or major coverages provided). If new form(s), territories, classification(s), or rule(s) are being filed and there are similar ones currently approved for use by a Rate Service Organization (RSO) or another insurer, or has been the subject of a filing previously not approved in New York, reference should be provided to the Department's file number or SERFF tracking number and effective date of the approval, or copies of the approved items should be included, if applicable. If the filing is currently in use in another state, this should be indicated.	SERFF General Information tab
EXCLUSIONS & LIMITATIONS		The following web site contains additional information on exclusions and prohibited coverages: https://www.dfs.ny.gov/insurance/serff_main.htm#Section_IV	Not applicable
Lead	§2307(b)	May only exclude structures built prior to 1980 which have a significant potential lead exposure and have not undergone lead abatement procedures. A premium reduction of between 2% and 10% should be contemplated whenever the exclusion is attached to a policy. Please refer to Item IX of Compliance Questionnaire No. CLL.	Not applicable
Mold	§2307(b)		Not applicable
Pollution	§2307(b)	Please refer to Item VIII of Compliance Questionnaire No. CLL.	Not applicable
Terrorism	CL 2 (2015)	The following web site contains additional information: http://www.dfs.ny.gov/insurance/circltr/2015/cl2015_02.htm	Not applicable
Tobacco	§2307(b)	Such exclusion should be limited to the deleterious health effects associated with the use of such products only. Please refer to Item I.O of Compliance Questionnaire No. CLL.	Not applicable
FILING SUBMISSION	§2305 & §2307 CL 19 (1992) Supplement No 1 to CL 11(1998)	Forms, territories, classifications, rating rules, rates and rating plans are subject to prior approval.	Acknowledged

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Compliance Questionnaires, Forms and Optional "Speed to Market" Filing Procedures	CL 11 (1998) Supplement No 3 to CL 11 (1998)	Please refer to the following web site for additional information: https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II	See Supporting Documentation tab
NO FILE OR FILING EXEMPTIONS	Article 63 11NYCRR16 (Reg. 86)	An authorized insurer must obtain a "Special Risk License" prior to writing business in the "Free Trade Zone". Such business shall be limited to a Special Risk defined as either a Class 1 risk, Class 2 risk as enumerated in the list contained in Regulation 86, or a Class 3 risk. Although filing is not required for a Class 1 risk or a Class 2 risk, rates and policy forms applied to special risks must still satisfy governing standards set forth in the Insurance Law and regulations. If it is a class 3 risk then the company is required to file for information only any form that has not been previously filed with the Superintendent within three business days after the first delivery of a policy using such form, but no later than 60 calendar days after the inception date of such policy. It should be noted that any policy form that an insurer previously filed with the Superintendent and that the Superintendent disapproved or rejected or that the insurer withdrew will not be considered to have been previously filed with the Superintendent.	Not applicable
PROHIBITED COVERAGES		While the Department does not have an exhaustive list, some examples of prohibited coverages include punitive damages and corporal punishment. Please refer to the following web site for additional information: https://www.dfs.ny.gov/insurance/serff_main.htm#Section_IV	Not applicable
Assault and Battery	§2307(b)	Coverage for Assault and Battery is prohibited except for defense of person or property. Please refer to Item I.A.1.c of Compliance Questionnaire No. CLL.	Not applicable
Discrimination	CL 6 (1994)	Coverage for discrimination may only be provided on vicarious basis or for disparate impact.	Not applicable
Indemnification Policy	§3420	Is not permitted. Liability coverage must be provided on a pay on behalf basis. Please refer to Item I.B.1 of Compliance Questionnaire No. CLL.	Not applicable
Intentional Acts	§2307(b)	May only be provided on vicarious basis or for disparate impact. Please refer to Item I.A.1.b of Compliance Questionnaire No. CLL.	Not applicable
Punitive or Exemplary Damages	CL 6 (1994)	Coverage for Punitive or Exemplary Damages is not permitted. Please refer to Item I.A.1.a of Compliance Questionnaire No. CLL.	Not applicable
Sexual Harassment Coverage	§2307(b)	Coverage should not be provided to any person who allegedly or actually: i) participates in, ii) directs; or iii) knowingly allows any act of sexual misconduct.	Not applicable
SIDE BY SIDE COMPARISON	CL 11 (1998)	If the filing is a revision to existing form(s), territories, classification(s) or rule(s); Except for simple, non-substantive changes, a side-by-side comparison of the form(s) or rule(s) being proposed and those currently in use in New York, with all changes clearly marked and explained in the company's cover letter or memorandum must be included. Revisions to classifications and territories should include a comparison between those currently on file (in New York) and those proposed, including relevant statistical data (experience) and any rate or rate relativity effect. There should be a reference to the Department's previous file number and/or a copy of the approval letter in which the current form(s), territories, classification(s) or rule(s) were approved/acknowledged.	Not applicable

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
FORMS: POLICY PROVISIONS	§1113, §2307, §3105, §3106, & §3420 11 NYCRR 86 (Reg. 95) 11 NYCRR 71 (Reg. 107) 11 NYCRR 72 (Reg. 110) 11 NYCRR 73 (Reg. 121)	The following Compliance Questionnaire contains detailed information for making a Professional Errors & Omissions filing including required policy provisions, exclusions, prohibited coverages, and standard language: Commercial Liability Insurance Form Filing Compliance Questionnaire cll.doc (Word Format) cll.pdf (PDF Format)	Form/Page/Para Reference
APPLICATIONS			See Form Schedule tab
Filing exemption	§2307(b)	Applications which do not become part of the policy are exempt from filing requirements. Please refer to Item I.N.1 of Compliance Questionnaire No. CLL.	Not applicable
Fraud Warning Statement	§403(d) 11 NYCRR 86.4 (Reg. 95)	All applications must contain the prescribed fraud warning statement, which must be incorporated immediately above the applicant's signature.	EO-207, pg 3
Claims-Made Disclosure Notice	11 NYCRR 73.7(a) (Reg. 121)	If a policy is a claims-made policy, the application must comply with the disclosure requirements listed in Item II.a of Compliance Questionnaire No. CLMADE.	EO-207
Defense-within-limit Disclosure	11 NYCRR 71.5(a) (Reg. 107)	If a policy is a defense within limits policy, the application must comply with the disclosure requirements listed in Item I.C of Compliance Questionnaire No. DWL.	Not applicable
ARBITRATION		Arbitration of disputes between an insured and the insurer may not be required.	Not applicable
BANKRUPTCY PROVISIONS			
Insolvency or bankruptcy clause	§3420(a)(1)	A policy must contain a statement indicating that the insolvency or bankruptcy of the insured or the insured's estate does not relieve the obligations of the insurer. Please refer to Item I.B.2 of Compliance Questionnaire No. CLL.	EO-214, pg 9
BLANK ENDORSEMENTS		Not permitted since a blank endorsement may change policy provisions without the proper approval by this Department. An exception may be made for a blank form if its usage is apparent based on the title/language of the form itself (such as a change in address form). Forms containing check boxes with a space for language to be added are considered blank endorsements and are subject to these rules. Please refer to Item I.L of Compliance Questionnaire No. CLL.	Not applicable
CANCELLATION & NON-RENEWAL	§3426 CL 14 (1986) CL 11 (1989) Supplement No 1 to CL 11 (1989)	The Cancellation & Nonrenewal provisions apply to all commercial risk policies including policies issued or issued for delivery in New York covering risks with multi-state locations where the insured is principally headquartered in New York or the policy provides that New York Law will govern. Please refer to Compliance Questionnaire No. CLCNR for detailed cancellation and nonrenewal requirements: Commercial Lines Cancellation and Nonrenewal Form Filing Compliance Questionnaire clcnr.doc (Word Format) clcnr.pdf (PDF Format)	EO-214, EO-227
Notice of Cancellation	§3426(b), (c), (h)(2), (g) & (l)	The cancellation provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of cancellation. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.A of Compliance Questionnaire No. CLCNR.	EO-214, EO-227

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Notice of Non Renewal	§3426(e), (g), (h)(2) & (l)	The nonrenewal provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of nonrenewal. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.B of Compliance Questionnaire No. CLCNR.	EO-214, EO-227
Required Policy Period	§3426(a)(2) & (d)(2)	A required policy period means a period of one year from the date as of which a covered policy is renewed or first issued. A policy issued for less than one year must be in compliance with statutory reasons outlined in §3426(d)(2). Please refer to Item II of Compliance Questionnaire No. CLCNR.	Acknowledged
Permissible Reasons for Cancellation	§3426(b), (c) & (h)	A policy may be cancelled for any valid underwriting reason during the first 60 days a policy is in force. After the first 60 days, reasons for cancellation are limited to statutory references. Please refer to Item I.A. 2 of Compliance Questionnaire No. CLCNR.	EO-214, EO-227
Permissible Reasons for Non Renewal	§3426(e) & (h)	A valid underwriting reason must be specifically listed in notice. Please refer to Compliance Questionnaire No. CLCNR.	EO-214, EO-227
Conditional Renewal	§3426(e)(1)(B)	A conditional renewal notice is required for any change in the policy less favorable to the policyholder. Such notice must contain the specific reason or reasons for conditional renewal and must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Please refer to Item I.B.2 and I.B.3 of Compliance Questionnaire No. CLCNR.	EO-214, EO-227
Policy Extension	§3426(e)(6)	Aggregate Limit for expiring policy is increased in proportion to any policy extension as a result of late notice. Please refer to Item II. 2 of Compliance Questionnaire No. CLCNR.	EO-227
Suspension	§3426(m)	A suspension of coverage shall not be considered a cancellation of coverage	EO-227
CLAIMS MADE	§2307(b) 11NYCRR73 (Reg. 121)	The following Claims-Made Policies Form Filing Compliance Questionnaire contains detailed information for making a Claims Made filing: Claims Made Policies Form Filing Compliance Questionnaire clmade.doc (Word Format) clmade.pdf (PDF Format)	Acknowledged
DEFENSE			
Duty to Defend		For policies that provide for the duty to defend, a defense must be provided even if allegations are groundless, false or fraudulent. A complete defense must be provided for a claim, which involves both covered and uncovered allegations, and no allocation of defense costs is permitted. Additionally, provision must be made for the orderly transfer of defense duties when the limit of liability is used up in the payment of judgments or settlements. Please refer to Item I.C of Compliance Questionnaire No. CLL.	EO-214, pg 2
Defense-Within-Limits	11NYCRR 71(Reg. 107)	Please refer to the following Compliance Questionnaire for the minimum provisions, disclosure requirements, and limitations of coverage: Defense-Within-Limits Form Filing Compliance Questionnaire dwl.doc (Word Format) dwl.pdf (PDF Format)	Not applicable

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Legal Services Insurance	§1113(a)(29) & §1116 11NYCRR262 (Reg. 162)	Legal Services Insurance means insurance providing legal services or reimbursement of the cost of legal services. (Please note that pursuant to Section 262.10(d) of Department Regulation 161, when legal services insurance is written as part of a liability policy, it shall be written on a "pay on behalf" basis, except for a policy of directors and officers insurance, which may be written on an "indemnification" basis.) Please refer to the Compliance Questionnaire LEGAL for additional requirements: Legal Services Insurance Form Filing Compliance Questionnaire legal.doc (Word Format) legal.pdf (PDF Format)	Not applicable
DEFINITIONS			
Loading & Unloading	§2307(b)	The term "Loading & Unloading" must remain undefined. Please refer to Item I.J of Compliance Questionnaire No. CLL.	Acknowledged
Personal Injury	§1113(a)(13)	If the policy provides coverage for Personal Injury, such policy must include the provisions of §1113(a)(13). Please refer to Item I.d of Compliance Questionnaire No. CLL.	Not applicable
EXCESS COVERAGE		1) If the self-insured retention is \$10,000 or greater, the consent of the insured to settle a claim is required for claims falling within the self-insured retention; 2) the insured should have the right to select counsel for claims within the self-insured retention; 3) the company cannot require an insured to contract with a particular claims adjustment service; 4) For the above items, endorsements must be attached to the policy indicating the policyholder understands and consents to the requirements.	Not applicable
FORMS MISCELLANEOUS			
Numbered Forms	§2307(b)	All policy forms and endorsements filed with the Department must include an identification number. Please refer to Item I.M of Compliance Questionnaire No. CLL.	See Form Schedule tab
Unlicensed Companies	§2307(b)	All policy forms and endorsements filed with the Department may only include the names of insurers licensed in the State of New York. Please refer to Item I.K of Compliance Questionnaire No. CLL.	Acknowledged
FICTITIOUS GROUPS	§3435 11NYCRR301 (Reg. 134) 11NYCRR153 (Reg. 135)	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group.	Not applicable
GROUP POLICIES	§3435 11NYCRR301 (Reg. 134) 11NYCRR153 (Reg. 135)	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group. Group policies must comply with the provisions of Regulations 134 & 135 including the following: general requirements, group policy minimum standards, premium collection and payment, dividend plans and form and rate filings requirements.	Acknowledged

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
LIMITS			
Policy Limits			EO-209
Sublimits		If there are sublimits the policy should highlight that fact, and if the policy is written on a Defense Within Limit basis the sublimit cannot be less than the minimum limit required for policies written on that basis.	Not applicable
LOSS SETTLEMENT			
Action Against Company	§3420(a)(2) & §3420(b)	If judgment against an insured is not satisfied within 30 days, an action can be brought against an insurer. Furthermore, the judgment clause may not include the requirement that judgment be "final" or obtained "after actual trial." Please refer to Item I.B of Compliance Questionnaire No. CLL.	EO-214, pg7
After Market Parts			Not applicable
Deductibles	11NYCRR71 (Reg. 107)	If deductible is applied against defense costs, policy must comply with Reg. 107.	Not applicable
Loss Valuations			Not applicable
Notification of Claim	§3420(a)(3)(4)(5)&(6)	The policy must contain the various liability provisions set forth in Section 3420 (a)(3)(4)(5) and (6). Please refer to Paragraph I.B of Compliance Questionnaire CLL.	EO-214, pg 6
OTHER INSURANCE	§2303	Policy provisions which indicate that in the event an occurrence is covered by more than one policy issued by an insurer or its affiliates, only the highest limit of liability among all policies will apply to the claim, are not permitted. Please refer to Item I.I of Compliance Questionnaire No. CLL.	EO-214, pg 6
PARTICIPATING POLICIES	§4106	A participating policy provision is not required. However, when the provision is included, the board of directors may make reasonable classifications of policies in order to issue payment of dividends. Such classifications must be filed for approval and be fair and not unfairly discriminatory.	Not applicable
PREMIUM AUDIT	11 NYCRR161.10 (Reg. 129)	Audit to determine the final premium must be conducted within 180 days after expiration of the policy and such audit requirement may only be waived for reasons specified in the regulation.	EO-214, pg 9
PRIOR ACT COVERAGE FOR OCCURRENCE POLICY		It is only permitted to be written if 1) No coverage for known claims, 2) Provided only to insureds switching from claims-made policy and is not available to an insured with an uninsured prior acts exposure, 3) Once purchased, must survive termination of the occurrence policy.	Not applicable
VICARIOUS LIABILITY	CL 6 (1994)	The Department permits coverage for claims of vicarious liability regardless of whether the underlying wrong is intentional or not.	Not applicable

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
VOIDANCE	§3105 & §3106	May not void a policy unless the misrepresentation is material. No misrepresentation shall be deemed material unless knowledge by the insurer of the facts misrepresented would have led to a refusal by the insurer to make such contract. Please refer to Item I.H of Compliance Questionnaire No. CLL.	Acknowledged
WARRANTIES	§3106	A breach of warranty shall not void a policy unless the breach of warranty is material.	Acknowledged
WORLDWIDE COVERAGE		If a policy provides for a duty to defend, in provisions where the company states it has no duty to defend suits brought in foreign countries, the company must state the specific reasons why it does not wish to defend (i.e. if the insurer lacks the expertise to defend in the foreign country, or if the insurer is not permitted by law to defend in such foreign country.) In such situations, the policy must specify that the insurer must reimburse the insured for the defense expenses the insured incurred.	Not applicable
RATES & RATING PLANS	§2304 & §2344 11NYCRR161 (Reg. 129) CL 5 (2009)	All rates, rating plans, and rating rules filings must be submitted in accordance with the instructions of Circular Letter No. 5 (2009) which outlines the new mandatory filing procedures effective March 10, 2009. These procedures contain the minimum required information that must accompany all rate, rating plan, and rating rule filings. Rate filings must include appropriate supporting information as outlined in the Rate Filing Sequence Checklist. Please note the relevant requirements contained in Section 2304 of the New York Insurance Law. For commercial lines filings subject to flex-rating under Section 2344, please also refer to Regulation 129 (11 NYCRR 161). Please refer to the following web site for additional information: https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II	Form/Page/Para Reference
ADOPTIONS OF RATE SERVICE ORGANIZATIONS (RSO) FILINGS			Not applicable
Me Too Filings	§2306 11 NYCRR 161.7 (Reg. 129)	The insurer may discharge its rate filing obligation by giving notice that it uses rates and rate information prepared by a designated rate service organization. Please refer to Regulation 129 for the filing of rates and the relation and role of rates published by a rate service organization and the Department's web site for additional filing information: https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II	Not applicable
CONSENT-TO-RATE	§2309	The application for an excess rate is subject to prior approval. In addition, the application must include the insured's reasons and the application must be signed by the insured.	Not applicable
CREDIT SCORING AND REPORTS		The use of credit scoring and reports is limited to the initial underwriting and/or initial tier placement of the risk.	Not applicable
INDIVIDUAL RISK RATING	§2305 11NYCRR161.12 (Reg. 129)	Individual Risk Submissions not subject to prior approval shall not filed with the Department. All such information shall be retained in the insurer's individual underwriting file for each policy issued for a period of five years from the date of first issuance of such policy.	Not applicable
Prior approval	CL 4 (1996)	This form must be included in all Individual Risk Submission subject to prior approval: NYSID Form 129-c.doc	Not applicable

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
PRICING	§2304 & §2344 11NYCRR161 (Reg. 129) CL 19 (1992) & CL 4 (1996)	The following web site contains the mandatory filing procedures: https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II	Acknowledged
Audit Provisions/premium Audit Rules		Indicate if the filing includes an audit provision and/or a premium audit rule. If so, an audit to determine final premium for policies under which the initial premium is based on an estimate of the insured's exposure base must comply with Section 161.10 of Regulation 129. The provision/rule must clearly demonstrate compliance.	Not applicable
Minimum Premium Rules		Minimum Premium Rules- the submission should evidence the relationship between the amount charged as a minimum premium and the costs associated with producing the policy or coverage. Return Premium/Minimum Earned Premium Rules - the submission should specify that the policy will be pro-rated or short-rated due to mid-term termination of the policy. Premium may be considered fully earned only for policies insuring special events that are only a few days in length.	Acknowledged
Multi Tiering		Eligibility requirements for each tier must be submitted. The tier eligibility requirements must be specific and mutually exclusive, so that no insured would be eligible for more than one tier. The rate effects of the tier eligibility requirements should not be duplicated in any rating plans. Justification must be provided for the rate differential for each tier.	Not applicable
Payment Plans		Payment plans are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	Not applicable
Renewal Discounts		Renewal Discounts or credits due to the insured's longevity with the company are not permitted for Commercial Liability coverage.	Not applicable
Service Charges		Late payment fees, reinstatement fees, and premium installment fees are to be classified as service fees that are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	Not applicable
RATING PLAN REQUIREMENTS	§2344 11NYCRR161.8 (Reg. 129)	Rating plans are subject to prior approval. Even if the insurer is adopting a rating plan from a Rate Service Organization (RSO) without modification, such plan is subject to the prior approval requirements.	Not applicable
Composite Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not applicable
Expense Reduction Plan		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not applicable
Experience Rating		Please refer to item RP-1, RP-2, and RP-3 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not applicable
Loss Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not applicable
Retrospective Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not applicable
Schedule Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not applicable

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
RATE/LOSS COST SUPPORTING INFORMATION			Not applicable
Actuarial or other Rate Support	11NYCRR161 (Reg. 129) CL 19 (1992) CL 5 (2009)	<p>Rate making and supporting information for rates, rating plans, and rating rules must be organized into exhibits, which follow a sequential numbering system. The Rate Filing Sequence Checklist and the related instructions prescribe the required format used to support rate, rating plan, and rating rule filings.</p> <p style="text-align: center;">Rate Filing Sequence Checklist newrate.doc (Word Format) newrate.pdf (PDF Format)</p> <p style="text-align: center;">Instructions for Rate Filing Sequence Checklist instr.doc (Word Format) instr.pdf (PDF Format)</p>	See Supporting Documentation tab

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

CLAIMS MADE POLICIES FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 1 OF 3

COMPANY Farm Family Casualty Insurance Company

Co. File No. 31-EO-FF-190

Company Contact: Janice Herron

Phone Number: 417-887-4990 Ext2441

E-Mail Address: Janice.Herron@AmericanNational

TYPE OF INSURANCE Other Liability-Claims Mad

(If Medical Malpractice, Attach Page 3)

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 121. Form, page and paragraph references that bring the submission into compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

I. EXTENDED REPORTING PERIOD REQUIREMENTS

Form/Page/Para
Reference

a. Automatic ERP coverage is available
Length of Automatic ERP complies with [§73.3(d)]

YES ☒

NO ☐

EO-214/9/K

YES ☒

NO ☐

EO-214/9/K

b. Optional ERP coverage is available
Length of optional ERP complies with [§73.3(f)] ☒ or
[§73.3(g)] ☐ (Check applicable)

YES ☒

NO ☐

EO-214/10/3.

YES ☒

NO ☐

EO-214/10/3.

c. Aggregate Liability Limit for ERP complies with:

1. ERP of 3 or more years:

[§73.3(h)(1)] - 100% reinstatement if more than 3 years
continuous coverage; **and**

YES ☒

NO ☐

EO-214/10/3

[§73.3(h)(2)] - 50% reinstatement (or amount
remaining) if less than 3 years
continuous coverage.

YES ☒

NO ☐

EO-214/10/3

2. ERP of 1 year:

[§73.3(h)(3)] - The amount remaining in the policy's
aggregate limit

YES ☒

NO ☐

EO-214/10/3

d. ERP Coverages are available upon:

Cancellation/nonrenewal by company – [§73.3(c)]

YES ☒

NO ☐

EO-214/10/3

Cancellation/nonrenewal by insured – [§73.3(c)]

YES ☒

NO ☐

EO-214/10/3

Cancellation for nonpayment/fraud after first year – [§73.3(k)]

YES ☒

NO ☐

EO-214/10/3

Reductions in coverage as defined in [§73.1(n)(2)]

YES ☒

NO ☐

EO-214/10/3

e. Any provisions restricting ERP coverage? [§73.3(c)(4)]

YES ☐

NO ☒

EO-214/10/3

f. Policy provides for notification of availability and importance of
optional ERP within proper time limit [§73.3(e)(1)]

YES ☒

NO ☐

EO-214/10/3

g. Policy provides proper time for accepting optional ERP
[§73.3(e)(3)]

YES ☒

NO ☐

EO-214/10/3

h. Policy complies with [§73.3(m)] and [§73.3(n)]

YES ☒

NO ☐

EO-214/10/3

i. If the premium for the ERP is based on rates in effect upon
termination of coverage, the ERP is for at least 5 years and
aggregate is reinstated. [§73.3(j)(2)]

YES ☒

NO ☐

EO-214/10/3

NOTE: All citations are to the applicable sections of Regulation No. 121

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

CLAIMS MADE POLICIES FORM FILING CHECKLIST

PAGE 2 OF 3

COMPANY Farm Family Casualty Insurance Company

TYPE OF INSURANCE Other Liability/Claims Made

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 121. Form, page and paragraph references that bring the submission into compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

II. NOTICE AND DISCLOSURE REQUIREMENTS

- | | | | Form/Page/Para
Reference |
|--|---|-----------------------------|-----------------------------|
| a. Pursuant to §73.7(a), the Declarations and Application (or addenda thereto) contain a conspicuous notice stating: | | | |
| 1. That the policy is written on a claims-made basis; | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | EO-207/1/ |
| 2. That there is no coverage for incidents prior to the retroactive date, (if any); | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | EO-207/1/ |
| 3. That, except for the ERP, there is no coverage for claims reported after termination of coverage; | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | EO-207/1/ |
| 4. The length of the ERP's, and that, unless the optional ERP is unlimited, coverage gaps may occur; and | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | EO-207/1/ |
| 5. That rates are lower in the earlier years than for an occurrence policy, but insured should expect substantial increases. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | EO-207/1/ |
| b. Indicate whether the cost for the optional ERP is based on rates in effect: | | | |
| <input type="checkbox"/> at the beginning of the policy period; or | | | |
| <input checked="" type="checkbox"/> upon termination of coverage | | | |
| and answer 1 or 2 below as applicable: | | | |
| 1.If cost for ERP is based on rates at the beginning of the policy period the cost, or the factor used to determine the cost, is displayed on the declarations [§73.7(b)(1)] | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| 2.If the cost of the ERP is based on rates in effect upon termination of coverage, the policy contains the disclosures required by: | | | |
| [§73.7(c)(1)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | / / |
| [§73.7(c)(2)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | / / |
| [§73.7(c)(3)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | / / |
| [§73.7(c)(4)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | / / |

III. OTHER PROVISIONS

- | | | | |
|--|------------------------------|--|------------|
| a. Are there any provisions permitting change in the retroactive date? [§73.3(b)] | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | EO-214/3/F |
| b. Is the policy written on a claims-made and reported basis (claim must be made against the insured and reported to the company during the same policy period, or within a limited amount of time into the next policy period)? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | EO-214/9/K |
| c. Cost for the optional ERP is shown as range rather than a specific factor or amount | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | / / |

NOTE: All citations are to the applicable sections of Regulation No. 121

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

CLAIMS MADE POLICIES FORM FILING CHECKLIST

PAGE 3 OF 3

COMPANY Farm Family Casualty Insurance Company

TYPE OF INSURANCE Other Liability/Claims Made

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 121. Form, page and paragraph references that bring the submission into compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

IV. MEDICAL MALPRACTICE FOR OTHER THAN PHYSICIANS [§73.4]

Form/Page/Para
Reference
n/a/ /

a. Optional ERP is unlimited.

YES ☐ NO ☐

b. Optional ERP is available at no additional charge upon:

1. Death;

YES ☐ NO ☐

2. Permanent Disability

YES ☐ NO ☐

3. Retirement at age 65 with 5 consecutive years of coverage

YES ☐ NO ☐

c. ERP coverage for hospital interest at no additional charge.

YES ☐ NO ☐

V. MEDICAL MALPRACTICE FOR PHYSICIANS [§73.5]

a. Optional ERP is unlimited

YES ☐ NO ☐

b. Aggregate for Optional ERP is reinstated annually

YES ☐ NO ☐

c. Optional ERP can be purchased in 3 annual installments

YES ☐ NO ☐

d. Optional ERP is available at no additional charge upon:

1. Death

YES ☐ NO ☐

2. Total Disability

YES ☐ NO ☐

3. Retirement at age 65 with 5 consecutive years of coverage or at age 55 with 10 consecutive years of coverage with any licensed company

YES ☐ NO ☐

e. ERP coverage for hospital interest at no additional charge

YES ☐ NO ☐

f. There is coverage for former employees, etc.

YES ☐ NO ☐

NOTE: All citations are to the applicable sections of Regulation No. 121

Comparison of Significant Rating Differences Between Existing FFCIC E & O Program vs. New Program

Item	Existing	New	Change
Factors	<ul style="list-style-type: none"> • Base Rate • Type of Agent • Deductibles • Limits • Years and Agent with AN • Book Size (AN and Outside) • Step Factor • Agent Loss Ratio • Minimum Premium 	<ul style="list-style-type: none"> • Base Rate • Type of Agent (fewer options) • Deductibles (fewer options) • Limits (different options) • Years as Agent with AN (reflects agent experience) • Book Size (AN only) • Step Factor (reflects exposure period) • Claims History with AN • Minimum Premium 	<p>Adds factor for:</p> <ul style="list-style-type: none"> • Claims History with AN <p>Removes factor for:</p> <ul style="list-style-type: none"> • Agent Loss Ratio
ERP - Automatic	60 days – no charge	60 days – no charge	No change
ERP - Optional	<ul style="list-style-type: none"> • 3 year: 100% termination year annual premium • 6 year: 150% termination year annual premium 	<ul style="list-style-type: none"> • 1 year: 50% termination year annual premium • 3 year: 100% termination year annual premium • 6 year: 150% termination year annual premium 	Adds additional option of 1 year tail for 50% of the termination year premium.
Cancellation Rate	Pro Rata	Pro Rata	No change

Not for distribution to agents

Comparison of Significant Coverage Differences Between Existing FFCIC E & O Program vs. New Program

Item	Existing	New	Change
Type of Policy	Quasi Group Policy issued to the agent. Agent received policy.	Group policy issued to the risk purchasing group, ANIA Purchasing Group (APG). No cost for membership in APG. Agent must be a member to procure E & O coverage. Membership automatically ends when E & O coverage terminates.	Group policy issued to ANIA Purchasing Group (APG). Policyholder is ANIA Purchasing Group. Agent must be a member of APG to procure E & O coverage. Simple sign on process. Agent receives Certificate and copy of Master Policy.
Who is an Insured	Named Insured	<ul style="list-style-type: none"> -Insured Agent -Any other person for whose acts, errors or omissions the insured is legally responsible -Any entity in which the Insured Agent is a principal owner but solely for the entity's liability arising out of the wrongful act of the Insured Agent. 	<p>Clarifies and extends coverage for those other than the Insured Agent:</p> <ul style="list-style-type: none"> -Any other person for whose acts, errors or omissions the insured is legally responsible -Any entity in which the Insured Agent is a principal owner but solely for the entity's liability arising out of the wrongful act of the Insured Agent.
Brokered Business Coverage	Policies written or serviced in the Insured Agent's capacity as a contracted insurance agent with American National, RAB, or placed at the request of American National	Policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission.	Similar to current process. The process for documenting allowable brokered business takes place outside of the E & O policy process through Agencies.

Item	Existing	New	Change
Deductible Options	Choices \$500, \$1,000, \$2,500, or \$5,000 however, \$500 available only to agents with three or less years of experience with Farm Family and \$750,000 or less in Property/Casualty written premium.	Choices: \$500 \$1,000 or \$2,500. No distinction between American National and non- American National products.	Removes \$5,000 as an option. \$500 available to all agents.
Defense Costs	Outside Limit of Liability	Outside Limit of Liability	Same as before
Limit of Liability Options	Choices 1M/3M 2M/5M 3M/3M 4M/4M 5M/5M	Choices: 1M/3M 2M/3M 2M/5M 3M/3M 4M/4M 5M/5M	Adds option of 2M/3M
Exclusions			Reductions: -Exclusion for claims of you or a relative expanded to include claims of entities owned in whole or in part by you or a relative. -Exclusion for claims arising out of insolvency of insurers. -Exclusion for claims related to nuclear liability. Clarifications: (These items are outside of scope of coverage of current policy.)

Item	Existing	New	Change
			<ul style="list-style-type: none"> -Libel or slander – expanded to include intellectual property, eviction, right to privacy, false arrest. -Failure to collect premiums or commissions expanded to include tax monies. -Liability for non-insurance professional services expanded to include any services not required in connection with the rendering of insurance services in Agent’s capacity as contracted agent or for policies written with permission of AN. -New exclusion for improper use of non-public information. -Telephone Consumer Protection Act type claims. -Exclusion for discrimination. -Exclusions for any work or work contract related liabilities such as workers comp, unemployment, improper termination, harassment, discrimination. -Exclusion for Disciplinary Proceedings. -Exclusion for relief other than monetary damages. Broadening: -Removal of exclusion for claims by Farm Family against the Agent. -Removal of exclusion for claims brought by an insurer.

Item	Existing	New	Change
Other Insurance Clause	For Insured Agent – Primary but if other insurance is available, contributes on equal shares if other insurance so permits, otherwise contribute by limits.	For Insured Agent – Primary but if other insurance is available, contributes on equal shares if other insurance so permits, otherwise contribute by limits. For those for whom Insured Agent is Responsible – Excess over other insurance.	Same for the Insured Agent. Policy is excess over other insurance for those for whom Insured Agent is Responsible.
Policy Cancellation Rate	Voluntary cancellation – may be less than pro rata Involuntary cancellation – pro rata	Voluntary cancellation – may be less than pro rata Involuntary Cancellation – pro rata	No change. Current program provides pro rata for all cancellations. See rating comparison.
ERP Automatic (no premium charge)	60 days	60 days Coverage for any reductions in coverage from existing program for wrongful acts before program change for 6 years at no charge.	ERP for difference-in-terms for 6 years at no charge.
ERP Options (premium charge)	Choice of 3 or 6 years	Choice of 1, 3 or 6 years	Adds choice of 1 year

This is a summary of differences. For an exact comparison review the two policies.

Exhibit RF-2: Actuarial Memorandum

**Farm Family Casualty Insurance Company
Insurance Agents Errors and Omissions
Actuarial Explanatory Memorandum**

Farm Family Casualty Insurance Company (Farm Family Casualty) is filing a new E & O program. One of the new features includes the ANIA Purchasing Group. To give its captive insurance agents the opportunity to procure E & O insurance from the Company on a group basis, Farm Family helped form a risk purchasing group for its agents. ANIA Purchasing Group is composed of members whose businesses or activities are similar or related with respect to the liability to which members are exposed by virtue of related, similar and common services and operations. ANIA Purchasing Group's members are contracted insurance agents of American National Insurance Company and its affiliated multiple line operating companies, or such former agents with extended reporting period coverage. The purchasing group is open to Farm Family Casualty's agents and also those of its property/casualty affiliate which also sells through captive agents. There is one group for agents of both companies. The group will purchase insurance from a company authorized in the state of its members. For New York, that company is Farm Family Casualty.

This is a new program that Farm Family Casualty is introducing. Farm Family Casualty will be non-renewing the policies in its current program. We seek to have the program be effective 1/1/2020.

The rates in this filing are countrywide rates and the same as those being filed in the E&O program through our affiliated company.

Since this is a new E&O program for Farm Family Casualty, many of the required exhibits do not apply.

Exhibit RF-2: Actuarial Memo is this memo.

Exhibit RF-3: Expenses shows the numerical derivation of the expected, or permissible, loss ratio. The three-year average of each component was selected. This exhibit combines IEE data for Farm Family Casualty and United Farm Family Insurance Company.

RF-4: Investment Income. The calculation shown in this exhibit is a return on equity model incorporating our investment income as well as our underwriting profit provision.

Exhibit RT-1: Side-by-Side Rate Comparison shows the rating structure of this new program.

Exhibit RT-4: Insurer and Program Information is included in this filing as a separate document.

Exhibit JDG-1 explains how the base rate was developed.

Exhibit MRP-1: Manual Rate Pages are included in this filing.

Exhibits RT-2, RT-3, RF-1, EXP-1, EXP-2, EXP-3, EXP-4, EXP-5, EXP-6, JDG-2, CMP1, CMP-2, CMP-3, CMP-4, RP-1, RP-2 and RP-3 are not applicable to this filing.

I would be happy to answer any further questions. Thank you for your time and consideration.

Exhibit RF-2

**FARM FAMILY CASUALTY INSURANCE COMPANY
INSURANCE AGENTS ERRORS AND OMISSIONS PROGRAM**

Please see the file RF-2 Actuarial Memorandum

Exhibit RF-3

**FARM FAMILY CASUALTY INSURANCE COMPANY
INSURANCE AGENTS ERRORS AND OMISSIONS PROGRAM**

**EXPENSE PROVISION DEVELOPMENT
(in thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Mean</u>	<u>Selected</u>
Direct Written (W)	51,110	51,997	53,305		
Direct Earned (E)	49,984	51,484	52,465		
Commission & Brokerage Ratio to (W)	0 0.0%	0 0.0%	0 0.0%	0.0%	0.0%
Other Acquisition Ratio to (E)	5,348 10.7%	6,859 13.3%	7,941 15.1%	13.0%	13.0%
General Expense Ratio to (E)	4,128 8.3%	3,053 5.9%	2,206 4.2%	6.1%	6.1%
Taxes, Licenses and Fees Ratio to (W)					2.2%

Summary

Commission & Brokerage	0.0%
Other Acquisition Costs	13.0%
Company General Expense	6.1%
Taxes, Licenses, & Fees	2.2%
U/W Profit & Contingencies (includes investment incom	8.5%
Sub Total	29.8%
Permissible Loss and LAE Ratio	70.2%
Total	100.0%

This data is for the Farm Family Group which includes Farm Family Casualty and United Farm Family.
includes other liab occ, other liab claims made for FF and UFFIC (from IEE)

Exhibit RF-4

FARM FAMILY CASUALTY INSURANCE COMPANY
INSURANCE AGENTS ERRORS AND OMISSIONS PROGRAM
UNDERWRITING PROFIT PROVISION

		<u>Liability</u>
(1)	Direct Earned Premium	627,607
(2)	Unearned Premium Reserve	583,766
	– Selected Ratio	93.0%
(3)	Prepaid Expenses	68,593
	a. Commission	0.0%
	b. TL & F	2.2%
	c. 50% Oth Acq	6.5%
	d. 50% General	3.1%
(4)	Tax on UEPR	24,518
(5)	Agent Balances	113,836
	– Selected Ratio	19.5%
(6)	UEPR Available	376,819
(7)	Loss + LAE Reserve	1,028,735
	– Selected Ratio	163.9%
(8)	Net Subject to Investment	1,405,555
(9)	After-tax Investment Yield	3.1%
(10)	Investment Earnings	43,572
(11)	Invest Earnings as % of DEP	6.9%
(12)	Target Operating Ratio	13.7%
	– Target ROE	12.0%
	– After-tax Investment Yield	3.1%
	– Needed Return on U/W & Inv on PH Funds	8.9%
	– Premium to Surplus Ratio	0.65
(13)	Target OR less Inv on PH Funds	6.7%
(14)	Before FIT Profit Provision (12% ROE)	8.5%

Exhibit RT-1

FARM FAMILY CASUALTY INSURANCE COMPANY
INSURANCE AGENTS ERRORS AND OMISSIONS PROGRAM
Side by Side Comparison

This exhibit shows our proposed rating structure.

Base Rate	\$1,660
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Type of Agent	Factor
Multi-line	1.00
MLGA only	0.72
MLGA and agent	1.05

Size of Book	Factor
\$0-750,000	0.67
\$750,001 - 999,999	0.78
\$1,000,000 – 1,249,999	0.89
\$1,250,000 – 1,499,999	1.00
\$1,500,000 - 1,999,999	1.07
\$2,000,000 - 2,499,999	1.14
\$2,500,000 - 2,999,999	1.22
\$3,000,000 - 4,999,999	1.24
\$5,000,000 and over	1.29

Deductible	Factor
\$500	1.24
\$1,000	1.00
\$2,500	0.88

Increased Limit	Factor
1M/3M	1.00
2M/3M	1.23
2M/5M	1.24
3M/3M	1.451
4M/4M	1.639
5M/5M	1.812

5 year paid E&O claim count	Factor
0 claims	1.00
1 claim	1.05
2+ claims	1.10

Agent Years with Farm Family	Factor
0-2	1.00
3-5	1.05
6-10	1.03
More than 10	1.00

Step Factors	Factor
1st year	0.60
2nd year	0.75
3rd year	0.85
4 or more years	1.00

Extended Reporting Period	Charge
1 year	50% of expiring annual premium

3 years	100% of expiring annual premium
6 years	150% of expiring annual premium
Minimum Agent Premium	\$750

Exhibit RT-4

**FARM FAMILY CASUALTY INSURANCE COMPANY
INSURANCE AGENTS ERRORS AND OMISSIONS PROGRAM**

Insurer and Program Information

Please see the file RT-4 program info.doc

Exhibit JDG-1

**FARM FAMILY CASUALTY INSURANCE COMPANY
INSURANCE AGENTS ERRORS AND OMISSIONS PROGRAM**

Explanation of Key Areas of Judgment

The rates for this new program were based on the prior experience of the Errors and Omissions programs of Farm Family Casu and its affiliate.

FARM FAMILY CASUALTY INSURANCE COMPANY

Error and Omissions Insurer & Program Information

How does this filing affect or relate to the company's overall business plan?

Farm Family Casualty Insurance Company's (Farm Family Casualty) business plan focuses mainly on the agricultural and small commercial marketplace. Our Insurance Agents Errors and Omissions group program is not an integral part of our business plan but is a line of business designed to accommodate the needs of our exclusive agents.

What is the company's approximate market share for the line of business, in relation to the overall marketplace?

Farm Family Casualty is a small carrier of Errors and Omissions insurance, with less than 1% of total market share.

Is this line of business a "bread – and – butter" product for the company?

No, the Errors and Omissions Program is not considered to be Farm Family Casualty's "bread and butter" product but is designed to accommodate the needs of our exclusive agents.

Does this line of business represent a specialty or niche market for the company?

We do not consider our Errors and Omission program as being a specialty or niche market. Farm Family Casualty's market is primarily agribusiness, with some small commercial business.

Does the program provide a market for under-served classes of risks, or substandard risks?

No.

Do any reinsurance agreements exist on the filing, and what is the effect such agreements have on the proposed rates being filed?

- Here is a summary of our reinsurance contracts
 - Farm Family Casualty retains the first \$1,500,000 of each property loss and secures per risk reinsurance protection of \$18,500,000 for individual losses exceeding our retention.
 - Farm Family Casualty retains the first \$1,500,000 of each casualty loss and secures per-occurrence reinsurance coverage for individual ground-up losses up to \$15M on a treaty basis and purchases facultative covers for limits above \$15M.
 - Farm Family Casualty purchases casualty clash protection of \$54,000,000 xs \$6,000,000 for each occurrence.
 - Farm Family Casualty purchases property catastrophe protection with limits of \$500,000,000 xs \$17,500,000 for any one event. Additionally, 2 annual aggregate contracts provide coverage for the accumulation of catastrophic loss below the retained amount once an annual aggregate deductible is satisfied.

What is the distribution channel used to market this program?

The licensed insurance agent for this program will provide to agents eligible for membership in ANIA Purchasing Group, information about how to join the group and apply for insurance.

What is the number, location and distribution of the company's producer force and claims offices?

Farm Family Casualty employs approximately 101 claim representatives to handle claims in New York and other states along the northeastern section of the country, working either remotely from their homes or in our Home Office location in Glenmont, New York. There are currently 100 Farm Family Casualty agents licensed to write in New York State. The producer force will not be used to market this product as it is being offered only to Farm Family Casualty's exclusive agents.

What are the primary geographic regions in which this program is, or will be, marketed?

The Farm Family Casualty group policy will be offered to ANIA Purchasing Group for member agents in New York, Massachusetts and Connecticut. ANIA Purchasing Group will also be purchasing a policy from Farm Family Casualty's property/casualty affiliate for exclusive agents in other states. ANIA Purchasing Group is composed of members whose businesses or activities are similar or related with respect to the liability to which members are exposed by virtue of related, similar and common services and operations. ANIA Purchasing Group's members are contracted insurance agents of American National Insurance Company and its affiliated Multiple Line operating companies, or such former agents with extended reporting period coverage. We are filing this same group program and the same rates countrywide.

Please describe whether this business has historically been profitable for the company, and how the profitability compares to the company's competitors.

The profitability of our Errors and Omissions program in New York has varied over the years. While our recent experience has not been profitable, the main objective of this filing is to file a new Errors and Omissions program and rates for all multiple line agents in the American National family of companies where our countrywide experience has been profitable overall.

What is the company's prospective outlook for the program?

Farm Family Casualty and its affiliate is looking to achieve profitability for the Errors and Omissions program, in order to serve its agents, by combining the Farm Family Casualty program with those of its affiliate into one countrywide program.

Please list the company's most recent four rate level changes:

This is a new Errors and Omissions program.

For new market entrants, what is the company's expected annual premium writings for the current and following years?

We expect to write approximately \$141,000 of premium in New York in 2020 with this new program.

Is there any other relevant information?

No.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

Rate Filing Sequence Checklist

Insurer Name: Farm Family Casualty Insurance Company
TOI: 17.2 Other Liability-Claims Made Only

Insurer File No.: 31-EO-FF-190469RF
Sub-TOI: 17.2019 Professional Errors and Omissions

Liability

Exhibit Name	Exhibit Description	Included Exhibits (all must be checked yes or no)
<input type="checkbox"/> Exhibit STM-1	Master List of Compliance Checklists PDF	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Not a speed-to-market filing)
<input type="checkbox"/> Exhibit STM-2	Rate and/or Rating Plan Compliance Certification PDF	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Not a speed-to-market filing)
<input type="checkbox"/> Exhibit RF-1	Supplemental Explanatory Memorandum	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (General filing information on Transmittal Document is complete)
<input type="checkbox"/> Exhibit RF-2	Actuarial Memorandum	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing contains no actuarial data)
<input type="checkbox"/> Exhibit RF-3	Expenses	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing pertains only to rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RF-4	Investment Income	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Exhibit RF-3 not required)
<input type="checkbox"/> Exhibit RT-1	Side-By-Side Comparison	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing pertains only to rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RT-2	Policyholder Rate Level Changes	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No existing policyholders for this program)
<input type="checkbox"/> Exhibit RT-3	Policyholder Counts	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No existing policyholders for this program)
<input type="checkbox"/> Exhibit RT-4	Insurer & Program Information	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Exempt per detailed instructions)
<input type="checkbox"/> Exhibit RT-5	Flex-Rating Information	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing not subject to flex-rating)
<input type="checkbox"/> Exhibit RSO-1	Rate Service Organization Adoptions	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Independent rates or no RSO adoption)
<input type="checkbox"/> Exhibit RSO-2	Loss Cost Modification Support	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not contain loss costs)
<input type="checkbox"/> Exhibit EXP-1	Overall Rate Indications	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing support is based exclusively on judgment and/or competition)
<input type="checkbox"/> Exhibit EXP-2	Earned Premium Adjustments	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-3	Incurred Loss Adjustments	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-4	Credibility	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-5	Class & Territory Indications	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-6	Rating Factor, Debit, Credit or Other Rating Charge Indications	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit SUPP-1	Multi-Tier Programs	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not propose or modify a multi-tier program)
<input type="checkbox"/> Exhibit SUPP-2	Personal Lines Catastrophe Reinsurance Loads	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing is not a personal lines property filing or no catastrophe reinsurance load applies)
<input type="checkbox"/> Exhibit SUPP-3	Homeowners Catastrophe & Hurricane Deductibles	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not propose or modify homeowners catastrophe or hurricane deductibles)
<input type="checkbox"/> Exhibit JDG-1	Explanation of Key Areas of Judgment	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing support is based exclusively on experience and/or competition)
<input type="checkbox"/> Exhibit JDG-2	Raw Loss Experience	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No NY experience to provide)
<input type="checkbox"/> Exhibit CMP-1	Company Analysis	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing support is based exclusively on experience and/or judgment)
<input type="checkbox"/> Exhibit CMP-2	Base Rate & Rating Factor Comparison	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit CMP-1 does not apply)
<input type="checkbox"/> Exhibit CMP-3	Rate Analysis	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit CMP-1 does not apply)
<input type="checkbox"/> Exhibit CMP-4	Raw Loss Experience	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No NY experience to provide)
<input type="checkbox"/> Exhibit RP-1	Rating Plans	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not include rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RP-2	Rating Plan Expected Loss Ratios	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not include Experience, Retrospective or Composite Rating Plans of an RSO)
<input type="checkbox"/> Exhibit RP-3	Supplemental Experience Rating Plan Requirements	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not include an independent Experience Rating Plan)
<input type="checkbox"/> Exhibit MRP-1	Manual Rate Pages	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing only includes rating plans as defined by Section 161.1 of Regulation 129)



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Maria T. Vullo
Superintendent

December 6, 2018

Judith Aronson
Senior Counsel
Greer, Herz & Adams, LLP
One Moody Plaza, 18th Floor
Galveston, Texas 77550

Re: ANIA Purchasing Group

Dear Mr. Aronson:

This will acknowledge receipt of your letter dated October 23, 2018 regarding notice of intent to do business in New York as a purchasing group pursuant to the Federal Liability Risk Retention Act of 1986.

Please note that the subject entity has completed their filing of notice and registration as a purchasing group in accordance with the provisions set forth in Regulation 134 and the federal Liability Risk Retention Act of 1986.

You are reminded that if the purchasing group is utilizing an insurer that is licensed in the state of New York, policy form and rate filings must be approved by this Department BEFORE any business is written in New York. If the purchasing group is utilizing an insurance company writing on an excess line basis in this state, all business must be placed through a New York licensed excess line broker.

Please note that you must notify this Department immediately in writing of any changes in the information provided in your notification including, but not limited to, a change of address, phone number, and type of coverage to be purchased, or a change of insurer(s).

Very truly yours,

Mr. Ade Oluwo
Senior Insurance Examiner
(212) 480-5458
Ademola.Oluwo@dfs.ny.gov
Cc: Reading File
PG File

Insurance Agents and Brokers Error's & Omissions

~~Rate Pages~~

~~Country-Wide~~

~~Edition-07/01/14~~

Base Rate	1969	1771
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Type of Agent	Factor
Muti-Line	1.00
P&C Only	0.55
Life Only	0.50
MLGA Only	0.72
MLGA and agents	1.05

Size of Book	Factor
\$0 - 750,000	0.67
\$750,001 - 999,999	0.78
\$1,000,000 - 1,249,999	0.89
\$1,250,000 - 1,499,999	1.00
\$1,500,000 - 1,999,999	1.07
\$2,000,000 - 2,499,999	1.14
\$2,500,000 - 2,999,999	1.22
\$3,000,000 - 4,999,999	1.24
\$5,000,000 and over	1.29

Deductible	Factor
\$500	1.24
\$1,000	1.00
\$2,500	0.88
\$5,000	0.81

Increased Limit	Factor
1M/3M	1.000
2M/2M 2M/3M	1.230
2M/5M	1.240
3M/3M	1.451
4M/4M	1.639
5M/5M	1.812

Agent Loss Ratio	Factor
3-yr loss ratio <=55%	1.00
3-yr loss ratio >55%	1.05

Agent Years with Farm Family	Factor
0-2	1.00
3-5	1.05
6-10	1.03
More than 10	1.00

Step Factors	Factor
1st year	0.60
2nd year	0.75
3rd year	0.85
4 or more years	1.00

Extended Reporting Period	Charge
1 year	50% of expiring annual premium
3 years	100% of expiring annual premium
6 years	150% of expiring annual premium

5 Year Paid Claim Count	Factor
0	1.00
1	1.00
2+	1.10

Minimum Agent Premium	750.00
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Insurance Agents Errors and Omissions Liability Coverage
AGENT APPLICATION FOR COVERAGE UNDER ANIA PURCHASING GROUP POLICY

FARM FAMILY CASUALTY INSURANCE COMPANY
P.O. Box 656
Albany, NY 12201

THIS IS A CLAIMS-MADE POLICY. This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims first made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

1. Applicant's Name: _____
Principal Contact: _____
2. Principal Place of Business Address: _____

Mailing Address: _____

3. E-mail Address: _____
Web Site: _____
Phone Number: _____
4. Your Region Number: _____
Your Agency Number: _____
Your Personal Code/Agent Code: _____
5. Effective Date of Coverage: _____
6. Coverage Options (Please indicate your choice)

Limits of Liability:

- () \$1,000,000 per Claim / \$3,000,000 Aggregate per Policy Period
() \$2,000,000 per Claim / \$3,000,000 Aggregate per Policy Period
() \$2,000,000 per Claim / \$5,000,000 Aggregate per Policy Period
() \$3,000,000 per Claim / \$3,000,000 Aggregate per Policy Period
() \$4,000,000 per Claim / \$4,000,000 Aggregate per Policy Period
() \$5,000,000 per Claim / \$5,000,000 Aggregate per Policy Period

Deductibles:

- () \$500
() \$1,000
() \$2,500

Underwriting Section must be answered by all applicants. Any YES responses must be described/explained in detail:

7. Do you have any other E&O coverage? NO () YES ()
If **YES**, please provide the following details:
Name of Company: _____
Address: _____
Policy Number: _____
Amount of Coverage: _____
8. During the past five years, have any E&O claims or lawsuits been made against you? NO () YES ()
If **YES**, please provide the following details:
Date of Loss: _____
Name of Claimant: _____
Possible amount: \$ _____
Provide a brief narrative of circumstance:

9. During the past five years, are you aware of any circumstances which may result in an E&O claim being made against you? NO () YES ()
If **YES**, please provide the following details:
Date of Loss: _____
Name of Possible Claimant: _____
Possible amount of claim: _____
Provide a brief narrative of circumstance:

10. Are you currently appointed with any other company besides American National Property And Casualty Company or Farm Family Casualty Insurance Company? NO () YES ()
If **YES**, you must list each company:

11. Have you applied for membership with the ANIA Purchasing Group? NO () YES ()

Subject to applicable policy conditions, terms and exclusions, coverage is provided only for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".

Premiums may be paid by automatic deduction from commissions. If you choose not to have automatic deductions, then the entire premium must be paid and attached to this application.

*****Completion of this form does not bind coverage*****

I, the undersigned, agree that the statements herein are made for the express purpose of inducing the company to issue insurance coverage and these statements are true, correct and any certificate issued as a result of material misrepresentation shall be declared void. Misrepresentation shall be deemed material if knowledge by the company of the facts misrepresented would have led to a refusal by the company to issue any certificate. I understand that any binder or insurance coverage issued as a result of this application will be based on the facts and answers stated herein. I understand that if any premium remittance by me or on my behalf is not honored by payer (bank), it will be deemed nonpayment of premium and no coverage will be afforded.

Applicant Fraud Warning:

For **NY**: 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 violation.

Applicant Signature

Date

FARM FAMILY CASUALTY INSURANCE COMPANY
P.O. Box 656
Albany, NY 12201

INSURANCE AGENTS ERRORS AND OMISSIONS LIABILITY COVERAGE

MASTER POLICY DECLARATIONS

THIS IS A CLAIMS-MADE POLICY. This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims first made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

~~THIS IS A CLAIMS-MADE POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD, OR EXTENDED REPORTING PERIOD, IF APPLICABLE, AND WHICH ARE REPORTED TO THE COMPANY IN WRITING PURSUANT TO THE TERMS HEREIN. PLEASE READ THIS POLICY CAREFULLY.~~

MASTER POLICY NUMBER: _____

ITEM 1. NAME OF POLICYHOLDER AND MAILING ADDRESS:

ANIA Purchasing Group
1949 E. Sunshine Street
Springfield, MO 65899-0001

ITEM 2. LIMIT OF LIABILITY:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 3. POLICY PERIOD:

FROM _____ TO _____, 11:59 P.M., Central time

ITEM 4. DEDUCTIBLE:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 5. PREMIUM:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 6. POLICY INDEX:

In consideration of the payment of the required premium and subject to the Declarations, terms, conditions, limitations and provisions of this policy, Farm Family Casualty Insurance Company and its affiliates, herein called the "Insurer", agrees to provide the insurance described in the policy.

This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in each certificate of each Insured Agent. The policy covers only claims first made against an Insured while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless additional extended reporting period coverage is purchased. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

Authorized Representative

Insurance Agents Errors and Omissions Liability Insurance Policy

MASTER POLICY NUMBER: _____

IMPORTANT NOTICE: COVERAGE UNDER THIS "POLICY" IS AFFORDED ON A CLAIMS-MADE BASIS -- PLEASE READ THE ENTIRE "POLICY" CAREFULLY TO DETERMINE YOUR RIGHTS AND OBLIGATIONS, AND WHAT IS AND IS NOT COVERED.

Throughout this "policy", the terms or expressions "you", "your", "yours", and "insured agent" refer to the Insured Agent as set forth in a Certificate of Insurance issued under the Master Policy. The terms or expressions "the Company", "Company's", "we", "us", and "our" refer to the company providing this insurance. "American National" means American National Insurance Company and/or the affiliate or affiliates of American National with which the "Certificate" holder is contracted as an Insured Agent.

Other words or phrases that appear in quotation marks have special meaning. Refer to Section **A. Definitions**.

In consideration of the payment of the required premium, and subject to the "Declarations", "Certificate", terms, conditions, limitations, deductible, and Limit of Liability of this "policy", "we" and "you" agree as follows:

A. DEFINITIONS

As used in this "policy":

1. "Certificate" means the Certificate of Insurance issued to the Insured Agent seeking coverage under this "policy".
2. "Claim(s)" means any communication, whether or not in writing, including but not limited to correspondence, service of a suit, or demand for arbitration, received by one or more "insureds" which seeks coverage, money, reimbursement or ~~indemnification~~ damages.
3. "Claim expense(s)" means those fees, costs, and expenses incurred in connection with the investigation, adjustment, settlement, or resolution, of any "claim", and/or any suit or other proceeding arising out of or in connection with such "claim". "Claim expense(s)" include the fees and expenses of independent adjusters engaged by the Company, but do not include the salary and/or expenses of any employee or officers of the Company. "Claim expense(s)" include "legal fees and expenses".
4. "Coverage period" means that period from and after the earlier of:
 - a. The "retroactive date", or
 - b. The initial inception or effective date of coverage under a "Certificate"until termination of coverage under the "policy" or a "Certificate".

Subject to the terms and conditions of this "policy", the initial "policy period" shall be the period beginning on the date coverage begins on the first "Certificate" issued to the Insured Agent under the "policy" and ending on the last day of the "master policy period" containing that date; and shall continue and automatically extend for successive twelve-month renewal "policy period(s)", for as long as coverage under a "Certificate" remains continuously in force.

5. "Declarations" means the declarations and any supplementary declarations on the "policy".
6. "Extended Reporting Period" means that period of time provided for under the "policy" or any endorsement, beyond or after the "policy period", during which "claims" may be made with respect to an "insured's" "wrongful act" during the "coverage period".
7. "Insured" and "Insured's" refer to any person or organization qualifying as such under Section **C. Who Is an Insured**.

8. "Interrelated wrongful acts" means "wrongful acts" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts;
 - c. A common pattern of conduct in selling or servicing products to which this insurance applies.
9. "Legal fees and expenses" means defense counsel fees, costs, expert witness fees and similar expenses incurred in the defense of an "insured".
10. "Master policy period" means the period shown in the "Declarations" issued to the policyholder listed in the "Declarations".
11. "Policy" means the Master Policy issued to the policyholder listed in the "Declarations". As to an Insured Agent, it means the Master Policy issued to the policyholder listed in the "Declarations" together with the application and any change forms of the Insured Agent, and any endorsements listed on the "Certificate", all of which are made part of the "policy" by reference.
12. "Policy period" means the period shown as the inception date to the expiration date shown in the "Certificate" or its earlier termination date, if any.

~~13. "Reporting period" means the period of time during which "claims" may be made under this "policy". It includes the "coverage period" and any additional period of time provided for in the "policy" and any endorsement, during which "claims" may be made with respect to an "insured's" "wrongful act" from and after the "retroactive date", but during the "coverage period".~~

~~14~~13. "Retroactive date" means the date specified in the "Certificate" and is the date on which coverage will first be afforded for a "wrongful act" occurring on or after that date. No coverage shall be afforded for any "wrongful act" occurring prior to the "retroactive date" regardless of when a "claim" is first made ~~or reported~~ to you or to the Company.

~~15~~14. "Risk Purchasing Group" means the policyholder listed in the "Declarations".

~~16~~15. "Wrongful act" means any negligent act, error or omission, in rendering or failing to render professional insurance services.

B. INSURING AGREEMENT

1. The Company shall pay on an "insured's" behalf all sums which an "insured" becomes legally obligated to pay as a result of any "claim" or "claims" first made during the "policy period" or any applicable extended reporting period that arise out of an "insured's" "wrongful act" for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".
2. A "claim" will be deemed "first made" when the Company receives written notice of a "claim" or suit from the Insured Agent or a third party, but this shall not preclude the Company from utilizing written notice of the incident as the trigger of coverage under the "policy".
3. The Company shall have the right and duty to defend in an "insured's" name, and on an "insured's" behalf, any covered "claim" or covered suit against an "insured" alleging a "wrongful act" and seeking monetary damages arising out of and in connection therewith, even if such "claim" or suit is groundless, false, or fraudulent. The Company shall have the right to investigate and negotiate the resolution or settlement of any "claim" or suit as it may, in its sole discretion, deem appropriate. The Company shall not be obligated to pay any "claim" or judgement in excess of the available Limit of Liability set forth in the "Certificate". The Company's right and duty to defend ends when we have used up the applicable Limit of Liability in the payment of judgments or settlements.
4. The Company shall pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of the "Certificate", all premiums on appeal bonds required in any suit defended, all court costs taxed against an "insured" in any such suit, and all interest accruing on any judgement after such judgement is entered and until the Company has paid, tendered, or deposited in

court, that part of any such judgement as does not exceed the Company's Limit of Liability thereon. Any post-judgment interest paid under this provision shall not reduce the Limit of Liability.

C. WHO IS AN INSURED

"Insured" means:

1. The Insured Agent listed on the "Certificate",
2. Any entity in which the Insured Agent is a principal owner but solely for the entity's liability arising out of the "wrongful act" of the Insured Agent, or those for whom the Insured Agent is legally responsible, in the rendering or failing to render professional insurance services, and
3. Any person for whose "wrongful act" you are determined to be legally responsible in the rendering or failing to render professional insurance services for, on behalf of, or at the direction of you.

D. CLAIM EXPENSES

1. If a "claim" is made or a suit is brought against an "insured" during the "policy period" or any applicable extended reporting period for money damages arising out of an alleged "wrongful act" covered under this "policy", the Company will pay all associated "claim expenses" as defined herein. Payment of "claim expenses" will not reduce the Limit of Liability.
2. The Company will reimburse an "insured" for all reasonable expenses, other than travel expenses and lost income or earnings, incurred at the Company's direction or request in connection with the investigation, adjustment, trial, settlement, or other resolution of such "claim" or suit. Such reimbursement will not reduce the Limit of Liability.

E. CLAIMS MADE EXTENSION CLAUSE

If you become aware of any fact or circumstance which may give rise to a "claim" against you, for which coverage may be afforded under this "policy", and you provide notice of such fact, or circumstance to the Company during the "policy period" or any applicable extended reporting period, then any "claim" subsequently made against you arising out of such fact, or circumstance shall, for the purposes of this "policy", be deemed to have been made during the "policy period" in which you provided your initial notice to the Company.

F. RETROACTIVE DATE

The "retroactive date", as defined herein, may not be changed during the "coverage period" and any "Extended Reporting Period".

G. LIMIT OF LIABILITY

1. Subject to the terms and conditions of this "policy", the Limit of Liability stated in the "Certificate" as "per claim" is the most we will pay for all damages arising out of the same or related claims. Related claims shall be deemed a single "claim" subject to a single Limit of Liability. Related claims means all "claims", without regard to the number of insureds, claims made, suits brought or claimants, arising out of a "wrongful act" or "interrelated wrongful acts" or out of a single event or series of related events with a common cause. All related claims shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against the "Insured".

"Claim expenses" are in addition to, and not part of the Limit of Liability set forth in the "Declarations" or "Certificate". Payment of "claims expenses" by us incurred due to a "claim" shall not serve to reduce such Limit of Liability, but we are not obligated to pay any "claim expenses" after such Limit of Liability has been exhausted.

2. The Limit of Liability stated in the "Certificate" as an "aggregate per policy period" is the most we will pay for all damages arising out of all "claims" first made during the applicable "policy period" and any applicable "extended reporting period". The aggregate Limit of Liability for an "extended reporting period" shall be a part of, and not in addition to, the aggregate Limit of Liability for the last 12-month renewal "policy period", or any applicable portion thereof.

H. DEDUCTIBLE

The deductible shall apply to any payment for loss for any "claim" made against an "insured". ~~We will not pay for loss for any one "claim" until the amount of loss exceeds the deductible shown in the "Certificate". We will then~~

~~pay the amount of loss in excess of the deductible up to the applicable Limit of Liability. Upon payment by the Company of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such payment up to the amount of the deductible shown on the "Certificate".~~ The deductible shall not apply to "legal fees and expenses".

I. EXCLUSIONS

This insurance does not apply to:

1. Any "claim" for false arrest, detention or imprisonment; libel, slander, disparagement, defamation or invasion or violation of the right of privacy, discrimination, wrongful entry or eviction, or invasion of any right of private occupancy; misappropriation of advertising ideas or style of doing business; infringement of copyright, title or slogan;
2. Any "claim" for bodily injury to, or sickness, disease or death of any person, or damage to or destruction of any property, including the loss of use thereof;
3. Any "claim" arising out of any dishonest, fraudulent, malicious, criminal or willful conduct committed or alleged to have been committed by or at the direction of an "insured";
4. Any "claim" arising out of the alleged direct or indirect use by an "insured" of nonpublic information in a manner prohibited by applicable law, rule, or regulation;
5. Any "claim" arising directly or indirectly out of any violation or alleged violation of any law, rule, ruling or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information including but not limited to the Telephone Consumer Protection Act (TCPA) or the CAN-SPAM Act of 2003, including any amendment of or addition to such laws, rules or regulations.
6. Any fines, penalties, taxes, punitive or exemplary damages assessed against an "insured" including but not limited to those imposed under any law, rule, ruling, regulation, regulatory agency, or court. However, if suit is brought alleging both compensatory and punitive or exemplary damages arising out of or in connection with a "wrongful act" otherwise covered under this "policy", the Company may elect to defend an "insured" in such suit without assuming any legal obligation to indemnify an "insured" for any such amount;
7. The loss of monies resulting from any commingling of funds or failure to pay or collect premium, return premium, commissions, tax monies or failure to collect contributions owed to any fund or to make the return of any contributions to any employer;
8. Any "claim" by and between an "insured" and any other agent or broker for damages arising out of any past or present business or client relationships or alleged tortious interference therewith;
9. Any "claim" arising out of an "insured's" alleged unfair competition, unfair trade practice, violation of any covenant not to compete, any covenant not to solicit, or any similar restrictive covenant in an "insured's" agent agreement with the Company or in any previous agent agreement an "insured" may have had or have entered into with any prior company;
10. Any alleged unfair, unlawful, or illegal discrimination or treatment of any individual or group identified as or constituting a protected class or group under any law, rule, ruling or regulation;
11. Any "claim" arising out of any alleged "wrongful act", or violation of any duty owed by an "insured" to another, not within the coverage afforded under this "policy" as defined in paragraph **B.1.** above;
12. Any liability assumed by an "insured" under any contractual agreement, either oral or in writing. This exclusion does not apply to liability which an "insured" would have in the absence of any such agreement;
13. Any profit or advantage to which an "insured" was not legally entitled, including any claim, demand, or suit seeking return by an "insured" of any financial remuneration paid to an "insured" under any contract or agreement, whether oral or in writing;

14. Any “claim” or “claims” made for, or on behalf of an “insured”, an “insured’s” spouse, children, parents, grandparents or any blood relatives of an “insured” or of an “insured’s” spouse or ex-spouse, or by any resident of an “insured’s” household, or by any entity owned in whole or in part by you or any blood relatives of you;
15. Any “claim” arising out of or in connection with any “employee pension benefit plan” and/or “employee welfare benefit plan” as those terms are defined in the Employee Retirement Income Security Act of 1974 (ERISA), as amended, sponsored by an “insured”, or any entity which an “insured” owns or controls, or in regard to any such plan in which an “insured” is a participant or a named fiduciary as those terms are used under the Employee Retirement Income Security Act of 1974 (ERISA), as amended;
16. Any “claim” arising out of activities of an “insured” in regard to any non-insured (meaning the funding vehicle of the plan is other than insurance or any annuity(s) issued by the Company) “employee pension benefit plan” and/or “employee welfare benefit plan” as those terms are defined in the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As used here, a “non-insured” employee pension benefit or employee welfare benefit plan means any such plan funded to any extent by means other than an insurance “policy” or annuity issued by the Company;
17. Any “claim” arising out of a violation of any law, rule, ruling or regulation of the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any other federal or state securities law, rule, ruling or regulation;
18. Any employment or work contract related liability, including but not limited to any “claim” or cause of action arising out of or in connection with any alleged refusal to employ or contract with, termination of employment or contract, harassment, retaliation, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination;
19. An “insured’s” liability under any workers’ compensation, unemployment compensation, disability benefits, or any similar law, rule, ruling, or regulation;
20. Any liability arising out of the rendering or failure to render any services, professional or otherwise, as an accountant, actuary, lawyer, real estate agent, real estate manager, trustee, carpenter, construction contractor, repair person; or any other services of whatever kind not required in conjunction with the rendering of professional insurance services for policies written or serviced in your capacity as a contracted insurance Agent of American National, or with American National’s written permission.
21. Any “claim” based upon, arising out of or in connection with, whether directly or indirectly, the insolvency, receivership, liquidation or inability to pay, of any insurer, reinsurer, trust, or any other risk bearing, ceding, or assuming organization, or investment vehicle, in which an “insured” has placed or obtained coverage for or on behalf of any individual, customer, client or account;
22. Any “claim” arising out of a “wrongful act” occurring prior to the “retroactive date” shown on the “Certificate” issued to you in conjunction with this “policy”;
23. Any “claim” for which an “insured” is afforded coverage (or may have been afforded coverage but for the exhaustion of any applicable limits of liability) under any policy or Certificate of Insurance of which this “policy” or “Certificate” is a renewal or replacement, or which this “policy” or “Certificate” succeeds in time;
24. Any awards, judgements, damages, or similar amounts or matters which may be deemed uninsurable as a matter of public policy or judicial declaration under any applicable law and/or in any jurisdiction in which this “policy” shall be interpreted or construed;
25. Any “claim” relating to nuclear liability;
26. Any disciplinary action or proceeding against an “insured” brought by or on behalf of any federal, state, local government agency, administrative authority; or any professional or trade licensing organization;
27. Any “claim” for relief other than monetary damages.

J. CONDITIONS

1. The Insured Agent and "Insured's" Duties in Event of Claim or Suit:

- a. You must notify us on behalf of all "insureds" as soon as practicable of any "claim" or suit, or occurrence which could reasonably be expected to be the basis of a "claim" or suit against an "insured". To the extent possible, such notice should include:
 - (1) How, when and where the occurrence or "claim" took place;
 - (2) The names and addresses of any claimant (and witnesses);
 - (3) The nature and type of the alleged act, error, or omission;
 - (4) The nature and extent of any claimed loss;
 - (5) Copies of any demands, notices, summonses or legal papers you receive in connection with the "claim" or any suit arising out of or in connection with such "claim"; and
 - (6) Any authorization necessary for the Company to obtain records and other information from any other individuals or parties.
- b. Upon receipt of notice of a "claim" or suit, you and any "insured" are obligated to:
 - (1) Cooperate with us in the investigation, settlement, or defense of the "claim" or suit; and
 - (2) Assist us as necessary and at our request in the enforcement of any right against any person or party that may be liable to you or the claimant for the alleged "claim", injury, or damage for which coverage might otherwise be afforded under this "policy".

Important Notice: Notice of a "claim" received by an "insured" is not notice to the Company of a "claim" being made under this "policy". Notice of a "claim" received by any agent or employee of the Company, other than an "insured", with sufficient particularity to allow the Company to identify the Insured Agent against whom the "claim" is being made and/or the claimant making such "claim", shall constitute notice to the Company of a "claim" being made under this "policy".

Failure to give the Company notice required to be given by this "policy" within the time specified will not invalidate any "claim" made by an "insured", an injured person or any other claimant if:

1. It is shown not to have been reasonably possible to give such notice within the prescribed time and notice was given as soon as reasonably possible thereafter; and
2. The failure to provide timely notice did not prejudice us.

No "insured" shall, except at his or her own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.

2. Other Insurance

- a. Primary Insurance -- Subject to subsection b. Excess Insurance, this insurance is primary, but if other valid and collectible insurance is available to the Insured Agent for a loss we cover, our obligations are not affected unless any of the other insurance is also primary, or contributes on a pro rata or equal shares basis, in which case we will participate with any and all other participating insurers as follows:
 - (1) If all other available insurance permits contribution by equal shares, each insurer will contribute equal monetary amounts until:
 - (a) Each insurer has paid its applicable limit of liability, or
 - (b) The claimant has been made whole, or
 - (c) None of the loss remains, whichever comes first.
 - (2) If any other available insurance does not permit contribution by equal shares, each insurer shall participate based on the ratio of its applicable limit of liability to the total applicable limits of liability for all participating insurers.
- b. Excess Insurance - For any person who is an "insured" under Section C.3. of the "policy", other than the Insured Agent, this insurance is excess over any other valid and collectible insurance.

3. Subrogation

- a. In the event of any payment of any "claim" under this insurance, the Company shall be subrogated to all of an "insured's" rights of recovery therefore against any person or organization and the "insured" shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

- b. An “insured” shall do nothing after receiving notice of a “wrongful act” or “claim” to prejudice such rights.

4. Representations

By accepting coverage pursuant to a “Certificate” issued under this “policy”, you agree:

- a. The statements in the “Certificate” are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued the “Certificate” in reliance upon your representations.

5. Legal Action Against Us

No person, party, or entity shall have a legal right under this “policy”:

- a. To join us as a party or otherwise bring us into a suit seeking damages against an “insured”; or
- b. To sue us under this “policy”, unless all of its terms and conditions have been otherwise fully complied with.

A person, party, or entity may sue us to recover on an agreed settlement or on a final judgment against an “insured”, but we will not be liable for damages that are not payable under this “policy” or that are in excess of the applicable Limit of Liability listed in the “Certificate”. An agreed settlement means a settlement and release of liability signed by us, an “insured” and the claimant or the claimant’s legal representative.

6. Transfer Of Duties Upon Exhaustion Of Limits Of Liability.

- a. If we conclude that based on occurrences, offenses, “claims” or suits which have been reported to us and to which this insurance may apply, the policy limits are likely to be used up in the payment of judgments or settlements, we will notify the Insured Agent, in writing to that effect.
- b. When a limit of liability has actually been used up in the payment of judgments or settlements:
 - (1) We will notify the Insured Agent, in writing, as soon as practicable, that:
 - (a) Such a limit has actually been used up; and
 - (b) Our duty to defend suits seeking damages subject to that limit has also ended.
 - (2) We will initiate, and cooperate in, the transfer of control to any appropriate insured of all “claims” and suits seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said “claims” and suits.

We agree to take such steps, as we deem appropriate to avoid a default in, or continue the defense of, such suits until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any “claim” or suit seeking damages that would have been subject to that limit, had it not been used up, if the “claim” or suit is reported to us after that limit of insurance has been used up.
 - (3) The Insured Agent, and any other insured involved in a suit seeking damages subject to that limit, must arrange for the defense of such suit within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such suit must be made as soon as practicable.
- c. The Insured Agent will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph **b. (2)** above.

The duty of the Insured Agent to reimburse us will begin on:

 - (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph **b. (1)** above; or
 - (2) The date on which we sent notice in accordance with paragraph **b. (1)** above, if we did not send notice in accordance with paragraph a. above.
- d. The exhaustion of any limit of liability by the payment of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition **6**.

- e. If the Insurer has paid any amounts in settlement or satisfaction of “claims” or judgements in excess of the applicable limit of liability, or within the amount of the applicable deductible, the Insured shall be liable to the Insurer for any and all such amounts and upon demand shall pay such amounts to the Insurer.

7. Cancellation Clause

- a. The policyholder or the Insured Agent may cancel coverage under this “policy” at any time by mailing or delivering written notice of cancellation to the Company. If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. For coverage in effect 60 days or less, the Company may cancel this “policy” or coverage under a “Certificate” by mailing or delivering written notice of cancellation to the policyholder and/or Insured Agent as applicable, not less than:
 - (1) 20 days before the effective date of cancellation if we cancel for any reason not included in paragraph (2) below; or
 - (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material representation in the obtaining of the “policy” or a “Certificate”, or in the presentation of a “claim” thereunder;
 - (d) After issuance of the “policy” or “Certificate”, or after the last renewal date, discovery of an act or omission, or a violation of any “policy” or “Certificate” condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current “policy period”;
 - (e) Material change in the nature or extent of the risk, occurring after issuance or last renewal anniversary date of the “policy” or “Certificate”, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the “policy” or “Certificate” was issued or last renewed;
 - (f) Any determination by any state or federal agency having jurisdiction that the Company’s continued operation or on-going premium production will jeopardize the Company’s solvency or be hazardous to the interest of the Company’s policyholders, creditors, or the general public;
 - (g) Any determination by any state or federal agency having jurisdiction that the continuation of the this “policy” or a “Certificate” would violate, or would place the Company in violation of, any provision of any applicable statute or regulation; or
 - (h) Revocation or suspension of the Insured Agent’s license to act as an insurance agent or otherwise conduct the business of insurance.
 - ~~(i) The Insured Agent ceases to be a member of a “Risk Purchasing Group” to which this “policy” is issued.~~
 - ~~(j) The Insured Agent is no longer contracted with American National.~~
- c. For coverage in effect for more than 60 days or a renewal or a continuation of a “policy” or “Certificate” we issued, we may cancel coverage only for any reasons listed in paragraph 7.b.(2) above, provided we mail the policyholder and/or Insured Agent, as applicable, a notice of cancellation at least 15 days before the effective date of cancellation.
- d. We will mail or deliver our notice, including the reason, to, as applicable, the policyholder and/or Insured Agent’s last mailing address known to us and to the authorized agent. Proof of mailing will be sufficient proof of notice.
- e. Notice of cancellation will state the effective date of cancellation. The “policy period” will end on that date. If we cancel for nonpayment of premium, our notice of cancellation will state the amount due.
- f. If coverage under this “policy” is cancelled, we will send the Insured Agent any premium refund due. If we cancel or the Insured Agent retires, the refund will be pro-rata. If the Insured Agent cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund. However, when the premium is advanced under a premium finance agreement, the Company will be entitled to retain a minimum earned premium of 10% of the total

policy premium or \$60, whichever is greater. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

- g. Suspension of coverage is not considered a cancellation of coverage.

8. Nonrenewal

- a. If we decide not to renew this “policy” or a “Certificate”, we will send notice as provided in paragraph b. below.
- b. If we decide not to renew coverage under this “policy” or a “Certificate”, we will mail or deliver written notice, stating the reason for nonrenewal, to the policyholder shown in the “Declarations” and/or to the Insured Agent shown in the “Certificate”, as applicable, at least 60 days but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous “policy”.
- c. Notice will be mailed or delivered to the policyholder at the address shown in the “Declarations” and/or to the Insured Agent at the address shown in the “Certificate”, as applicable. If notice is mailed, proof of mailing will be sufficient proof of notice.
- d. We will not send you notice of nonrenewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the coverage under the “policy” has been replaced or is no longer desired.

9. Premiums

The premium for coverage under this “policy” is computed in accordance with our rules, rates and minimum premiums applicable to the insurance afforded.

- a. The Insured Agent shown in the “Certificate”:
 - ~~a.~~(1) Is responsible for the payment of all premiums for coverage pursuant to a “Certificate” under the “policy”; and
 - ~~b.~~(2) Will be the payee for any return premiums we pay for coverage pursuant to a “Certificate” under the “policy”.
- b. The “Risk Purchasing Group” listed on the “Declarations” may collect premiums on behalf of an Insured Agent and remit them to us. However, such premiums shall not be paid out of the group’s general funds or other source.

10. Business and Premium Validation

We may, but are not obligated to, examine and audit your books and records as they relate to coverage under this “policy” or a “Certificate” at any time during the “coverage period” and up to three years after the final termination of this “policy” or coverage under a “Certificate”.

11. Bankruptcy

Bankruptcy or insolvency of the Insured Agent or of the Insured Agent’s estate will not relieve us of our obligations under this “policy” or a “Certificate”.

K. EXTENDED REPORTING PERIODS

1. Automatic Sixty (60) Day “Extended Reporting Period”:

- a. If this “policy”, or coverage under a “Certificate”, is subject to any termination of coverage, then the Insured Agent shall be notified in writing within thirty (30) days after termination of coverage of the Automatic “Extended Reporting Period” coverage and the availability of, the premium for, and the importance of purchasing Optional Extended Reporting Period coverage.
- b. There shall be an Automatic “Extended Reporting Period” which starts with the end of the “policy period” and lasts for 60 days. It provides an additional period to report “claims” and does not grant new or additional limits, extend the “policy period” or change the coverage provided.
- c. If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage, then any “claim” first made against an “insured” during the Automatic “Extended Reporting Period” for any “wrongful act” which took place on or after the “retroactive date”, but

before the end of the “policy period”, will be considered to be a “claim” first made during the “policy period”.

- d. The Automatic “Extended Reporting Period” may not be cancelled and requires no additional premium.

2. Automatic Difference in Terms Six (6) Year “Extended Reporting Period”:

If coverage for the Insured Agent under a “Certificate”, replaces or immediately follows a prior policy or certificate issued to the Insured Agent by ~~American National Property And Casualty Company or Farm Family Casualty Insurance Company~~ that is terminated ~~by one of those companies~~ by the Company, there shall be an Automatic Difference in Terms “Extended Reporting Period” for that prior policy for six (6) years. The Automatic Difference in Terms “Extended Reporting Period” starts at the termination date of the prior policy and applies only to any reduction in coverage under this “policy” as compared to the prior policy. There is no charge for the Automatic Difference in Terms “Extended Reporting Period”. If this “policy” or coverage under a “Certificate” terminates for any reason, the Automatic Difference in Terms “Extended Reporting Period” coverage only applies for the portion of the six year period, beginning with the termination date of the prior policy, during which the Insured Agent maintains Automatic or Optional “Extended Reporting Period” coverage under this “policy”.

3. Optional “Extended Reporting Period”

- a. If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage, then the Insured Agent shall have an option to purchase an Optional “Extended Reporting Period” of twelve (12), thirty-six (36) or seventy-two (72) months so that any “claim” first made against an “insured” during the Optional “Extended Reporting Period” for any “wrongful act” which took place on or after the “retroactive date”, but before the end of the “coverage period”, will be considered to be a “claim” first made during the “policy period” provided the Optional “Extended Reporting Period” was purchased according to the provisions in **d.(2)** below.
- b. This Optional “Extended Reporting Period” provides an additional period to report “claims”.
- c. The 12, 36 or 72 month “Extended Reporting Period” will start at the end of your “policy period”, not at the end of the 60 day Automatic “Extended Reporting Period”.
- d. Notice and Acceptance for the Optional “Extended Reporting Period”:
 - (1) If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage then we will notify the Insured Agent in writing of the importance of purchasing the Optional “Extended Reporting Period” coverage within thirty (30) days of the date of termination of coverage of the premium for, and the provisions of the “Extended Reporting Period”.
 - (2) The Insured Agent will have the greater of sixty (60) days from the date of termination of coverage, or thirty (30) days from the date of mailing of the “Extended Reporting Period” notice provided for above, to request-accept the Optional “Extended Reporting Period”. The insured agent must:
 - (a) Submit a written request-acceptance which we receive within 60 days after the termination of the “policy” or 30 days from the date of mailing of the “Extended Reporting Period” notice provided for above;
 - (b) Show the length of the period of extension desired;
 - (c) Promptly pay an additional premium due of 50% of the annual premium developed under this “policy”, if you request the 12 month “Extended Reporting Period” option; or
 - (d) Promptly pay an additional premium due of 100% of the annual premium developed under this “policy”, if you request the 36 month “Extended Reporting Period” Option; or
 - (e) Promptly pay an additional premium due of 150% of the annual premium developed under this “policy”, if you request the 72 month “Extended Reporting Period” Option.

If the Insured Agent's request for the "Extended Reporting Period" and premium payment are not received by the Company in a timely manner, as provided for in paragraph **d.(2)** above, the "Extended Reporting Period" options may not be exercised at a later date.

- e.** If this "policy", or coverage under a "Certificate", is cancelled and the Insured Agent elects to purchase the Optional "Extended Reporting Period":
 - (1)** Any return premium due the Insured Agent as a result of the termination of coverage under the "policy" shall be credited toward the premium for the "Extended Reporting Period" endorsement, if you elect such coverage.
 - (2)** Any additional premium due us for the period coverage under the "policy" was in force must be fully paid before any payments will be applied to premium due for the Optional "Extended Reporting Period" Endorsement.
- f.** The Optional "Extended Reporting Period" will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Optional "Extended Reporting Period" may not be cancelled. The premium charged for the Optional "Extended Reporting Period" coverage will be based upon our manual rates and rules in effect on the date that this "policy" was issued or last renewed, whichever is later, and will be commensurate with the coverage provided.
- g.** Optional "Extended Reporting Period" Aggregate Limit:
 - (1)** The aggregate liability limit for the one year "Extended Reporting Period" coverage shall be equal to one hundred percent of the "policy's" annual aggregate limit.
 - (2)** The aggregate liability limit for the three year "Extended Reporting Period" coverage shall be equal to one hundred percent of the "policy's" annual aggregate limit.
 - (3)** The aggregate liability limit for the six year "Extended Reporting Period" coverage shall be equal to one hundred percent of the "policy's" annual aggregate limit.
- h.** The Company is not obligated to provide Optional "Extended Reporting Period" upon termination of coverage for nonpayment of premium or fraud if the Insured Agent's coverage under this "policy" has been in effect for less than one year.

L. ASSIGNMENT

Your rights under this "policy" or a "Certificate" may not be assigned without our prior written consent. Any assignment in violation of this provision shall not bind us in any way.

President

Secretary

NEW YORK STATE AMENDATORY

This endorsement changes the policy. Please read it carefully.

This endorsement modifies in insurance provided by the following:
Insurance Agents Errors and Omissions Liability Insurance Policy

A. Section A. Definitions is amended to add the following:

- 1. "Termination of coverage" means, whether made by us or the "insured" at any time:**
 - a. Cancellation or nonrenewal of a policy; or**
 - b. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion, or any other change in coverage less favorable to the "insured".**

B. Section I. Exclusions is amended as follows:

- 1. Paragraph 21. does not apply when the entity is an insurance company licensed in New York State or any residual market facilities.**
- 2. Paragraph 25. is deleted and replaced by the following:**

Any "claim":

 - a. For damages arising from a "wrongful act" with respect to an occurrence:**
 - (1) With respect to which a "claimant" is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or**
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "claimant" is entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof with any person or organization.**
 - b. For damages arising from a "wrongful act" in which the damages claimed result from bodily injury or property damage resulting from the "hazardous properties" of "nuclear material", if:**
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, a "claimant" or (b) has been discharged or dispersed therefrom;**
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of a "claimant"; or**
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by a "claimant" or services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located**

within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"Claimant" means the person or entity making a "claim" against an "insured" under this policy.

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor",

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste",

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

A.C. **Section J. Conditions** is amended as follows:

1. The following is added to Paragraph 5. Legal Action Against Us:

With respect to a "claim" arising out of death or personal injury of any person, if we deny a "claim" or disclaim liability based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against us, in which the sole question

is our disclaimer or denial based on the failure to provide timely notice, unless within 60 days following such disclaimer or denial, we or the “insured”

a. Initiates an action to declare the rights of the parties under this “policy” or a “Certificate”; and

b. Names the injured person or other claimant as a party to the action.

2. Subparagraph **b.(2)(f)** of Paragraph 7. **Cancellation Clause** is deleted and replaced with the following:

Any determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public.

3. Subparagraph **b.(2)(g)** of Paragraph 7. **Cancellation Clause** is deleted and replaced with the following:

Any determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code.

1.4. Paragraph **8. Nonrenewal** is deleted and replaced with the following:

a. If we decide not to renew this “policy” or a “Certificate”, we will send notice as provided in paragraph **c.** below.

b. If we conditionally renew coverage under this “policy” or a “Certificate” subject to a:

(1) Change of limits;

(2) Change in type of coverage;

(3) Reduction of coverage

(4) Increased deductible

(5) Addition of exclusion; or

(6) Increased premiums in excess of 10%, exclusion of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in paragraph **c.** below

c. If we decide not to renew coverage under this “policy” or “Certificate”, or to conditionally renew this “policy” or “Certificate” as provided in paragraphs **8a.** and **8.b.** above, we will mail or deliver written notice to the policyholder shown in the “Declarations” and/or to the Insured Agent shown in the “Certificate”, as applicable, at least 60 days but not more than 120 days before:

(1) The expiration date; or

(2) The anniversary date if this is a continuous “policy”.

d. Notice will be mailed or delivered to the policyholder at the address shown in the “Declarations” and/or to the Insured Agent at the address shown in the “Certificate”, as applicable. If notice is mailed, proof of mailing will be sufficient proof of notice.

e. Notice will include the specific reasons for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- f. If we violate any of the provisions of paragraphs 8.c., d. or e. above by sending the policyholder and/or Insured Agent, as applicable, an incomplete or late conditional renewal notice or a late nonrenewal notice
- (1) If the late conditional renewal notice or late nonrenewal notice is provided by the Company prior to the expiration date of coverage under this “policy” and/or a “Certificate”, as applicable, coverage will remain in effect at the same terms and conditions of this “policy” and/or a “Certificate”, as applicable, at the lower of the current rates or the prior period’s rates until 60 days after such notice is mailed or delivered, unless the policyholder and/or Insured Agent, as applicable, during this 60 day period, has replaced the coverage or elects to cancel. In the event the Company extends the “policy period” or “master policy period” to comply with paragraphs 8c., d. or e. above, the Limit of Liability stated in the “Certificate” as an aggregate per policy period for coverage under the expiring “Certificate” shall be increased in proportion to the extension of coverage.
- (2) If the late condition renewal notice or late nonrenewal notice is provided by the Company on or after the expiration date of coverage under this “policy” and/or a “Certificate”, as applicable, coverage will remain in effect at the same terms and conditions of this “policy” and/or a Certificate, as applicable, for another “policy period”, at the lower of the current rates or the prior period’s rates, unless the policyholder and/or Insured Agent, as applicable, during this additional “policy period”, has replaced the coverage or elects to cancel.
- g. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
- (1) Upon expiration of the 60 day period; or
- (2) Notwithstanding the provisions in paragraph f.(1) and f.(2), as of the renewal date of coverage under the “policy”, and/or a “Certificate”, if we send the policyholder and/or Insured Agent, as applicable, the conditional renewal notice at least 30 days prior to the expiration or anniversary date of the “policy”.
- h. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the coverage under the “policy” has been replaced or is no longer desired.

D. Section K. Extended Reporting Periods is amended to add the following:

- 4. During a claims-made relationship and any “Extended Reporting Period”, a person employed or otherwise affiliated with the “insured” and, during such affiliation, covered by this “policy” or a “Certificate” issued to the “insured”, shall continue to be covered and any “extended reporting period” after such affiliation has been ceased for such person’s covered acts or omissions during such affiliation.**
- 5. a. If this “policy” or a “Certificate” is issued to a corporation, partnership, or similar entity, it shall provide Optional “Extended Reporting Period” coverage upon “termination of coverage” to any person covered under the policy if the “insured” has been placed in liquidation or bankruptcy or permanently ceases operations and does not purchase, or have purchased for it by its designated trustee, “Extended Reporting Period” coverage.’**

- b. An Optional "Extended Reporting Period" as described in this provision will be available only if such person requests the "Extended Reporting Period" coverage within 120 days of the "termination of coverage"
- c. We will have no obligation to provide notice to any such person of the availability of "Extended Reporting Period" coverage described in this provision.
- d. We may charge the person for whom "Extended Reporting Period" coverage is provided a premium commensurate with the exposure.

Insurance Agents Errors and Omissions Liability Insurance Policy

MASTER POLICY NUMBER: _____

IMPORTANT NOTICE: COVERAGE UNDER THIS “POLICY” IS AFFORDED ON A CLAIMS-MADE BASIS -- PLEASE READ THE ENTIRE “POLICY” CAREFULLY TO DETERMINE YOUR RIGHTS AND OBLIGATIONS, AND WHAT IS AND IS NOT COVERED.

Throughout this “policy”, the terms or expressions “you”, “your”, “yours”, and “insured agent” refer to the Insured Agent as set forth in a Certificate of Insurance issued under the Master Policy. The terms or expressions “the Company”, “Company’s”, “we”, “us”, and “our” refer to the company providing this insurance. “American National” means American National Insurance Company and/or the affiliate or affiliates of American National with which the “Certificate” holder is contracted as an Insured Agent.

Other words or phrases that appear in quotation marks have special meaning. Refer to Section **A. Definitions**.

In consideration of the payment of the required premium, and subject to the “Declarations”, “Certificate”, terms, conditions, limitations, deductible, and Limit of Liability of this “policy”, “we” and “you” agree as follows:

A. DEFINITIONS

As used in this “policy”:

1. “Certificate” means the Certificate of Insurance issued to the Insured Agent seeking coverage under this “policy”.
2. “Claim(s)” means any communication, whether or not in writing, including but not limited to correspondence, service of a suit, or demand for arbitration, received by one or more “insureds” which seeks coverage, money, reimbursement or damages.
3. “Claim expense(s)” means those fees, costs, and expenses incurred in connection with the investigation, adjustment, settlement, or resolution, of any “claim”, and/or any suit or other proceeding arising out of or in connection with such “claim”. “Claim expense(s)” include the fees and expenses of independent adjusters engaged by the Company, but do not include the salary and/or expenses of any employee or officers of the Company. “Claim expense(s)” include “legal fees and expenses”.
4. “Coverage period” means that period from and after the earlier of:
 - a. The “retroactive date”, or
 - b. The initial inception or effective date of coverage under a “Certificate” until termination of coverage under the “policy” or a “Certificate”.

Subject to the terms and conditions of this “policy”, the initial “policy period” shall be the period beginning on the date coverage begins on the first “Certificate” issued to the Insured Agent under the “policy” and ending on the last day of the “master policy period” containing that date; and shall continue and automatically extend for successive twelve-month renewal “policy period(s)”, for as long as coverage under a “Certificate” remains continuously in force.

5. “Declarations” means the declarations and any supplementary declarations on the “policy”.
6. “Extended Reporting Period” means that period of time provided for under the “policy” or any endorsement, beyond or after the “policy period”, during which “claims” may be made with respect to an “insured’s” “wrongful act” during the “coverage period”.
7. “Insured” and “Insured’s” refer to any person or organization qualifying as such under Section **C. Who Is an Insured**.

8. "Interrelated wrongful acts" means "wrongful acts" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts;
 - c. A common pattern of conduct in selling or servicing products to which this insurance applies.
9. "Legal fees and expenses" means defense counsel fees, costs, expert witness fees and similar expenses incurred in the defense of an "insured".
10. "Master policy period" means the period shown in the "Declarations" issued to the policyholder listed in the "Declarations".
11. "Policy" means the Master Policy issued to the policyholder listed in the "Declarations". As to an Insured Agent, it means the Master Policy issued to the policyholder listed in the "Declarations" together with the application and any change forms of the Insured Agent, and any endorsements listed on the "Certificate", all of which are made part of the "policy" by reference.
12. "Policy period" means the period shown as the inception date to the expiration date shown in the "Certificate" or its earlier termination date, if any.
13. "Retroactive date" means the date specified in the "Certificate" and is the date on which coverage will first be afforded for a "wrongful act" occurring on or after that date. No coverage shall be afforded for any "wrongful act" occurring prior to the "retroactive date" regardless of when a "claim" is first made to you or to the Company.
14. "Risk Purchasing Group" means the policyholder listed in the "Declarations".
15. "Wrongful act" means any negligent act, error or omission, in rendering or failing to render professional insurance services.

B. INSURING AGREEMENT

1. The Company shall pay on an "insured's" behalf all sums which an "insured" becomes legally obligated to pay as a result of any "claim" or "claims" first made during the "policy period" or any applicable extended reporting period that arise out of an "insured's" "wrongful act" for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".
2. A "claim" will be deemed "first made" when the Company receives written notice of a "claim" or suit from the Insured Agent or a third party, but this shall not preclude the Company from utilizing written notice of the incident as the trigger of coverage under the "policy".
3. The Company shall have the right and duty to defend in an "insured's" name, and on an "insured's" behalf, any covered "claim" or covered suit against an "insured" alleging a "wrongful act" and seeking monetary damages arising out of and in connection therewith, even if such "claim" or suit is groundless, false, or fraudulent. The Company shall have the right to investigate and negotiate the resolution or settlement of any "claim" or suit as it may, in its sole discretion, deem appropriate. The Company shall not be obligated to pay any "claim" or judgement in excess of the available Limit of Liability set forth in the "Certificate". The Company's right and duty to defend ends when we have used up the applicable Limit of Liability in the payment of judgments or settlements.
4. The Company shall pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of the "Certificate", all premiums on appeal bonds required in any suit defended, all court costs taxed against an "insured" in any such suit, and all interest accruing on any judgement after such judgement is entered and until the Company has paid, tendered, or deposited in court, that part of any such judgement as does not exceed the Company's Limit of Liability thereon. Any post-judgment interest paid under this provision shall not reduce the Limit of Liability.

C. WHO IS AN INSURED

"Insured" means:

1. The Insured Agent listed on the "Certificate",

2. Any entity in which the Insured Agent is a principal owner but solely for the entity's liability arising out of the "wrongful act" of the Insured Agent, or those for whom the Insured Agent is legally responsible, in the rendering or failing to render professional insurance services, and
3. Any person for whose "wrongful act" you are determined to be legally responsible in the rendering or failing to render professional insurance services for, on behalf of, or at the direction of you.

D. CLAIM EXPENSES

1. If a "claim" is made or a suit is brought against an "insured" during the "policy period" or any applicable extended reporting period for money damages arising out of an alleged "wrongful act" covered under this "policy", the Company will pay all associated "claim expenses" as defined herein. Payment of "claim expenses" will not reduce the Limit of Liability.
2. The Company will reimburse an "insured" for all reasonable expenses, other than travel expenses and lost income or earnings, incurred at the Company's direction or request in connection with the investigation, adjustment, trial, settlement, or other resolution of such "claim" or suit. Such reimbursement will not reduce the Limit of Liability.

E. CLAIMS MADE EXTENSION CLAUSE

If you become aware of any fact or circumstance which may give rise to a "claim" against you, for which coverage may be afforded under this "policy", and you provide notice of such fact, or circumstance to the Company during the "policy period" or any applicable extended reporting period, then any "claim" subsequently made against you arising out of such fact, or circumstance shall, for the purposes of this "policy", be deemed to have been made during the "policy period" in which you provided your initial notice to the Company.

F. RETROACTIVE DATE

The "retroactive date", as defined herein, may not be changed during the "coverage period" and any "Extended Reporting Period".

G. LIMIT OF LIABILITY

1. Subject to the terms and conditions of this "policy", the Limit of Liability stated in the "Certificate" as "per claim" is the most we will pay for all damages arising out of the same or related claims. Related claims shall be deemed a single "claim" subject to a single Limit of Liability. Related claims means all "claims", without regard to the number of insureds, claims made, suits brought or claimants, arising out of a "wrongful act" or "interrelated wrongful acts" or out of a single event or series of related events with a common cause. All related claims shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against the "Insured".

"Claim expenses" are in addition to, and not part of the Limit of Liability set forth in the "Declarations" or "Certificate". Payment of "claims expenses" by us incurred due to a "claim" shall not serve to reduce such Limit of Liability, but we are not obligated to pay any "claim expenses" after such Limit of Liability has been exhausted.

2. The Limit of Liability stated in the "Certificate" as an "aggregate per policy period" is the most we will pay for all damages arising out of all "claims" first made during the applicable "policy period" and any applicable "extended reporting period". The aggregate Limit of Liability for an "extended reporting period" shall be a part of, and not in addition to, the aggregate Limit of Liability for the last 12-month renewal "policy period", or any applicable portion thereof.

H. DEDUCTIBLE

The deductible shall apply to any payment for loss for any "claim" made against an "insured". Upon payment by the Company of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such payment up to the amount of the deductible shown on the "Certificate". The deductible shall not apply to "legal fees and expenses".

I. EXCLUSIONS

This insurance does not apply to:

1. Any “claim” for false arrest, detention or imprisonment; libel, slander, disparagement, defamation or invasion or violation of the right of privacy, discrimination, wrongful entry or eviction, or invasion of any right of private occupancy; misappropriation of advertising ideas or style of doing business; infringement of copyright, title or slogan;
2. Any “claim” for bodily injury to, or sickness, disease or death of any person, or damage to or destruction of any property, including the loss of use thereof;
3. Any “claim” arising out of any dishonest, fraudulent, malicious, criminal or willful conduct committed or alleged to have been committed by or at the direction of an “insured”;
4. Any “claim” arising out of the alleged direct or indirect use by an “insured” of nonpublic information in a manner prohibited by applicable law, rule, or regulation;
5. Any “claim” arising directly or indirectly out of any violation or alleged violation of any law, rule, ruling or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information including but not limited to the Telephone Consumer Protection Act (TCPA) or the CAN-SPAM Act of 2003, including any amendment of or addition to such laws, rules or regulations.
6. Any fines, penalties, taxes, punitive or exemplary damages assessed against an “insured” including but not limited to those imposed under any law, rule, ruling, regulation, regulatory agency, or court. However, if suit is brought alleging both compensatory and punitive or exemplary damages arising out of or in connection with a “wrongful act” otherwise covered under this “policy”, the Company may elect to defend an “insured” in such suit without assuming any legal obligation to indemnify an “insured” for any such amount;
7. The loss of monies resulting from any commingling of funds or failure to pay or collect premium, return premium, commissions, tax monies or failure to collect contributions owed to any fund or to make the return of any contributions to any employer;
8. Any “claim” by and between an “insured” and any other agent or broker for damages arising out of any past or present business or client relationships or alleged tortious interference therewith;
9. Any “claim” arising out of an “insured’s” alleged unfair competition, unfair trade practice, violation of any covenant not to compete, any covenant not to solicit, or any similar restrictive covenant in an “insured’s” agent agreement with the Company or in any previous agent agreement an “insured” may have had or have entered into with any prior company;
10. Any alleged unfair, unlawful, or illegal discrimination or treatment of any individual or group identified as or constituting a protected class or group under any law, rule, ruling or regulation;
11. Any “claim” arising out of any alleged “wrongful act”, or violation of any duty owed by an “insured” to another, not within the coverage afforded under this “policy” as defined in paragraph **B.1.** above;
12. Any liability assumed by an “insured” under any contractual agreement, either oral or in writing. This exclusion does not apply to liability which an “insured” would have in the absence of any such agreement;
13. Any profit or advantage to which an “insured” was not legally entitled, including any claim, demand, or suit seeking return by an “insured” of any financial remuneration paid to an “insured” under any contract or agreement, whether oral or in writing;
14. Any “claim” or “claims” made for, or on behalf of an “insured”, an “insured’s” spouse, children, parents, grandparents or any blood relatives of an “insured” or of an “insured’s” spouse or ex-spouse, or by any resident of an “insured’s” household, or by any entity owned in whole or in part by you or any blood relatives of you;

15. Any “claim” arising out of or in connection with any “employee pension benefit plan” and/or “employee welfare benefit plan” as those terms are defined in the Employee Retirement Income Security Act of 1974 (ERISA), as amended, sponsored by an “insured”, or any entity which an “insured” owns or controls, or in regard to any such plan in which an “insured” is a participant or a named fiduciary as those terms are used under the Employee Retirement Income Security Act of 1974 (ERISA), as amended;
16. Any “claim” arising out of activities of an “insured” in regard to any non-insured (meaning the funding vehicle of the plan is other than insurance or any annuity(s) issued by the Company) “employee pension benefit plan” and/or “employee welfare benefit plan” as those terms are defined in the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As used here, a “non-insured” employee pension benefit or employee welfare benefit plan means any such plan funded to any extent by means other than an insurance “policy” or annuity issued by the Company;
17. Any “claim” arising out of a violation of any law, rule, ruling or regulation of the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any other federal or state securities law, rule, ruling or regulation;
18. Any employment or work contract related liability, including but not limited to any “claim” or cause of action arising out of or in connection with any alleged refusal to employ or contract with, termination of employment or contract, harassment, retaliation, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination;
19. An “insured’s” liability under any workers’ compensation, unemployment compensation, disability benefits, or any similar law, rule, ruling, or regulation;
20. Any liability arising out of the rendering or failure to render any services, professional or otherwise, as an accountant, actuary, lawyer, real estate agent, real estate manager, trustee, carpenter, construction contractor, repair person; or any other services of whatever kind not required in conjunction with the rendering of professional insurance services for policies written or serviced in your capacity as a contracted insurance Agent of American National, or with American National’s written permission.
21. Any “claim” based upon, arising out of or in connection with, whether directly or indirectly, the insolvency, receivership, liquidation or inability to pay, of any insurer, reinsurer, trust, or any other risk bearing, ceding, or assuming organization, or investment vehicle, in which an “insured” has placed or obtained coverage for or on behalf of any individual, customer, client or account;
22. Any “claim” arising out of a “wrongful act” occurring prior to the “retroactive date” shown on the “Certificate” issued to you in conjunction with this “policy”;
23. Any “claim” for which an “insured” is afforded coverage (or may have been afforded coverage but for the exhaustion of any applicable limits of liability) under any policy or Certificate of Insurance of which this “policy” or “Certificate” is a renewal or replacement, or which this “policy” or “Certificate” succeeds in time;
24. Any awards, judgements, damages, or similar amounts or matters which may be deemed uninsurable as a matter of public policy or judicial declaration under any applicable law and/or in any jurisdiction in which this “policy” shall be interpreted or construed;
25. Any “claim” relating to nuclear liability;
26. Any disciplinary action or proceeding against an “insured” brought by or on behalf of any federal, state, local government agency, administrative authority; or any professional or trade licensing organization;
27. Any “claim” for relief other than monetary damages.

J. CONDITIONS

1. The Insured Agent and “Insured’s” Duties in Event of Claim or Suit:

- a. You must notify us on behalf of all “insureds” as soon as practicable of any “claim” or suit, or occurrence which could reasonably be expected to be the basis of a “claim” or suit against an “insured”. To the extent possible, such notice should include:
 - (1) How, when and where the occurrence or “claim” took place;
 - (2) The names and addresses of any claimant (and witnesses);
 - (3) The nature and type of the alleged act, error, or omission;
 - (4) The nature and extent of any claimed loss;
 - (5) Copies of any demands, notices, summonses or legal papers you receive in connection with the “claim” or any suit arising out of or in connection with such “claim”; and
 - (6) Any authorization necessary for the Company to obtain records and other information from any other individuals or parties.
- b. Upon receipt of notice of a “claim” or suit, you and any “insured” are obligated to:
 - (1) Cooperate with us in the investigation, settlement, or defense of the “claim” or suit; and
 - (2) Assist us as necessary and at our request in the enforcement of any right against any person or party that may be liable to you or the claimant for the alleged “claim”, injury, or damage for which coverage might otherwise be afforded under this “policy”.

Important Notice: Notice of a “claim” received by an “insured” is not notice to the Company of a “claim” being made under this “policy”. Notice of a “claim” received by any agent or employee of the Company, other than an “insured”, with sufficient particularity to allow the Company to identify the Insured Agent against whom the “claim” is being made and/or the claimant making such “claim”, shall constitute notice to the Company of a “claim” being made under this “policy”.

Failure to give the Company notice required to be given by this “policy” within the time specified will not invalidate any “claim” made by an “insured”, an injured person or any other claimant if:

1. It is shown not to have been reasonably possible to give such notice within the prescribed time and notice was given as soon as reasonably possible thereafter; and
2. The failure to provide timely notice did not prejudice us.

No “insured” shall, except at his or her own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.

2. Other Insurance

- a. Primary Insurance -- Subject to subsection b. Excess Insurance, this insurance is primary, but if other valid and collectible insurance is available to the Insured Agent for a loss we cover, our obligations are not affected unless any of the other insurance is also primary, or contributes on a pro rata or equal shares basis, in which case we will participate with any and all other participating insurers as follows:
 - (1) If all other available insurance permits contribution by equal shares, each insurer will contribute equal monetary amounts until:
 - (a) Each insurer has paid its applicable limit of liability, or
 - (b) The claimant has been made whole, or
 - (c) None of the loss remains, whichever comes first.
 - (2) If any other available insurance does not permit contribution by equal shares, each insurer shall participate based on the ratio of its applicable limit of liability to the total applicable limits of liability for all participating insurers.
- b. Excess Insurance - For any person who is an “insured” under Section C.3. of the “policy”, other than the Insured Agent, this insurance is excess over any other valid and collectible insurance.

3. Subrogation

- a. In the event of any payment of any “claim” under this insurance, the Company shall be subrogated to all of an “insured’s” rights of recovery therefore against any person or organization and the “insured” shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

- b. An “insured” shall do nothing after receiving notice of a “wrongful act” or “claim” to prejudice such rights.

4. Representations

By accepting coverage pursuant to a “Certificate” issued under this “policy”, you agree:

- a. The statements in the “Certificate” are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued the “Certificate” in reliance upon your representations.

5. Legal Action Against Us

No person, party, or entity shall have a legal right under this “policy”:

- a. To join us as a party or otherwise bring us into a suit seeking damages against an “insured”; or
- b. To sue us under this “policy”, unless all of its terms and conditions have been otherwise fully complied with.

A person, party, or entity may sue us to recover on an agreed settlement or on a final judgment against an “insured”, but we will not be liable for damages that are not payable under this “policy” or that are in excess of the applicable Limit of Liability listed in the “Certificate”. An agreed settlement means a settlement and release of liability signed by us, an “insured” and the claimant or the claimant’s legal representative.

6. Transfer Of Duties Upon Exhaustion Of Limits Of Liability.

- a. If we conclude that based on occurrences, offenses, “claims” or suits which have been reported to us and to which this insurance may apply, the policy limits are likely to be used up in the payment of judgments or settlements, we will notify the Insured Agent, in writing to that effect.
- b. When a limit of liability has actually been used up in the payment of judgments or settlements:
 - (1) We will notify the Insured Agent, in writing, as soon as practicable, that:
 - (a) Such a limit has actually been used up; and
 - (b) Our duty to defend suits seeking damages subject to that limit has also ended.
 - (2) We will initiate, and cooperate in, the transfer of control to any appropriate insured of all “claims” and suits seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said “claims” and suits.

We agree to take such steps, as we deem appropriate to avoid a default in, or continue the defense of, such suits until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any “claim” or suit seeking damages that would have been subject to that limit, had it not been used up, if the “claim” or suit is reported to us after that limit of insurance has been used up.
 - (3) The Insured Agent, and any other insured involved in a suit seeking damages subject to that limit, must arrange for the defense of such suit within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such suit must be made as soon as practicable.
- c. The Insured Agent will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph **b. (2)** above.

The duty of the Insured Agent to reimburse us will begin on:

 - (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph **b. (1)** above; or
 - (2) The date on which we sent notice in accordance with paragraph **b. (1)** above, if we did not send notice in accordance with paragraph a. above.
- d. The exhaustion of any limit of liability by the payment of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition **6**.

- e. If the Insurer has paid any amounts in settlement or satisfaction of “claims” or judgements in excess of the applicable limit of liability, or within the amount of the applicable deductible, the Insured shall be liable to the Insurer for any and all such amounts and upon demand shall pay such amounts to the Insurer.

7. Cancellation Clause

- a. The policyholder or the Insured Agent may cancel coverage under this “policy” at any time by mailing or delivering written notice of cancellation to the Company. If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. For coverage in effect 60 days or less, the Company may cancel this “policy” or coverage under a “Certificate” by mailing or delivering written notice of cancellation to the policyholder and/or Insured Agent as applicable, not less than:
 - (1) 20 days before the effective date of cancellation if we cancel for any reason not included in paragraph (2) below; or
 - (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the “policy” or a “Certificate”, or in the presentation of a “claim” thereunder;
 - (d) After issuance of the “policy” or “Certificate”, or after the last renewal date, discovery of an act or omission, or a violation of any “policy” or “Certificate” condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current “policy period”;
 - (e) Material change in the nature or extent of the risk, occurring after issuance or last renewal anniversary date of the “policy” or “Certificate”, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the “policy” or “Certificate” was issued or last renewed;
 - (f) Any determination by any state or federal agency having jurisdiction that the Company’s continued operation or on-going premium production will jeopardize the Company’s solvency or be hazardous to the interest of the Company’s policyholders, creditors, or the general public;
 - (g) Any determination by any state or federal agency having jurisdiction that the continuation of the this “policy” or a “Certificate” would violate, or would place the Company in violation of, any provision of any applicable statute or regulation; or
 - (h) Revocation or suspension of the Insured Agent’s license to act as an insurance agent or otherwise conduct the business of insurance.
- c. For coverage in effect for more than 60 days or a renewal or a continuation of a “policy” or “Certificate” we issued, we may cancel coverage only for any reasons listed in paragraph 7.b.(2) above, provided we mail the policyholder and/or Insured Agent, as applicable, a notice of cancellation at least 15 days before the effective date of cancellation.
- d. We will mail or deliver our notice, including the reason, to, as applicable, the policyholder and/or Insured Agent’s last mailing address known to us and to the authorized agent. Proof of mailing will be sufficient proof of notice.
- e. Notice of cancellation will state the effective date of cancellation. The “policy period” will end on that date. If we cancel for nonpayment of premium, our notice of cancellation will state the amount due.
- f. If coverage under this “policy” is cancelled, we will send the Insured Agent any premium refund due. If we cancel or the Insured Agent retires, the refund will be pro-rata. If the Insured Agent cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund. However, when the premium is advanced under a premium finance agreement, the Company will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

- g. Suspension of coverage is not considered a cancellation of coverage.

8. Nonrenewal

- a. If we decide not to renew this “policy” or a “Certificate”, we will send notice as provided in paragraph b. below.
- b. If we decide not to renew coverage under this “policy” or a “Certificate”, we will mail or deliver written notice, stating the reason for nonrenewal, to the policyholder shown in the “Declarations” and/or to the Insured Agent shown in the “Certificate”, as applicable, at least 60 days but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous “policy”.
- c. Notice will be mailed or delivered to the policyholder at the address shown in the “Declarations” and/or to the Insured Agent at the address shown in the “Certificate”, as applicable. If notice is mailed, proof of mailing will be sufficient proof of notice.
- d. We will not send you notice of nonrenewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the coverage under the “policy” has been replaced or is no longer desired.

9. Premiums

The premium for coverage under this “policy” is computed in accordance with our rules, rates and minimum premiums applicable to the insurance afforded.

- a. The Insured Agent shown in the “Certificate”:
 - (1) Is responsible for the payment of all premiums for coverage pursuant to a “Certificate” under the “policy”; and
 - (2) Will be the payee for any return premiums we pay for coverage pursuant to a “Certificate” under the “policy”.
- b. The “Risk Purchasing Group” listed on the “Declarations” may collect premiums on behalf of an Insured Agent and remit them to us. However, such premiums shall not be paid out of the group’s general funds or other source.

10. Business and Premium Validation

We may, but are not obligated to, examine and audit your books and records as they relate to coverage under this “policy” or a “Certificate” at any time during the “coverage period” and up to three years after the final termination of this “policy” or coverage under a “Certificate”.

11. Bankruptcy

Bankruptcy or insolvency of the Insured Agent or of the Insured Agent’s estate will not relieve us of our obligations under this “policy” or a “Certificate”.

K. EXTENDED REPORTING PERIODS

1. Automatic Sixty (60) Day “Extended Reporting Period”:

- a. If this “policy”, or coverage under a “Certificate”, is subject to any termination of coverage, then the Insured Agent shall be notified in writing within thirty (30) days after termination of coverage of the Automatic “Extended Reporting Period” coverage and the availability of, the premium for, and the importance of purchasing Optional Extended Reporting Period coverage.
- b. There shall be an Automatic “Extended Reporting Period” which starts with the end of the “policy period” and lasts for 60 days. It provides an additional period to report “claims” and does not grant new or additional limits, extend the “policy period” or change the coverage provided.
- c. If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage, then any “claim” first made against an “insured” during the Automatic “Extended Reporting Period” for any “wrongful act” which took place on or after the “retroactive date”, but before the end of the “policy period”, will be considered to be a “claim” first made during the “policy period”.

- d. The Automatic “Extended Reporting Period” may not be cancelled and requires no additional premium.

2. Automatic Difference in Terms Six (6) Year “Extended Reporting Period”:

If coverage for the Insured Agent under a “Certificate”, replaces or immediately follows a prior policy or certificate issued to the Insured Agent by Farm Family Casualty Insurance Company that is terminated by the Company, there shall be an Automatic Difference in Terms “Extended Reporting Period” for that prior policy for six (6) years. The Automatic Difference in Terms “Extended Reporting Period” starts at the termination date of the prior policy and applies only to any reduction in coverage under this “policy” as compared to the prior policy. There is no charge for the Automatic Difference in Terms “Extended Reporting Period”. If this “policy” or coverage under a “Certificate” terminates for any reason, the Automatic Difference in Terms “Extended Reporting Period” coverage only applies for the portion of the six year period, beginning with the termination date of the prior policy, during which the Insured Agent maintains Automatic or Optional “Extended Reporting Period” coverage under this “policy”.

3. Optional “Extended Reporting Period”

- a. If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage, then the Insured Agent shall have an option to purchase an Optional “Extended Reporting Period” of twelve (12), thirty-six (36) or seventy-two (72) months so that any “claim” first made against an “insured” during the Optional “Extended Reporting Period” for any “wrongful act” which took place on or after the “retroactive date”, but before the end of the “coverage period”, will be considered to be a “claim” first made during the “policy period” provided the Optional “Extended Reporting Period” was purchased according to the provisions in **d.(2)** below.
- b. This Optional “Extended Reporting Period” provides an additional period to report “claims”.
- c. The 12, 36 or 72 month “Extended Reporting Period” will start at the end of your “policy period”, not at the end of the 60 day Automatic “Extended Reporting Period”.
- d. Notice and Acceptance for the Optional “Extended Reporting Period”:
 - (1) If this “policy”, or coverage provided under a “Certificate”, is subject to any termination of coverage then we will notify the Insured Agent in writing of the importance of purchasing the Optional “Extended Reporting Period” coverage within thirty (30) days of the date of termination of coverage of the premium for, and the provisions of the “Extended Reporting Period”.
 - (2) The Insured Agent will have the greater of sixty (60) days from the date of termination of coverage, or thirty (30) days from the date of mailing of the “Extended Reporting Period” notice provided for above, to accept the Optional “Extended Reporting Period”. The insured agent must:
 - (a) Submit a written acceptance which we receive within 60 days after the termination of the “policy” or 30 days from the date of mailing of the “Extended Reporting Period” notice provided for above;
 - (b) Show the length of the period of extension desired;
 - (c) Promptly pay an additional premium due of 50% of the annual premium developed under this “policy”, if you request the 12 month “Extended Reporting Period” option; or
 - (d) Promptly pay an additional premium due of 100% of the annual premium developed under this “policy”, if you request the 36 month “Extended Reporting Period” Option; or
 - (e) Promptly pay an additional premium due of 150% of the annual premium developed under this “policy”, if you request the 72 month “Extended Reporting Period” Option.

If the Insured Agent’s request for the “Extended Reporting Period” and premium payment are not received by the Company in a timely manner, as provided for in paragraph **d.(2)** above, the “Extended Reporting Period” options may not be exercised at a later date.

- e. If this “policy”, or coverage under a “Certificate”, is cancelled and the Insured Agent elects to purchase the Optional “Extended Reporting Period”:

- (1) Any return premium due the Insured Agent as a result of the termination of coverage under the “policy” shall be credited toward the premium for the “Extended Reporting Period” endorsement, if you elect such coverage.
 - (2) Any additional premium due us for the period coverage under the “policy” was in force must be fully paid before any payments will be applied to premium due for the Optional “Extended Reporting Period” Endorsement.
- f. The Optional “Extended Reporting Period” will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Optional “Extended Reporting Period” may not be cancelled. The premium charged for the Optional “Extended Reporting Period” coverage will be based upon our manual rates and rules in effect on the date that this “policy” was issued or last renewed, whichever is later, and will be commensurate with the coverage provided.
- g. Optional “Extended Reporting Period” Aggregate Limit:
 - (1) The aggregate liability limit for the one year “Extended Reporting Period” coverage shall be equal to one hundred percent of the “policy’s” annual aggregate limit.
 - (2) The aggregate liability limit for the three year “Extended Reporting Period” coverage shall be equal to one hundred percent of the “policy’s” annual aggregate limit.
 - (3) The aggregate liability limit for the six year “Extended Reporting Period” coverage shall be equal to one hundred percent of the “policy’s” annual aggregate limit.
- h. The Company is not obligated to provide Optional “Extended Reporting Period” upon termination of coverage for nonpayment of premium or fraud if the Insured Agent’s coverage under this “policy” has been in effect for less than one year.

L. ASSIGNMENT

Your rights under this “policy” or a “Certificate” may not be assigned without our prior written consent. Any assignment in violation of this provision shall not bind us in any way.

President

Secretary

American National Property And Casualty Company

NY Filing # ANPC-132023273

Response to 8/28/2019 Objections

1. Please confirm, in writing, that the only changes that have been made to the forms/rate/rules were those changes that were made in direct response to the Department File number R2019001882.

Response:

The only changes that have been made to the forms/rates/rules were those changes in direct response to the Departments File number R2019001882.

2. With respect to EO-214 8-19 Pursuant to section 153.4 (a) CERTIFICATES Issued under a group master policy shall CONTAIN ALL MATERIAL TERMS AND CONDITIONS OF COVERAGE AFFECTING A GROUP MEMBER, unless the group master policy is incorporated by reference, in which event a COPY OF SUCH MASTER POLICY SHALL ACCOMPANY THE CERTIFICATE OR SHALL BE PROMPTLY PROVIDED TO A GROUP MEMBER UPON REQUEST. Form clarification purposes, please amend the form to clearly state how EACH INSURED AGENT will receive the Master Policy.

Response:

The EO-209 is revised to incorporate the following statement near the top of the form: THIS CERTIFICATE IS FOR DESCRIPTIVE PURPOSES ONLY. COVERAGE PROVIDED IS SUBJECT TO ALL TERMS, CONDITIONS, AND LIMITATIONS OF THE MASTER POLICY WHICH IS ATTACHED HERETO AND INCORPORATED BY REFERENCE.

3. With respect to EO-208 7-19 - The declarations portion of the form must be revised to include the % charged for EACH extended reporting period option (pursuant to 73.7(b) (1) of Department Regulation No. 121).

Response:

The EO-208 is revised as requested. In addition, we made a correction to the following sentence, "In consideration of the payment of the required premium and subject to the Declarations, terms, conditions, limitations and provisions of this policy, Farm Family Casualty Company and its affiliates, herein called the "Insurer", agrees to provide the insurance described in the policy." We have removed the "and its affiliates, herein called the "Insurer" wording.

4. With respect to EO-227 NY 7-19 C. Section J. Conditions is amended as follows: 1. The following is added to Paragraph 5. Legal Action Against Us: - Please note that it is the opinion of our Office of General Counsel that the term "personal injury" encompasses any injury contemplated as "personal injury liability" under Insurance Law § 1113(a) (13) of the New York Insurance Law, including injury arising out of economic interests of any person. The provision is more restrictive than that required by this section of the New York Insurance Law. Alternatively, the form can be amended to state that "With respect to ALL claims, (except property damages claims) that are covered under the policy..." to fully comply with the NYIL.

Response:

The EO-227 is revised under Section J. Conditions, C.1 to read: "With respect to all "claim(s)", if we deny

5. With respect to G-EO-1 – (Manual) Claims Count - please note that this policy must be written on a "pay on behalf of" basis rather than on an indemnification basis. Revise.

Response:

Claims Count is revised to read: "Only amounts paid on an "insured's" behalf for a claim will be considered, excluding "claim expense(s)".

This section contains the rules and rating procedures for the rating of the Errors and Omissions program. For all cases not specifically provided for in this manual, the rules, rates and policy forms filed by or on behalf of the Company shall apply.

Cancellation

In the event the policy is cancelled prior to the expiration, premium will be refunded on a pro rata basis.

Claims Count

A claim is counted for rating purposes under the following circumstances:

- The claim occurs on or after the inception date of the Insured Agent's E&O coverage through the policy of ANIA Purchasing Group with ANPAC or FFCIC. Claims which occurred prior to this date are not considered in the claims count;
- ~~Indemnity only payments~~ Only amounts paid on an "insured's" behalf for a claim will be considered, excluding "claim expense(s)";
- There is no claim payment threshold.

Coverage

The Errors and Omissions program is a claims-made coverage which provides coverage for covered claims made during the coverage period of the policy.

The policy does not apply to any claims arising out of any wrongful act occurring prior to the earlier of:

- (a) the date of the Insured's initial enrollment in this program or
- (b) the Retroactive Date for any policy of the Insured Agent with ANPAC or FFCIC which immediately preceded this policy with no gap in coverage.

Deductible

The following deductibles are available:

\$ 500
\$ 1,000
\$ 2,500

Please refer to company rate pages for applicable factor.

Eligibility

This program was developed to provide Errors and Omissions Liability Coverage for agents who are members of ANIA Purchasing Group. ANIA Purchasing Group is eligible to procure a policy provided it is a registered Risk Purchasing Group formed pursuant to the Federal Liability Risk Retention Act of 1986 (15 U.S.C. § 3901, et. seq.) Subject to Underwriting requirements, individual agents who are contracted insurance agents with American National Insurance Company and its affiliated Multiple Line Operating Companies are eligible for coverage under the Policy provided they are members of ANIA Purchasing Group; and provided ANIA Purchasing Group is registered as Risk Purchasing Group in the state of the Insured Agent.

Different rating factors are applied to the following types of agents. Please refer to the company rate pages for applicable factor.

1. **Multi-Line Agent:**
Has the authority to sell P&C directly to policyholder.
2. **Multi-Line General Agent (MLGA) Only:**
The responsibilities of an MLGA include the oversight of operations in a specific territory and agents in that territory. The MLGA in this category has a minimal individual book of business. MLGA's having temporary custody of a terminated agent's book of business may also be included in this category.
3. **MLGA and Agent:**
The responsibilities of an MLGA and Agent include the oversight of operations in a specific territory and agents in that territory. The MLGA who also acts as an agent qualifies as such if he/she has a book of business with a written premium over \$50,000.

Coverage is provided for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period". American National means American National Insurance Company and/or the affiliate or affiliates of American National with which the "Certificate" holder is contracted as an Insured Agent.

Extended Claims Reporting Coverage

The extended claim reporting coverage provides coverage for wrongful acts that occurred prior to the agent's termination date with the company and after the retroactive date.

If coverage for the Insured Agent replaces or immediately follows a prior policy or certificate issued by American National Property And Casualty Company or Farm Family Casualty Insurance Company that was terminated by one of those companies, there shall be an Automatic Difference in Terms Extended Reporting Period (ADT ERP) for six (6) years at no charge. The ADT ERP starts at the termination date of the prior policy and applies only to any reduction in coverage. If the coverage for the Insured Agent terminates for any reason, the ADT ERP only applies to the portion of the six (6) year period, beginning with the termination date of the prior policy, during which the Insured Agent maintains Automatic or Optional "Extended Reporting Period" coverage under the policy.

Extended claim reporting coverage may be purchased from the date of termination. There will be an automatic 60 day reporting period at no charge at the agent's termination date. Agents will be offered an optional ONE-year, THREE-year or SIX-year tail policy, which period includes the 60-day automatic Extended Reporting Period.

The charges for the extended reporting period options can be found in the company rate pages.

Limits of Liability

The Errors and Omissions policy is an annual policy available with the following limits of liability:

<u>Per Claim Limit</u>	<u>Aggregate Per Policy Period</u>
\$1,000,000	\$3,000,000
\$2,000,000	\$3,000,000
\$2,000,000	\$5,000,000
\$3,000,000	\$3,000,000
\$4,000,000	\$4,000,000
\$5,000,000	\$5,000,000

Please refer to company rate pages for applicable factor.

Midterm Changes

Mid-term changes are not allowed.

Insurance Agents Errors and Omissions Liability Coverage
General Rules
Countrywide
Edition: 01/01/2020

Policy Term

The Errors and Omissions program is a claims-made policy written for a period of one year and renewed annually by a renewal certificate or from inception until cancelled either by the insured or the company. The initial term of coverage for an Insured Agent will begin upon inception of coverage and, unless otherwise terminated, will end at the end of the encompassing policy term of ANIA Purchasing Group.

Premium

Errors and Omissions coverage is subject to a minimum premium of \$750.

Retroactive Date

The Insurance Agents Errors and Omissions Liability Coverage is a CLAIMS-MADE policy. The retroactive date means the date specified in the "Certificate" and is the date on which coverage will first be afforded for a "wrongful act" occurring on or after that date.

If coverage for an Insured Agent replaces or immediately follows a prior policy or certificate insured to the Insured Agent by American National Property And Casualty Company or Farm Family Casualty Insurance Company, and that coverage was terminated by one of those companies, the retroactive date of the Insured Agent under the prior policy shall carry over to the Insured Agent's coverage with ANIA Purchasing Group.

FARM FAMILY CASUALTY INSURANCE COMPANY
P.O. Box 656
Albany, NY 12201

INSURANCE AGENTS ERRORS AND OMISSIONS LIABILITY COVERAGE

MASTER POLICY DECLARATIONS

THIS IS A CLAIMS-MADE POLICY. This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims first made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

MASTER POLICY NUMBER: _____

ITEM 1. NAME OF POLICYHOLDER AND MAILING ADDRESS:

ANIA Purchasing Group
1949 E. Sunshine Street
Springfield, MO 65899-0001

ITEM 2. LIMIT OF LIABILITY:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 3. POLICY PERIOD:

FROM _____ TO _____, 11:59 P.M., Central time

ITEM 4. DEDUCTIBLE:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 5. PREMIUM:

For each Insured Agent, see Individual "CERTIFICATE OF INSURANCE"

ITEM 6. POLICY INDEX:

In consideration of the payment of the required premium and subject to the Declarations, terms, conditions, limitations and provisions of this policy, Farm Family Casualty Insurance Company ~~and its affiliates, herein called the "Insurer"~~, agrees to provide the insurance described in the policy.

This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in each certificate of each Insured Agent. The policy covers only claims first made against an Insured while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless additional extended reporting period coverage is purchased. The length of the Automatic Extended Reporting Period is 60 days; the lengths and premiums of the Optional Extended Reporting Periods are:

one year; - 50% of the annual premium developed under coverage for a Certificate issued under this "policy";

three years - 100% of the annual premium developed under coverage for a Certificate issued under this "policy"; or

six years - 150% of the annual premium developed under coverage for a Certificate issued under this "policy";

and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

Authorized Representative

ITEM 6. **DEDUCTIBLE:** \$ _____
ITEM 7. **TOTAL PREMIUM:** \$ _____
ITEM 8. **RETROACTIVE DATE:** _____
ITEM 9. **POLICY INDEX:**

Rating Information

Type of Agent	<Input Agent Type>
Size of Book	<Input Book Size>
Policy Deductible	<Input Deductible>
Limit of Liability	<Input Limit>
Years with Company	<Input Yrs with Co>
Claims-made Step Factor	<Input Step Factor>
5-year Claim Count	<Input Claim Count>

The insurance evidenced by this certificate is subject to all the terms, conditions and limitations of the Master Policy and loss, if any, will be adjusted and shall be payable in accordance therewith.

Subject to all applicable policy terms, conditions and limitations, coverage is only provided for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".

CLAIM NOTIFICATION – The policy requires notification in writing as soon as practicable of any claim or demand made against you. Send claim notification to:

Farm Family Service Center
Insurance Agent E&O Claims Processing
1949 E. Sunshine Street
Springfield, MO 65899
Telephone: (417) 887-4990

This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims actually made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

IMPORTANT

~~THE ABOVE OUTLINE IS FOR DESCRIPTIVE PURPOSES ONLY. COVERAGE PROVIDED
IS SUBJECT TO ALL TERMS, CONDITIONS AND LIMITATIONS OF THE ORIGINAL POLICY.
A COPY OF THE POLICY IS ATTACHED.~~

NEW YORK STATE AMENDATORY

This endorsement changes the policy. Please read it carefully.

This endorsement modifies in insurance provided by the following:
Insurance Agents Errors and Omissions Liability Insurance Policy

A. Section A. Definitions is amended to add the following:

1. “Termination of coverage” means, whether made by us or the “insured” at any time:
 - a. Cancellation or nonrenewal of a policy; or
 - b. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion, or any other change in coverage less favorable to the “insured”.

B. Section I. Exclusions is amended as follows:

1. Paragraph **21.** does not apply when the entity is an insurance company licensed in New York State or any residual market facilities.
2. Paragraph **25.** is deleted and replaced by the following:

Any “claim”:

 - a. For damages arising from a “wrongful act” with respect to an occurrence:
 - (1) With respect to which a “claimant” is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the “hazardous properties” of “nuclear material” and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the “claimant” is entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof with any person or organization.
 - b. For damages arising from a “wrongful act” in which the damages claimed result from bodily injury or property damage resulting from the “hazardous properties” of “nuclear material”, if:
 - (1) The “nuclear material” (a) is at any “nuclear facility” owned by, or operated by or on behalf of, a “claimant” or (b) has been discharged or dispersed therefrom;
 - (2) The “nuclear material” is contained in “spent fuel” or “waste” at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of a “claimant”; or
 - (3) The “bodily injury” or “property damage” arises out of the furnishing by a “claimant” or services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility”, but if such facility is located

within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to “property damage” to such “nuclear facility” and any property thereat.

As used in this exclusion:

“Claimant” means the person or entity making a “claim” against an “insured” under this policy.

“Hazardous properties” includes radioactive, toxic or explosive properties.

“Nuclear material” means “source material”, “Special nuclear material” or “by-product material”.

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a “nuclear reactor”.

“Waste” means any waste material (a) containing “by-product material” other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its “source material” content; and (b) resulting from the operation by any person or organization of any “nuclear facility” included under the first two paragraphs of the definition of “nuclear facility”.

“Nuclear facility” means:

- (a) Any “nuclear reactor”,
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing “spent fuel”, or (3) handling, processing or packaging “waste”,
- (c) Any equipment or device used for the processing, fabricating or alloying of “special nuclear material” if at any time the total amount of such material in the custody of the “insured” at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of “waste”;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

C. Section J. Conditions is amended as follows:

1. The following is added to Paragraph 5. Legal Action Against Us:

With respect to all “claim(s)” ~~arising out of death or personal injury of any person~~, if we deny a “claim” or disclaim liability based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against us, in which the sole question

is our disclaimer or denial based on the failure to provide timely notice, unless within 60 days following such disclaimer or denial, we or the “insured”

- a. Initiates an action to declare the rights of the parties under this “policy” or a “Certificate”; and
- b. Names the injured person or other claimant as a party to the action.

2. Subparagraph **b.(2)(f)** of Paragraph 7. **Cancellation Clause** is deleted and replaced with the following:

Any determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public.

3. Subparagraph **b.(2)(g)** of Paragraph 7. **Cancellation Clause** is deleted and replaced with the following:

Any determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code.

4. Paragraph 8. **Nonrenewal** is deleted and replaced with the following:

- a. If we decide not to renew this “policy” or a “Certificate”, we will send notice as provided in paragraph c. below.

- b. If we conditionally renew coverage under this “policy” or a “Certificate” subject to a:

- (1) Change of limits;

- (2) Change in type of coverage;

- (3) Reduction of coverage

- (4) Increased deductible

- (5) Addition of exclusion; or

- (6) Increased premiums in excess of 10%, exclusion of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in paragraph c. below

- c. If we decide not to renew coverage under this “policy” or “Certificate”, or to conditionally renew this “policy” or “Certificate” as provided in paragraphs 8a. and 8.b. above, we will mail or deliver written notice to the policyholder shown in the “Declarations” and/or to the Insured Agent shown in the “Certificate”, as applicable, at least 60 days but not more than 120 days before:

- (1) The expiration date; or

- (2) The anniversary date if this is a continuous “policy”.

- d. Notice will be mailed or delivered to the policyholder at the address shown in the “Declarations” and/or to the Insured Agent at the address shown in the “Certificate”, as applicable. If notice is mailed, proof of mailing will be sufficient proof of notice.

- e. Notice will include the specific reasons for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- f. If we violate any of the provisions of paragraphs **8.c.**, **d.** or **e.** above by sending the policyholder and/or Insured Agent, as applicable, an incomplete or late conditional renewal notice or a late nonrenewal notice
 - (1) If the late conditional renewal notice or late nonrenewal notice is provided by the Company prior to the expiration date of coverage under this “policy” and/or a “Certificate”, as applicable, coverage will remain in effect at the same terms and conditions of this “policy” and/or a “Certificate”, as applicable, at the lower of the current rates or the prior period’s rates until 60 days after such notice is mailed or delivered, unless the policyholder and/or Insured Agent, as applicable, during this 60 day period, has replaced the coverage or elects to cancel. In the event the Company extends the “policy period” or “master policy period” to comply with paragraphs **8c.**, **d.** or **e.** above, the Limit of Liability stated in the “Certificate” as an aggregate per policy period for coverage under the expiring “Certificate” shall be increased in proportion to the extension of coverage.
 - (2) If the late condition renewal notice or late nonrenewal notice is provided by the Company on or after the expiration date of coverage under this “policy” and/or a “Certificate”, as applicable, coverage will remain in effect at the same terms and conditions of this “policy” and/or a Certificate, as applicable, for another “policy period”, at the lower of the current rates or the prior period’s rates, unless the policyholder and/or Insured Agent, as applicable, during this additional “policy period”, has replaced the coverage or elects to cancel.
- g. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (1) Upon expiration of the 60 day period; or
 - (2) Notwithstanding the provisions in paragraph **f.(1)** and **f.(2)**, as of the renewal date of coverage under the “policy”, and/or a “Certificate”, if we send the policyholder and/or Insured Agent, as applicable, the conditional renewal notice at least 30 days prior to the expiration or anniversary date of the “policy”.
- h. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the coverage under the “policy” has been replaced or is no longer desired.

D. Section K. Extended Reporting Periods is amended to add the following:

- 4. During a claims-made relationship and any “Extended Reporting Period”, a person employed or otherwise affiliated with the “insured” and, during such affiliation, covered by this “policy” or a “Certificate” issued to the “insured”, shall continue to be covered and any “extended reporting period” after such affiliation has been ceased for such person’s covered acts or omissions during such affiliation.
- 5. a. If this “policy” or a “Certificate” is issued to a corporation, partnership, or similar entity, it shall provide Optional “Extended Reporting Period” coverage upon “termination of coverage” to any person covered under the policy if the “insured” has been placed in liquidation or bankruptcy or permanently ceases operations and does not purchase, or have purchased for it by its designated trustee, “Extended Reporting Period” coverage.’

- b.** An Optional “Extended Reporting Period” as described in this provision will be available only if such person requests the “Extended Reporting Period” coverage within 120 days of the “termination of coverage”
- c.** We will have no obligation to provide notice to any such person of the availability of “Extended Reporting Period” coverage described in this provision.
- d.** We may charge the person for whom “Extended Reporting Period” coverage is provided a premium commensurate with the exposure.

ITEM 6. **DEDUCTIBLE:** \$ _____
ITEM 7. **TOTAL PREMIUM:** \$ _____
ITEM 8. **RETROACTIVE DATE:** _____
ITEM 9. **POLICY INDEX:**

Rating Information

Type of Agent	<Input Agent Type>
Size of Book	<Input Book Size>
Policy Deductible	<Input Deductible>
Limit of Liability	<Input Limit>
Years with Company	<Input Yrs with Co>
Claims-made Step Factor	<Input Step Factor>
5-year Claim Count	<Input Claim Count>

The insurance evidenced by this certificate is subject to all the terms, conditions and limitations of the Master Policy and loss, if any, will be adjusted and shall be payable in accordance therewith.

Subject to all applicable policy terms, conditions and limitations, coverage is only provided for policies written or serviced in the Insured Agent's capacity as a contracted insurance agent of American National, or with American National's written permission provided always that the "wrongful act" giving rise to the "claim" was committed during the "coverage period".

CLAIM NOTIFICATION – The policy requires notification in writing as soon as practicable of any claim or demand made against you. Send claim notification to:

Farm Family Service Center
Insurance Agent E&O Claims Processing
1949 E. Sunshine Street
Springfield, MO 65899
Telephone: (417) 887-4990

This policy provides no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated in the policy. The policy covers only claims actually made against you while the policy remains in effect and all coverage under the policy ceases upon the termination of the policy, except for the automatic extended reporting period coverage, unless you purchase additional extended reporting period coverage. The length of the Automatic Extended Reporting Period is 60 days; the lengths of the Optional Extended Reporting Periods are one year, three years or six years, and coverage gaps may occur. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

State: New York

Filing Company:

Farm Family Casualty Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

Product Name: Professional Liability

Project Name/Number: NY FFCIC E&O Initial Filing/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/09/2019		Form	Farm Family Certificate Of Insurance	09/11/2019	EO-209 9-19 FF CERT of INS.pdf (Superceded)
07/24/2019		Form	Insurance Agents Errors and Omissions Liability Insurance Policy	08/27/2019	EO-214 7-19 FF Ins Agents E-O Liability Ins Policy.pdf (Superceded)
07/24/2019		Form	New York State Amendatory	09/09/2019	EO-227 NY 7-19 New York State Amendatory.pdf (Superceded)
07/24/2019		Rate	FFCIC E & O General Rules	09/09/2019	EO Rule Pages - 0619.pdf (Superceded)
07/24/2019		Form	Farm Family Master Policy Declarations	09/09/2019	EO-208 7-19 FF MASTER DEC.pdf (Superceded)
07/24/2019		Form	Farm Family Certifcate Of Insurance	09/09/2019	EO-209 12-18 FF CERT of INS - UPDATED 5-1-19.pdf (Superceded)