

APPLICATION FOR NEMA DEALING REPRESENTATIVES PROFESSIONAL LIABILITY INSURANCE

(CLAIMS MADE AND REPORTED FORM UNDERWRITTEN BY ZURICH INSURANCE COMPANY)

In order to avoid delays, **ALL** QUESTIONS MUST BE ANSWERED.

This application forms part of the Insurance Policy and coverage if granted is based on information provided herein. Coverage applies only to Professional Services rendered in Canada. There is **no** coverage for services rendered in the United States.

Eligibility criteria for applying for E&O Insurance under this program – June 15, 2016 to June 15, 2017 Policy Term

- You must be a Dealing Representative Member of NEMA and in good standing.
- You must be actively registered with a provincial securities commission.
- You must be a Dealing Representative with an Exempt Market Dealer who is approved by Zurich Insurance.

1. Applicant Information

Applicant Name: _____

Address: Street: _____

Suite #: _____ City: _____

Province: _____ Postal Code: _____

Telephone: _____

Email Address: _____

Is your mailing address different from your residential address? Yes No

If **Yes**, it is mandatory that applicant provides a residential address below:

Address: Street: _____

Suite #: _____ City: _____

Province: _____ Postal Code: _____

2. Licensing Information

Indicate by type of activity and Province the business you conduct. (select all that apply)	Province	Exempt Market Securities	Securities (IIROC)	Mutual Funds	Life, A&S
	AB		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BC		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	MB		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	NB		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	NL		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	NS		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	NT		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	NU		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ON		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	PE		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	QC		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	SK		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YT		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

List Professional Organizations of which you are a member: _____

4. As a Dealing Representative, please indicate in what capacity you operate:

- Individual
- Corporation
- Partnership

Please provide name of your Corporation /Partnership if you would like it to be shown on your certificate.

5. Number of licensed employees, other than yourself?..... _____

6. Number of unlicensed employees..... _____

7. Breakdown of Revenue / Income of Professional Activities by Percentage		
Activities	Current year Commissions / Fees	Revenue
Exempt Market Securities	%	\$
MFDA:	%	\$
IIROC:	%	\$
Life, A&S:	%	\$
Personal Financial Planning	%	\$
Estate Planning	%	\$
Discretionary Management	%	\$
Other – Explain	%	\$
TOTAL	100%	\$

8. Amount of Insurance Requested

Limit Each Claim/*Aggregate	Deductible per Claim	Annual Premium
<input type="checkbox"/> Option 1 \$1,000,000/\$1,000,000	\$1,000 Life \$2,500 Mutual Funds \$10,000 Securities/EMP	\$1000.00
<input type="checkbox"/> Option 2 \$2,000,000/\$2,000,000	\$1,000 Life \$2,500 Mutual Funds \$10,000 Securities/EMP	\$1,300.00

*An aggregate of \$5,000,000 will automatically be provided for **Life** Licensed agents in Manitoba.

9. Indicate your effective Date of Coverage

10. Your Exempt Market Dealer

List Names of Exempt Market Dealer with whom you are contracted: _____

11. Exempt Products Sold		Total Estimated Annual Earnings
Hedge Funds		
Flow Through Shares		
Structured Notes		
Linked Notes		
Principal Protected Notes		
Labour Sponsored Investments Funds		
Limited Partnerships		
Mutual Fund Trusts		
Other (Specify)		

12. Underwriting Questions

1.(a) Describe the Exempt Market Dealer's approval and vetting process for exempt market securities.

(b) Does your EMD also manufacture exempt market products? Yes No

(c) Does your EMD mandate that all Dealing Representative purchase E&O Insurance? Yes No

2. How often are new Exempt Market Products added / removed?

3. Please provide overview of minimum income/asset ownership thresholds required to qualify for purchase of an exempt market product.

4. Describe the process used to qualify investors in accordance with these requirements in #1.

5. a) How do you ensure you have adequate processes for collecting, documenting and maintaining information about your clients including their investment objectives and risk tolerance?

(b) Who is responsible for oversight of this process?

6. Is the new Risk Acknowledgement Form (Effective May 5, 2015) or equivalent KYC Form signed-off by all clients on all transactions? Yes No

7. Are your client accounts reviewed on a periodic basis? Yes No
If yes, describe the review process.

8. Do you use a structured due diligence questionnaire? Yes No

9. How often are your files audited by Compliance Team?

10. Describe the review, approval and signing-off on Know Your Client and Suitability Forms for each of your client.

11. Describe your EMD training procedures. (*provide details separately, if required*)

12. Has any Insurance Company cancelled or denied you any Professional Liability Insurance? Yes No
If Yes, attach details.

13. Have you or any Employee been convicted of a dishonest or fraudulent act? Yes No
If Yes, attach details.

14. Have you or an Employee been found guilty of any Federal or Provincial Insurance or Securitylaw/regulation? Yes No
If Yes, attach details.

15. Have you had your license (Life, MFDA, IIROC, EMS, etc.) revoked or suspended in any Provinceover the past 5 years: *If Yes, attach details.* Yes No

16. Have you or any of your Employees received formal allegations of ProfessionalNegligence/Misconduct, in the last 5 years, in connection with Professional Services performed? Yes No
.... *If Yes, attach details.*

17. Have any Claim(s) been made against you or your Employees at any time in the past 5 years? Yes No
If Yes, attach details.

18. Are you aware of any fact, circumstance or situation which you believe could give rise to a future
.....Claim(s)? *If Yes, attach details.* Yes No

PRIVACY NOTICE TO APPLICANT

The undersigned applicant authorizes Zurich Insurance Company to collect his/her personal information in order to process and evaluate this application, to provide insurance if coverage is accepted, to obtain reinsurance for the policy, to investigate any claim made under the policy, which may require third parties to collect insured's personal information, and to serve other purposes as permitted by applicable law; (b) to disclose his/her personal information to its subsidiaries, affiliates, reinsurers and agents for these purposes, and (c) to use his/her personal information for these purposes. Furthermore, the undersigned authorizes any third party who receives undersigned's personal information from Zurich Insurance Company to collect, use and further disclose the personal information for these purposes.

NOTICE TO APPLICANT

Applicant hereby warrants and represents that the statements and answers to questions made above and attachments hereto are true and applicant has not omitted or misrepresented any information.

I understand and accept that the policy applied for provides coverage on a "claims made and reported" basis for only those claims that are made against the insured while the policy is in force and that coverage ceases with the termination of the policy. All claims will be excluded that result from any acts, circumstances or situations known prior to the inception of coverage being applied for, that could reasonably be expected to result in a claim.

Applicant understands and agrees that the completion of this application does not bind Zurich Insurance Company to issuance of any insurance policy. Further, the applicant understands and agrees that she or he is obligated to report any changes in information provided in this application that occur after the date of the application.

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Zurich Insurance Company insurance business in Canada.

THE APPLICATION MUST BE SIGNED AND DATED BY THE APPLICANT.

Signature: _____ Date: ____/____/____

Name: _____ Title: _____

(Please Print)



PRIVACY BREACH LIABILITY INSURANCE APPLICATION

This coverage is provided by Sovereign General Insurance Company.

Privacy and Data Breach are emerging risks in today's technological environment and they keep increasing.

A company laptop is missing, customers' records are stolen, paper files are lost, your website or network is hacked...Is your business prepared for a breach?

Please refer to the attached information sheet for details on Privacy Breach Liability insurance.

Under writing Questions

Note: You are not eligible for this coverage if your response is "NO" to questions 1 to 3 and "YES" to question 4.

1. Do you have basic firewall protection and Anti-Virus/Malware software in place that is automatically updated?

 Yes No

2. Do you encrypt and password protect all electronic hardware (Computers, Laptops, Mobile Phones, Tablets, etc.) used in

the course of your business?

 Yes No

3. Do you ensure that automatic updates are turned on for all critical software and your operating system?

 Yes No

4. Are you aware of any facts or circumstances that could reasonably result in a privacy breach allegation against you?

 Yes No

If your response is "YES" to questions 1 – 3 and "NO" to question 4, you may check the box below.

\$0 Deductible applies

Coverage:	Limit Per Claim	Aggregate per Policy Period	Premium	Check desired box
Privacy Breach Liability Expense	\$100,000 \$50,000	\$100,000	\$55.00	<input type="checkbox"/>

4 King Street West
17th Floor
Toronto, ON
M5H 1B6

Tel: (416) 365-1818
Toll Free: 1-800-365-4430
Fax: (416) 365-1817

Premium Calculation - NEMA

Base Premium _____

\$50 if you are Life and A&S Licensed in BC _____

*\$325 for separate, dedicated limit if you are incorporated in BC, SK or AB _____

*\$300 for Quebec representatives who are incorporated _____

Privacy Breach Premium _____

Add 8% ON tax, 8% MB tax, 9% QC tax, 15% NL, if applicable _____

Total: _____

***Note on Corporate E&O Policy:**

If you are incorporated and engage the services of another licensed personnel, we highly recommend that you purchase a separate Corporate E&O Policy. Adding a separate, dedicated limit as required by various Life Regulators / AMF to your coverage is NOT Corporate coverage. Please call us for details on purchasing a Corporate E&O policy.

Payment Form - NEMA

Credit Card Authorization Form

Insured Name: _____

Visa MasterCard

<p>Cardholder Name</p> <p>_____</p>	<p>Charge Amount</p> <p>\$ _____</p>																											
<p>Card No.</p> <table border="1" style="width: 100%; height: 20px;"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>																						<p>Expiry Date (mm-yy)</p> <table border="1" style="width: 100%; height: 20px;"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>						

If you are paying for more than one certificate, please indicate each Insured’s name and payment below.

Insured	Payment
	\$
	\$

I agree that in consideration of BFL Canada permitting me to finance my premium through VISA or MasterCard, may return any premium by crediting my VISA or MasterCard account.

<p>Cardholder Name</p>	<p>Date (dd-mm-yy)</p>
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Signature: _____ Date: _____

Please send the completed and signed application(s) to BFL Canada Risk and Insurance Services Inc. with the Payment Form to:

Attn: Kuntie Kunan-Wright or Raed Shubbak
 BFL CANADA Risk and Insurance Services Inc.
 181 University Ave, Suite 1700
 Toronto, Ontario M5H 3M7, Canada

Email: kkunanwright@bflcanada.ca
rshubbak@bflcanada.ca

Fax: 416-599-5458