



BROKER-DEALER GUARDSM APPLICATION

Mercer Consumer, a service of Mercer Health & Benefits Administration LLC, is the Industry Leader offering the most comprehensive Fidelity Bond coverage available in the marketplace.

Highlights of the Broker-Dealer GuardSM Fidelity Bond include:

- › Designed to meet all requirements for compliance with FINRA® Rule 4360
- › Unaggregated Limit; the limit of liability applies to each loss with no aggregate policy limit
- › Defense cost for covered losses are covered above and in addition to the Limit of Liability
- › Choice of two Loss Settlement Clauses: Fidelity Research Investigative Specialist Clause or Traditional Proof of Loss method inclusive of Claims Expense
- › Over Twenty Coverages are included under the standard BDG Fidelity Bond policy, such as:
 - › (A) Fidelity, (B) On Premises, (C) In Transit, (D) Forgery and Alteration, (E) Securities, (F) Counterfeit Currency
 - › Computer Crime: seven separate coverages including telephone and email transfer fraud
 - › Impersonation Fraud Protection (a.k.a social engineering)
 - › ERISA coverage for in-house pension and profit-sharing plans when added by name as a joint insured; compliant with ERISA Act of 1974

The following coverage features are available by rider and are subject to underwriting and additional premiums as appropriate. Restrictions may apply in certain states.

- › Registered Representative Amendatory Enhancement (RRAE) — This rider broadens the scope of coverage to include coverage for theft of customer property by Registered Representatives. Additional premium charges will apply.
- › Registered Investment Advisers (RIA) — Provides coverage for the First Named Insured as a Registered Investment Advisor or for an affiliated RIA.
- › Corporate Identity Protection (CIP) — Responds to a data breach involving customers' personal, identifiable information. Coverage may be available for: 1) defense costs in response to any claim, suit or administrative action; and 2) notification costs, crisis expenses and post-event services, such as credit monitoring to affected individuals.
- › Personal Identity Coverage (PIC) — Responds to one of the fastest growing crimes in America by offering expert assistance and financial relief should a covered employee, representative and/or family member become a victim of identity theft.

Limits up to \$2,000,000 are available via the online application at www.brokerdealercoverage.com.

FINRA® is a registered trademark of Financial Industry Regulatory Authority, Inc.

Mercer Consumer, a service of Mercer Health & Benefits Administration LLC, a third-party provider of insurance products, is the Program Administrator. FINRA does not endorse these products and firms are not obligated to use them. Their use does not ensure compliance with FINRA rules or other regulations or laws.

Answers to the Most Frequently-Asked Questions: *

Q. What is a Fidelity Bond, and why does my firm need one?

A. A Fidelity Bond insures your firm against intentional fraudulent and dishonest acts committed by your employees and registered representatives under certain specified circumstances. Besides being a FINRA requirement, having a Fidelity Bond just makes good business sense.

Q. How do I determine what minimum limit of liability I need to carry?

A. According to Rule 4360 of the FINRA Manual, if your required net capital under SEC Rule 15c3-1 is less than \$250,000, then you are required to carry a Fidelity Bond in the amount of 120 percent of your required net capital or \$100,000, whichever is greater. If your required net capital is \$250,000 or greater, please refer to FINRA Rule 4360 to determine your minimum required bond limit.

Q. Does this policy satisfy the ERISA Fidelity Bond requirements for my in-house pension and profit-sharing plans?

A. Our Fidelity Bond allows you to add these plans at no additional cost, subject to the limit of your firm's Fidelity Bond. If your firm's limit falls short in satisfying your ERISA requirements, you will still need to carry a separate ERISA Bond for those plans unless you choose to increase your firm's Fidelity Bond to the limit of your ERISA requirement. If you require a separate ERISA Bond, Mercer also offers this product.

Q. What other products are available to broker-dealer firms?

A. Mercer Consumer offers a variety of insurance products including Cyber Privacy Liability, Errors & Omissions Liability, Directors & Officers Liability, Employment Practices Liability, Signature Guarantee Medallion Bonds, and many more. For more information on these or other products, please contact us at 1-800-978-6273 or visit our website at www.brokerdealercoverage.com.

FINRA-Required Coverages Included: *

- (A) Fidelity, (B) On Premises, (C) In Transit, (D) Forgery and Alteration, (E) Securities, (F) Counterfeit Currency

Additional Automatic Coverages Included at No Cost *:

- (G) Audit Expense—(Limit \$25,000; Subject to \$5,000 Deductible) Covers expenses incurred by the insured for the costs of audits or examinations required by any governmental regulatory authority for reason of discovery of a loss sustained by a dishonest or fraudulent act of an employee.
- (H) Credit Card Forgery—(Matches Limit and Deductible for Coverage (A) Fidelity) Covers loss the Insured shall sustain through forgery or alteration of, on or in, any written instrument required in conjunction with any business credit card issued to the Insured or to any partner, officer or employee of the Insured.
- (I) Unauthorized Signatures—(Limit \$25,000; Subject to \$5,000 Deductible) Covers loss resulting from the insured having accepted, paid or cashed any check or withdrawal order made or drawn on a customer's account which bears the signature of one other than a person whose name and signature is on file with the insured as a signatory on such account.
- (J) Stop Payment Liability—(\$25,000 Occurrence Limit; \$100,000 Aggregate Limit; \$5,000 Deductible) Covers losses for complying with or failing to comply with stop payment instructions for checks.
- (K) Uncollectible Items of Deposit—(\$25,000 Occurrence Limit; \$100,000 Aggregate Limit; \$5,000 Deductible) Covers loss resulting from payments of dividends or funds shares, or withdrawals from a customer's account as a direct result of items of deposit that are not paid for any reason.

Additional Automatic Coverages (continued): *

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Computer Crime Coverage Endorsement Rider—Seven separate coverages included; some are defined below (Limits and Deductibles Match the Coverage for Coverage (A) Fidelity).

- (L) Computer Systems Fraud—Covers loss from fraudulent entry or change of electronic data or computer program. Applicable to any computer system operated by the insured.
- (M) Data Processing Service Operations—Covers loss from a fraudulent entry or change of electronic data or computer program with regards to providing of data processing services for a client.
- (N) Telephone or Email Transfer Fraud—Covers loss resulting directly from the insured having in good faith, transferred funds from a customer's account, or a customer's certificated securities, in reliance upon a fraudulent instruction transmitted to the insured via telephone or electronic email.
- (O) Telefacsimile Transfer Fraud: Covers loss resulting directly from the insured having in good faith, transferred or delivered funds, certificated securities or uncertificated securities through a computer system covered under the terms of the Computer System Fraud insurance agreement due to their reliance on a fraudulent instruction received through a "Telefacsimile Device".
- (P) Destruction of Data or Programs by Hacker—Covers loss due to a hacker that causes the insured to transfer, pay or deliver funds or property, establish credit or give any value as the direct result of malicious damage or destruction to the insured's computer system.
- (Q) Destruction of Data or Programs by Virus—Covers loss due to a computer virus that causes the insured to transfer, pay or deliver funds or property, establish credit or give any value as the direct result of malicious damage or destruction to the insured's computer system.
- (R) Voice Computer Systems Fraud—Covers loss from charges for voice telephone long-distance calls incurred due to fraudulent use of Voice Computer System.
- Impersonation Fraud Protection (aka Social Engineering)—(Variable Limit; Minimum Limit of \$50,000 subject to \$10,000 Deductible) Covers losses due to social engineering or fraudulently-induced instructions from someone purporting to be an employee of the Insured firm (Included as a Standard Rider).
- Claims Expense—(Limit \$10,000; Subject to \$5,000 Deductible) Covers reasonable expenses incurred for producing and certifying details of the Insured's business required by Underwriter to arrive at a covered loss payable under the bond (Section VI.D.2 of Policy).

Coverage options available for additional premium †:

- Registered Representative Amendatory Enhancement (RRAE) — This rider broadens the scope of coverage to include coverage for theft of customer property by Registered Representatives.
- Corporate Identity Protection (CIP)—Responds to a data breach involving customers' personal, identifiable information. Coverage may be available for: 1) defense costs in response to any claim, suit or administrative action; and 2) notification costs, crisis expenses and post-event services, such as credit monitoring to affected individuals.
- Personal Identity Coverage (PIC)—Responds to one of the fastest growing crimes in America, by offering expert assistance and financial relief should a covered employee, representative and/or family member become a victim of identity theft.
- Registered Investment Advisors (RIA)—Provides coverage for the First Named Insured as a Registered Investment Advisor or an affiliated RIA.

FINRA® is a registered trademark of Financial Industry Regulatory, Inc.

† Subject to underwriting review.

*Additional conditions of coverage apply according to policy terms which supersede any summarized descriptions. All claims are subject to the full terms and conditions of the policy.

www.brokerdealercoverage.com plsdsteam.service@mercer.com



BROKER-DEALER GUARDSM APPLICATION

A Blanket Fidelity Bond for Securities Dealers

6704205

ELIGIBILITY REQUIREMENTS

- No claims made under your Fidelity Bond in the past three (3) years
- Home office is domiciled within the United States

APPLICANT INFORMATION

Broker-Dealer Name _____
(List all insureds, including Employee Benefit Plans.)

Additional Joint Insureds _____
(List all operating subsidiaries and your in-house pension and profit-sharing plans. Clearing brokers cannot be considered as additional insureds.)

The Broker-Dealer and Joint Insured(s) are referred to herein individually and collectively as "you" or "Applicant."

Contact Person _____ BD# _____
 Street Address _____
 City _____ State _____ ZIP _____
 Phone _____ Fax _____
 Email _____ Website _____

Broker Name	Broker License #
Broker Contact Name	Broker Email Address

UNDERWRITING INFORMATION

- Desired Effective Date _____
- Number of Registered Representatives _____
Number of Employees (not counted above) _____
- Total number of branches (excluding main office) _____
A "branch office" is defined as an office which is owned or controlled by a member firm, and which is engaged in the investment banking or securities business.
- Highest Net Capital Requirement during the preceding 12-month period _____
The "preceding 12-month period" includes the 12-month period that ends 60 days before the yearly anniversary date of your Fidelity Bond.
- Minimum Required Bond Amount _____
**Per FINRA Rule 4360, the following chart stipulates minimum required limits of liability.*

Net Capital Requirement Under \$250,000	Minimum Required Bond Amount Greater of A) 120% of firms required net capital or B) \$100,000
\$250,000 — 300,000	\$ 600,000
\$300,001 — 500,000	\$ 700,000
\$500,001 — 1,000,000	\$ 800,000
\$1,000,001 — 2,000,000	\$1,000,000
\$2,000,001 — 3,000,000	\$1,500,000
\$3,000,001 — 4,000,000	\$2,000,000
\$4,000,001 — 6,000,000	\$3,000,000
\$6,000,001 — 12,000,000	\$4,000,000
\$12,000,001 — and above	\$5,000,000

6. Desired Bond Limit and Deductible _____
 Choose from deductible amounts of \$5,000 (Bond Limits of \$100,000–\$250,000), \$10,000 (Bond Limits of \$100,000–\$2,000,000), 10% of the Bond Limit or 25%* of the Bond Limit.

Coverage	Desired Limit	Desired Deductible*
Basic Bond (A–F) and Insuring Agreements L–R	\$ _____	\$ _____ or _____ % Deductible
Insuring Agreement H (Credit Card Forgery)	\$ _____	\$ _____
Insuring Agreements G, I, J and K	\$ _____	\$ _____

*FINRA Rule 4360 stipulates any deductible amount that is greater than 10% of the limit purchased, the firm must deduct from its net worth in the calculation of its net capital for purposes of Exchange Act Rule 15c3-1.

7. Exchanges of which you are a member, (please check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Boston Stock Exchange | <input type="checkbox"/> Midwest Stock Exchange |
| <input type="checkbox"/> Chicago Stock Exchange | <input type="checkbox"/> Chicago Board of Options Exchange |
| <input type="checkbox"/> Pacific Stock Exchange | <input type="checkbox"/> American Stock Exchange |
| <input type="checkbox"/> Stock Clearing Corp of Philadelphia | |

8. Are you registered to do business in the state of Arkansas? _____

9. If you are fully disclosed, please list your clearing broker. _____

10. During the past five years, were any of your firm’s current or past registered representatives fined, penalized or suspended while with your firm? Yes No

If “Yes,” please provide a complete Form U-4 including DRP for each incident:

of incidents _____

Date of such incidents _____

Amount (\$) of each incident _____

Cause of each incident _____

11. Year Broker-Dealer Established _____

12. Has any insurance been declined or canceled during the past three years? (Missouri Applicants need not reply.)
 Yes No

If “Yes,” please provided details of such declination or cancellation. _____

13. List all losses sustained during the past three years, whether reimbursed or not. (If none, please state “No Losses.”)

Date of Loss	Type of Loss	Amount of Loss	Corrective Action

ADDITIONAL COVERAGE OPTIONS

You may add the following valuable coverage options to the bond for an additional premium (subject to underwriting). If you are interested in any of the following enhancements to your bond, please fill out the required information below each option.

Registered Representative Amendatory Enhancement (RRAE) — This rider broadens the scope of coverage by defining who is a customer and customer property, which basically broadens the coverage for the firm from the “selling away” activities of Registered Representatives. Additional premium charges apply.

RRAE Required Information

During the past five years, have any of your firm’s current or past Registered Representatives respond ‘yes’ to any or all parts of the following questions:

- 1. ‘Criminal Disclosure’ Questions 14A or 14B of Form U-4 or, Yes No
- 2. ‘Customer Complaint/Arbitration/Civil Litigation Disclosure’ Question 14I of Form U-4. Yes No

If “Yes” to either, please provide a complete Form U-4 including Disclosure Reporting Page (DRP) for each ‘yes’ answer. Any “Yes” response requires underwriting approval prior to adding.

Registered Investment Advisor Coverage (RIA) — Please complete this section if you require coverage for any affiliated Registered Investment Advisory (“RIA”).

- 1. For each affiliated RIA entity seeking coverage, please indicate the following:

Name(s)	
Date Created	
Relationship with Applicant	
Number of Employees [excluding any Employees that serve as Investment Advisory Representatives (IAR)]	
Number of IARs (including those who are Employees)	
Number of Persons serving as both a Registered Representative for the Broker-Dealer Applicant and an IAR for the affiliated RIA	
Number of Branches	
Does the RIA have its own bond coverage? If “Yes,” please indicate the limit	

- 2. Describe the operations and products of the requested RIA(s). Please indicate if state-registered or SEC-registered.

- 3. List all losses sustained during the past three years by each RIA, whether reimbursed or not, from _____ to _____. (Missouri applicants need not reply.) _____
- 4. Do the internal controls that apply to the Applicant(s) also apply to the RIA? If “No,” please explain how they differ.

- 5. Was there any criticism of any RIA in either the last State or Federal examination? If “Yes,” please provide a copy of the most recent SEC and/or State regulatory exam along with the firm’s response.

Corporate Identity Protection/Privacy Coverage (CIP) — This valuable coverage enhancement responds to a data breach involving personal, identifiable information. Coverage may be available for: 1) defense costs in response to any claim, suit or administrative action; and 2) notification costs, crisis expenses and post-event services, such as credit monitoring to affected individuals. Additional premium charges apply.

Please note:

This coverage enhancement is only available for firms of 400 or fewer employees.

This coverage is not available in Vermont or Washington.

Amounts incurred for defense costs, administrative expenses, notification costs, crisis expenses, and post-event services expenses shall reduce the amount of insurance available to pay judgments or settlements and shall be subject to the applicable deductible.

CIP REQUIRED INFORMATION

Short Description of Business _____

Corporate Structure: Non-profit Private Public Private with public debt
State of Incorporation _____ or N/A Year Established _____

Projected Annual Revenue \$ _____ Year-end Assets \$ _____

Are you requesting this additional coverage for any subsidiaries? Yes No

If so, list those subsidiaries here.* _____

**Regardless of the list of subsidiaries, there shall be no coverage for any subsidiary unless specifically endorsed to the proposed bond. Information provided in this application must incorporate subsidiaries for which coverage is requested.*

CIP APPLICATION ACTIVITIES

1. Industry NAIC Code and Title _____
2. Retail Sales:
 - a) What percentage of annual sales are retail sales or services, meaning sales or services direct to individual consumers?
 Less than 5% More than 5% and less than 50% More than 50%
 - b) If applicable, are you in compliance with requirements provided to you by a financial institution in connection with an agreement to accept credit card transactions including CISP; the PCI Data Security Standard; or, any other requirements provided to you? Yes No
3. Does Applicant have EACH of the following in place:
 - a) a person or group responsible for information security? Yes No
 - b) a virus protection program? Yes No
 - c) a firewall? Yes No
 - d) a software update process, including updating patches and anti-virus software? Yes No
 - e) a complete network scan of external ports completed once every 90 days? Yes No
 - f) a user awareness training program for privacy and information security issues? Yes No
4. Does the Applicant have a current Information Security Policy which documents security procedures, responsibilities and testing? Yes No
If "Yes," give details. _____
5. Does the Applicant have a current Information Security Incident Response Plan covering unintended release, theft or loss of personal information? Yes No
If "Yes," give details. _____
6. Does the Applicant encrypt all sensitive and Personally Identifiable Information? Yes No
If "Yes," give details. _____

CIP PRIOR COVERAGE AND LOSS INFORMATION

1. Has the Applicant had an application for identity theft, cyber-liability or other insurance policy or bond providing same or similar coverage as the insurance sought declined or has a policy or bond issued to Applicant been canceled or nonrenewed by the insurance carrier in the past three years? (Missouri Applicants need not reply.) Yes No
If "Yes," give details. _____
2. Has the Applicant experienced any loss that would be covered under this bond in the past three years? Yes No
If "Yes," include date, type and amount of loss. _____
3. Has the Applicant had a theft of or unintended release of personal information in the past three years? Yes No
If "Yes," did Applicant notify the individuals whose information was stolen or released? Yes No
If "Yes," please describe the nature and size of the release and any corrective action taken. _____
4. Has the Applicant been the subject of an administrative investigation, hearing or disciplinary action conducted by a Federal, State or Local Regulator that involved identity theft or a privacy violation of any nature in the past three years? Yes No
If "Yes," describe and include any corrective action taken. _____
5. Has the Applicant been named in a civil or criminal proceeding that involves identity theft or a privacy violation of any nature? Yes No
If "Yes," describe the outcome and include any corrective action taken. _____

CIP DESIRED TERMS

Effective Date _____

Limit (May not exceed Bond Limit) \$ _____ Deductible Amount \$ _____

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Aggregate Policy Limit:	\$50,000	\$100,000	\$250,000	\$500,000	\$750,000	\$1,000,000
Personal Identity Liability Sub-limit:	\$50,000	\$100,000	\$250,000	\$500,000	\$750,000	\$1,000,000
Administrative Action Sub-limit:	\$50,000	\$100,000	\$250,000	\$250,000	\$250,000	\$ 250,000
Identity Event Services Sub-limit:	\$50,000	\$100,000	\$250,000	\$250,000	\$250,000	\$ 250,000
Deductible Amount:	\$ 1,000	\$ 2,500	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000

Personal Identity Coverage (PIC) — This valuable coverage enhancement responds to one of the fastest growing crimes in America, by offering expert assistance and financial relief should a covered individual become a victim of identity theft. Additional premium charges apply.

Please note: This coverage is not available in Vermont or Washington.

PIC REQUIRED INFORMATION

- Do you currently have an identity theft insurance program in place? Yes No
If "Yes," please attach policy or bond.
- Have you ever had an application for identity theft insurance declined or has a policy or bond issued to you been canceled or nonrenewed by the insurance carrier? Yes No
If "Yes," please give details. (Missouri Applicants need not reply.) _____

- Have you had any identity theft losses over the past three years (whether or not covered by insurance)? Yes No
If "Yes," include date, type and amount of loss. _____

- Have you had any theft of customer/member/employee information over the past three years (whether or not covered by insurance)? Yes No
If "Yes," include date, type and amount of loss. _____

- Do you train employees on privacy, information security and related issues annually or more frequently? Yes No
If "Yes," please provide information about the training provided.

- How many employees do you have that reside in the State of New York? _____

PIC DESIRED TERMS

Effective Date _____

Coverage Type (select one):

Employee Only	
Employee Plus Spouse	
Employee Plus Spouse and Children Ages 18–23	
Employee Plus Spouse and Children Ages 0–23	

Limit (\$10,000 or \$25,000) \$ _____

FRAUD WARNINGS

NOTICE TO APPLICANTS: 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 ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO ALABAMA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO RESTITUTION FINES OR CONFINEMENT IN PRISON, OR ANY COMBINATION THEREOF.

NOTICE TO ARKANSAS, NEW MEXICO AND WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AUTHORITIES.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

NOTICE TO KANSAS APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARED WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT.

NOTICE TO KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

NOTICE TO LOUISIANA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MAINE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MINNESOTA APPLICANTS: A PERSON WHO FILES A CLAIM WITH INTENT TO DEFRAUD OR HELPS COMMIT A FRAUD AGAINST AN INSURER IS GUILTY OF A CRIME.

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

NOTICE TO OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY (365:15-1-10, 36 §3613.1).

NOTICE TO OREGON APPLICANTS: 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, MAY BE GUILTY OF A FRAUDULENT ACT, WHICH MAY BE A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO PENNSYLVANIA APPLICANTS: 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 SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

NOTICE TO VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.

About Our Role and Compensation

In this transaction, Mercer Consumer, a service of Mercer Health & Benefits Administration LLC, is acting as the insurance agent and program manager for National Union Fire Insurance Company of Pittsburgh, PA for this type of coverage, and not as your insurance broker. Alternative insurance products may be available in the insurance marketplace. Mercer Consumer is only offering this selected insurer quote proposal.

In accordance with industry custom, we are compensated through commissions that are calculated as a percentage of the insurance premiums charged by insurers. We may also receive additional monetary and nonmonetary compensation from insurers or from other insurance intermediaries, which may be contingent upon such factors as volume, growth or retention of business. This compensation may include payment from insurers for marketing-related expenses or investments in technology. Our compensation may vary depending on the type of insurance purchased and the insurer selected. We will produce additional information about our compensation and information regarding alternative quotes, upon your request.

You may obtain this information by referring to <https://www.personal-plans.com/disclosure> and entering the security code o4805332 or call us at 1-888-206-5088 for specific details.

Applicant Warranty

The undersigned is a duly authorized representative of the Applicant and he/she understands and acknowledges that Applicant satisfies the Eligibility Requirements as described on this application and represents that the information furnished in this application is complete, true and accurate. Any intentional misrepresentation, omission, concealment or incorrect statement of a material fact, on this application or otherwise, shall be grounds for rescission of any bond issued in reliance upon such information.

If CIP is being purchased, the undersigned hereby acknowledges that he/she is aware that the Limit of Liability contained in this bond shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the Limit of Liability of this policy, and the undersigned further acknowledges that legal defense costs that are incurred shall be applied against the deductible amount.

All written statements and materials furnished to the underwriting insurance company by or on behalf of the Applicant in conjunction with this application are incorporated by reference into this application and made part of it.

The insurance for which you are applying is subject to approval by the underwriting insurance company. Receipt of a completed application and/or premium payment does not bind the insurance company to issue coverage to you.

The undersigned also understands and acknowledges the Mercer Consumer, a service of Mercer Health & Benefits Administration LLC, About Our Role and Compensation stated on this application and my signature is acceptance of these terms.

Signature **X** _____ Date **X** _____
(Applicant)

Print Name **X** _____ Title **X** _____

How to Submit Your Application and Pay

- 1) Mail the completed, signed application and check to:

**Mercer Consumer
P.O. Box 850293
Minneapolis, MN 55485-0293**

- 2) Fax the completed, signed application to:
Attn. Fidelity Bond Team 515-365-3005

- 3) Visit www.mercersecureservice.com/386 to enter your credit card information (AMEX, MasterCard or Visa) and upload this completed, signed application.*

*Submission of your credit card information to Mercer Consumer does not constitute receipt of payment or approval or binding of coverage by the Insurer. Any coverage is subject to the terms and conditions of the insurance policy issued by the Insurer. Payment will be processed upon review and acceptance of your submission.

1-800-978-6273

www.brokerdealercoverage.com



QUESTIONNAIRE

1. Please indicate how you acquired this application:

- Direct Mailer Conference Website Requested Provided by a broker or consultant
 Other _____

2. Prior Insurance: Carrier _____ Expiration Date _____ Annual Premium _____

3. Do you currently have any of the following products?

- Cyber Security Liability Insurance? Yes No (Expiration Date _____)
- Errors & Omissions Liability Insurance? Yes No (Expiration Date _____)
- Directors & Officers Liability Insurance? Yes No (Expiration Date _____)
- Fiduciary Liability Insurance? Yes No (Expiration Date _____)
- Employment Practices Liability Insurance? Yes No (Expiration Date _____)
- ERISA Bond? Yes No (Expiration Date _____)
- Signature Guarantee Medallion Bond? Yes No (Expiration Date _____)
- Business Owners, Workers' Comp, Business Auto, Excess Liability? Yes No (Expiration Date _____)

4. If you do not currently have these coverages with Mercer Consumer, may we contact you to discuss our product line and obtain additional information to provide you with a quotation of those coverages you have an interest in? Yes No

- If "Yes," please provide contact information:

Contact Name _____ Phone Number _____

Email Address _____

5. Would you like to receive email updates regarding Mercer Consumer insurance products and offers?*

- Yes No

* If "Yes," please include email address above.