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**INVESTMENT ADVISER,  
 PROFESSIONAL SERVICES AND DIRECTORS  
 AND OFFICERS LIABILITY  
 NEW BUSINESS APPLICATION**



Phone: 800-691-1515  
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[www.markelinvestmentadvisors.com](http://www.markelinvestmentadvisors.com)

**Notice:** This is an application for coverage on a claims-made and reported basis. Such coverage, if issued, will apply solely as stated in the policy and will potentially cover only those claims that are first made against you and reported to us during the policy period or extended reporting period, if applicable.

The amounts incurred as defense expenses will reduce the limit of liability available, unless the policy is amended by endorsement.

**Applicant:** (Full legal name of Registered Investment Adviser or Investment Adviser Representative)

\_\_\_\_\_

\_\_\_\_\_

Additional Business Names: \_\_\_\_\_

Principal Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Website: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_ Email: \_\_\_\_\_

**ALL DISCLOSURES AND SUBMITTED MATERIAL MUST BE CURRENT AND ACCURATE, as required by state and federal agencies.**

Please indicate (  ) the attachment of the following items:

- Attached** – Form ADV Part 1 and Form ADV Part 2A: Firm Brochure, or  **Filed electronically with IARD.**
- Attached** – All Supplements, especially Form ADV Part 2B: Brochure Supplement for each IAR, or  **Filed electronically with IARD.**
- Attached** – Sample customer contract(s) for each professional service rendered.
- Attached** – A copy of current recent Regulatory audit letter and response letters if audit occurred within three years.
- Current unaudited Balance Sheet and Income Statement (required for D&O coverage only)
- Provide name of your Chief Compliance Officer and the name of your Outside Compliance Professional – attorney or consultant.

**Chief Compliance Officer:** \_\_\_\_\_  **NONE**

**Outside Compliance Professional:** \_\_\_\_\_  **NONE**

**Section 1. General Information**

1. Has any insurer declined, cancelled or non-renewed any Investment Adviser Professional Liability Insurance or any similar insurance on behalf of any applicant for this insurance? (Not applicable in state of Missouri)  Yes  No  
**If yes,** provide details on a separate sheet.
2. Has any Professional Liability (E&O) claim, complaint or proceeding been made against you or any other applicant or predecessor organization proposed for this insurance?  Yes  No  
**If yes,** provide details on a separate sheet.
3. Is any applicant aware of any fact, error, omission, circumstance or situation that may provide grounds for any claim under the proposed insurance?  Yes  No  
**If yes,** provide details on a separate sheet.
4. Have you or any of your directors, officers, employees, predecessors, subsidiaries, affiliates or any other applicant been involved in or have knowledge of any pending or completed governmental, regulatory, investigative or administrative proceedings?  Yes  No

**If yes**, provide details on a separate sheet.

5. Is any advisory customer an investment company (registered or unregistered), REIT, limited partnership, collective investment trust or any other pooled investment vehicle?  Yes  No
- a. **If yes**, provide details on a separate sheet.
- b. **If no**, do you agree to notify us within 30 days if you start to render advisory services to such a customer?  Yes  No
6. Do you act as adviser or consultant for any Taft-Hartley, union or governmental employee benefit plans?  Yes  No
- If yes**, attach a list of accounts and assets.
7. During the last 3 years, have you or any affiliate considered or been involved in any attempted or completed merger, acquisition, divestiture or significant change in principals?  Yes  No
- If yes**, provide details on a separate sheet.
8. What percentage of your revenue is derived from professional entertainers, celebrities, athletes and musicians? \_\_\_\_\_%

**If none**, check here:

9. Do you provide personal management services such as sports management or bill paying or other concierge services to any customer?  Yes  No
10. Trading errors
- Before a trade is executed, are there procedures in place to ensure the trade does not violate the investment agreement and that the correct trade amount is being executed?  Yes  No
- a. Are there mechanisms or policies in place to quickly identify if a trading error has occurred?  Yes  No
- If yes**, attach your policy and procedures.
- b. Have you ever had a trading error loss in excess of \$5,000?  Yes  No
- If yes**, provide details (i.e. dates, amounts, by whom the loss was paid).

11. Do you provide **ERISA 3(38)** Investment Manager or **ERISA 3(21)** Limited Scope Fiduciary services to your customers?  Yes  No

**If yes**, please include the professional service contracts with the submission.

ERISA Service	Regulatory Assets Under Management And Advisement	Number Of Accounts
ERISA 3(38) Investment Manager	\$	
ERISA 3(21) Limited Scope Fiduciary	\$	

12. Is your firm a single employee/owner firm?  Yes  No

13. Custodians/Trade Associations – Please indicate (☒):

<input type="checkbox"/> Fidelity	<input type="checkbox"/> TD Ameritrade	<input type="checkbox"/> National Advisors Trust
<input type="checkbox"/> Scottrade	<input type="checkbox"/> Folio Institutional	<input type="checkbox"/> Trust Company of America
<input type="checkbox"/> Pershing	<input type="checkbox"/> Shareholders Services Group	<input type="checkbox"/> Raymond James Advisory
<input type="checkbox"/> Schwab	<input type="checkbox"/> FPA	<input type="checkbox"/> NAPFA
<input type="checkbox"/> Garrett Network	<input type="checkbox"/> Fi360	<input type="checkbox"/> XYPN
<input type="checkbox"/> BAM	<input type="checkbox"/> Other: _____	

14. List all advisers who provide financial advice. Independent Contractors (1099) are not automatically covered under the policy. Refer to Question 22. for additional coverage request. (If needed, attach a separate sheet.)

Name Of All Individual Advisers	Professional Designations	CRD Number

15. Conflicts of Interest – Please explain any **yes** responses on a separate sheet.

- a. Do you or any of your partners, members, managers, officers, directors, employees or associated professionals:
- (1) Act as both Trustee and adviser to any customer?  Yes  No
- (2) Act as a director, partner, member, manager, officer, employee or any other position of control for any organization in which customers are solicited to invest?  Yes  No
- (3) Advise or solicit customers to invest in any enterprise in which any firm member has more than 5% ownership interest?  Yes  No
- (4) Do you currently use performance-based fees?  Yes  No
- If yes:**
- (a) Are all customers exempted from Rule 205(a) or deemed "Qualified Clients"?  Yes  No
- (b) How many customers have performance-based fees? \_\_\_\_\_
- (5) Do you use third party solicitors to generate business?  Yes  No

**If yes:**

- (a) Is the arrangement in compliance with state or federal regulations?  Yes  No
- (b) Do the solicitors evidence this arrangement to prospective customers?  Yes  No
- (c) How many solicitors are used? \_\_\_\_\_

- b. Is any applicant a director, officer, employee or in a position of control for any organization or enterprise (including all subsidiaries and affiliates) which is also an advisory customer?  Yes  No

16. Disclosure Events – Please explain any **yes** responses on a separate sheet.

Have you or any associated professional ever:

- a. Had a professional license or registration denied, suspended, revoked, non-renewed or restricted?  Yes  No
- b. Been formally reprimanded by any court, administrative or regulatory agency?  Yes  No
- c. Had a complaint filed with any consumer agency, state securities department, insurance department or your broker-dealer, SEC, FINRA or other regulatory agency?  Yes  No
- d. Been audited by the SEC, FINRA, any state securities department or other licensing or regulatory agency?  Yes  No
- e. Been formally accused of violating any professional association's code of ethics?  Yes  No
- f. Been convicted of a felony or any civil proceedings?  Yes  No
- g. Been involved in, or are aware of, any fee disputes including suits?  Yes  No

**NOTE:** Mutual Funds or ETFs in your portfolios that hold other security types shown below should be considered mutual funds or ETFs for the lower schedule. List only the portion of the below products not held within Mutual Funds or ETFs.

17. Provide the percentage of total assets you advise in each of the following categories. (Must total 100%.)

%	Classes And Types Of Assets Managed And Assets Advised	%	Classes And Types Of Assets Managed And Assets Advised
_____	Mutual Funds <b>(all investment styles)</b>	_____	Foreign Securities ( <i>Traded 100% outside the U.S.</i> )
_____	Cash	_____	Certificates of Deposit
_____	Closed-End Investment Companies	_____	Unit Investment Trusts (UIT)
_____	Variable Annuities	_____	Unlisted Stocks
_____	Investment Grade Bonds	_____	Unregistered Securities
_____	Listed Stocks	_____	Index Linked Securities
_____	Exchange Traded Funds (ETF) (excluding leveraged and inverse)	_____	Junk Bonds / Below Investment Grade
_____	Leveraged Exchange Traded Funds	_____	Promissory Notes / Leases / Receivables
_____	Inverse Exchange Traded Funds	_____	Hedge Funds
_____	Municipal Securities	_____	Fund of Hedge Funds
_____	Options	_____	Guaranteed Investment Contracts (GIC)
_____	REITs Publicly Traded	_____	Collective Investment Trusts / Fund (CIT / CIF)
_____	REITs / REIFs Privately Traded	_____	Tangibles (gold, silver, collectibles, coins, etc)
_____	Limited Partnership/General Partnerships or similar	_____	Asset-Backed Securities, Mortgage-Backed Securities, CMO, CDOs.
_____	Pooled Investment Vehicles	_____	Church Bonds
_____	Exchange Traded Notes (ETN)	_____	Other Derivatives or Structured Products
_____	Other: _____	_____	

18. Provide approximate percentages of professional services. Must total 100%. Indicate all services that you provide. (Note: LPOA = Limited Power of Attorney)

%	Nature Of Practice	%	Nature Of Practice
_____	Modular / Comprehensive Financial Planning / Preparation / Advising	_____	Investment Management or Pension / Benefit Consulting
_____	Divorce Financial Consulting	_____	Hourly Advice
_____	Discretionary Asset Management (LPOA)	_____	Wrap Accounts
_____	Non-Discretionary Asset Management (LPOA with Prior Consent)	_____	Tax Preparation
_____	Asset Monitoring (No LPOA to Direct Trades)	_____	Seminars / Education
_____	Product Sales Based On Financial Plan	_____	Third Party Pension Administration
_____	Product Sales Not Based On Financial Plan	_____	Timing Services
_____	Publish Newsletters for Subscription or Fee	_____	Third Party Money Managers
_____	Other: _____	_____	

19. Sources of revenue: Provide gross annual revenues from financial planning, advisory activities, and commissions from the sales of securities and/or life and health insurance received by all covered individuals and entities.

Year	Annual Total Gross Revenues (100%)	% Fee Only Revenues	% Commission Revenues	# Of Financial Advisors
Last Year:	\$	%	%	
Projected for Current Year:	\$	%	%	
Projected for Next Year:	\$	%	%	

20. Value of Regulatory Assets Under Management (AUM) or Assets Under Advisement (AUA)

AUM – Discretionary Accounts	Market Asset Value	Value Of Largest Account	# Of Customers
Discretionary AUM accounts	\$	\$	

AUM – Non-Discretionary Accounts	Market Asset Value	Value Of Largest Account	# Of Customers
Non-Discretionary AUM accounts	\$	\$	

AUA – Investment Consulting, Monitoring Or Referral	Market Asset Value	Value Of Largest Account	# Of Customers
Total Asset Monitoring (No LPOA to Direct Trades)	\$	\$	
Total Referral to Third Party Money Manager Accounts (no Direct Management)	\$	\$	

**TOTALS FOR ALL AUM AND AUA ACCOUNTS:** \$ \_\_\_\_\_

21. Requested limits and deductibles: *WE DO NOT GUARANTEE TO OFFER ANY OF THE BELOW LIMITS OR DEDUCTIBLES.*

Please indicate (☒) Limits Requested:

- \$500,000 / \$1,000,000     
 \$1,000,000 / \$1,000,000     
 \$1,000,000 / \$2,000,000  
 \$2,000,000 / \$2,000,000     
 Other: \$ \_\_\_\_\_

Please indicate (☒) Deductible Requested:

- \$10,000     
 \$25,000     
 \$50,000     
 \$75,000     
 \$100,000

**Section 2. Supplemental Coverages**

**SUPPLEMENTAL QUESTIONNAIRE TO BE COMPLETED FOR ADDITIONAL COVERAGE**

– If completed, this will become part of the application –

If you desire coverage for the below activities, please complete the corresponding questions:

- |                                |   |   |
|--------------------------------|---|---|
| Tax preparation                | <input type="checkbox"/> Decline coverage | <input type="checkbox"/> Requested. Complete Question 22. |
| Independent contractors        | <input type="checkbox"/> Decline coverage | <input type="checkbox"/> Requested. Complete Question 23. |
| Life sales                     | <input type="checkbox"/> Decline coverage | <input type="checkbox"/> Requested. Complete Question 24. |
| Directors & Officers Liability | <input type="checkbox"/> Decline coverage | <input type="checkbox"/> Requested. Complete Question 25. |

**NOTE:** If you **decline** all supplemental coverage you may proceed to the **NOTICE TO THE APPLICANT** section below.

22. **IF COVERAGE FOR TAX PREPARATION IS DESIRED, PLEASE COMPLETE THE FOLLOWING:**

Provide gross annual tax preparation revenue: \$ \_\_\_\_\_

23. **IF COVERAGE FOR INDEPENDENT CONTRACTORS IS DESIRED, PLEASE COMPLETE THE FOLLOWING:**

List the **CRD numbers** and **names** of any independent contractors (non-employees) giving investment advice on your behalf: *(If needed, attach a separate sheet.)*

- a. \_\_\_\_\_  
b. \_\_\_\_\_

24. **IF COVERAGE FOR LIFE SALES IS DESIRED, PLEASE COMPLETE THE FOLLOWING:**

List professionals that provide sales, and include commissions paid directly to that professional in Question 18 (sources of revenue): *(If needed, attach a separate sheet.)*

Name Of Financial Advisers	Life / Health

25. **IF COVERAGE FOR DIRECTORS & OFFICERS LIABILITY IS DESIRED, PLEASE COMPLETE THE FOLLOWING:**

a. List of entities for which coverage is desired:

Business Name	Type Of Operation	Owned By	% Ownership

b. Organization has been continually operating since: \_\_\_\_\_

c. Stock ownership:

- (1) Total number of common shares outstanding: \_\_\_\_\_
- (2) Total number of common stock shareholders: \_\_\_\_\_
- (3) Total number of common shares owned by its Directors and Officers (direct and beneficial): \_\_\_\_\_
- (4) List any shareholder(s) owning 5% or more of the common shares directly or beneficially of the applicant:

Name	Title	Ownership

d. Has the applicant been involved in any actual or proposed merger, acquisition, consolidation, tender offer or divestment during the past 3 years?  Yes  No

**If yes,** provide details on a separate sheet.

e. Have there been any claims, or are there any claims now pending, against any person proposed for insurance in their capacity as owner, director, officer, partner or trustee of an organization?  Yes  No

**If yes,** provide details on a separate sheet.

**Note: The policy, if issued, will not cover any such prior or pending claims.**

f. Has the Organization or any of its owners, directors, officers, partners or trustees been involved in, charged with, or have any knowledge of any fact or circumstance involving any of the following which may give rise to a claim under the proposed insurance?

- (1) Antitrust, copyright or patent litigation?  Yes  No
- (2) Civil action, criminal action or administrative proceeding arising from an alleged or actual violation of any federal or state securities law or regulation?  Yes  No
- (3) Civil action, criminal action or administrative proceeding arising from an alleged or actual violation of any federal or state antitrust or fair trade law?  Yes  No
- (4) Unfair competition?  Yes  No
- (5) Raiding a competitor's employees?  Yes  No
- (6) Representative actions, class actions, or derivative suits?  Yes  No
- (7) A lawsuit brought by any self-regulatory body or government agency?  Yes  No
- (8) A fine or sanction levied by any self-regulatory body or government agency?  Yes  No

**If yes** to any question asked in j.(1) – j.(8) above, please provide details on a separate sheet.

**Note: The policy, if issued, will not cover any claim or action arising from such knowledge, charges, information or involvement.**

**NOTICE TO THE APPLICANT – PLEASE READ CAREFULLY**

If we agree to issue a policy, we will rely upon all information contained in the application and the truth and accuracy of the representations contained in the application.

This application warrants that:

1. The statements within and any attachments to the application are true and accurate to your best knowledge and belief, or to the best knowledge and belief of your authorized agent.
2. Neither you nor any other person or organization applying for coverage with us has knowledge of any fact, circumstance or situation which is not disclosed on the application and may result in a claim. Any claim subsequently arising from such a fact, circumstance or situation will not be covered by the proposed insurance.
3. You are applying for coverage on a claims-made and reported basis. You understand that such coverage, if issued, will apply SOLELY AS STATED IN THE POLICY and will potentially cover ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST YOU AND REPORTED TO US DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE. The policy, if issued, will have specific provisions detailing claim reporting requirements.
4. We are authorized to make any reasonable inquiries we deem necessary in connection with the application.

**Fraud Warning:** Any person who knowingly and with intent to defraud any Insurance Company or another 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 the person to criminal and civil penalties. (Not applicable in AL, AR, CO, DC, FL, KS, KY, LA, MD, ME, MN, NJ, NM, NY, OH, OK, OR, PA, RI, TN, VA, VT, WA, and WV) (Insurance benefits may also be denied in LA, ME, TN, and VA.)

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### **STATE FRAUD STATEMENTS**

#### **Applicable in AL, AR, DC, LA, MD, NM, RI and WV**

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

#### **Applicable in CO**

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

#### **Applicable in FL and OK**

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)\*. \*Applies in FL Only.

#### **Applicable in KS**

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

#### **Applicable in KY, NY, OH and PA**

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 (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only.

#### **Applicable in ME, TN, VA and WA**

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 and denial of insurance benefits. \*Applies in ME only.

#### **Applicable in MN**

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

#### **Applicable in NJ**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

#### **Applicable in OR**

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

#### **Applicable in VT**

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.

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### **WARRANTY**

By signing this application, you warrant that:

1. You understand and accept the items shown in this application;
2. You authorize any prior insurer of yours to release claim information to us;
3. You hereby agree to notify us of any change to facts presented in the application between the date of application and the effective date of coverage; and

4. You understand that the information you provide to us shall be the basis of the policy and deemed incorporated into the policy, should we evidence our acceptance of the application by issuance of a policy.

The undersigned represents that to the best of his/her knowledge and belief the statements set forth in this application and in any attachments herein are true and complete. Signing this application does not bind us to provide or you to purchase the insurance. This application must be signed by a director, executive officer, partner or equivalent within 60 days of the proposed effective date.

**NOTE:** Coverage cannot be bound until the Company approves your completed application. The Company's receipt of premium does not bind coverage until a written quote has been issued. Before electronically signing this document, verify your information is correct. Electronically signing will disable further editing of your application.

\_\_\_\_\_  
Name of Applicant Title

\_\_\_\_\_  
Signature of Applicant Date

(Florida only) Agent license number: \_\_\_\_\_

**Thank you for choosing Markel!**