

POLICY NUMBER:  
Endorsement Number:

## FINANCIAL PRODUCTS ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

### LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY

Insured Name:

Agency Code:

Agency Name: Rockwood Programs, Inc.

Endorsement Effective Date:

In consideration of the additional premium of \$ \_\_\_\_\_, the policy is amended as follows:

Section III Definitions, Item K "**Professional Services**" is deleted in its entirety and replaced with the following:

**K. "Professional Services"** means:

1. those Life Accident and Health insurance related services to which this Insurance applies that are performed for others, for a commission or fee, in the course of the **Named Insured's** profession as a:
  - a.) Licensed Life, Accident and Health Insurance agent;
  - b.) Licensed Life, Accident and Health Insurance agent who is placing business with any licensed insurance company; or
2. the sale and/or servicing of **Financial Products** for which a Series 6 license is required,

provided, however that **Professional Services** shall not include fee based consulting services of any kind.

For purposes of this definition, the term "others" will not include the **Insured** or the **Insured's** owned or controlled entities or any person or entity which owns or controls or is under common ownership or controlled by the **Insured**, or any entity that the Insured serves as an officer, partner, or principal shareholder.

Section III Definitions, Item P "**Financial Products**" is added:

**P. "Financial Products"** are defined as Mutual Funds and Variable Annuities.

Section IV Exclusions, Item A is deleted in its entirety and replaced with the following:

- A.** any activities or services related to or involving:
1. Certificates of Deposit, Treasury Securities, stocks, and/or bonds;
  2. viatical settlements, structured settlements, life settlements, senior settlements, promissory notes, limited partnerships, discretionary agreements, or third party administration, whether the **Insured** performs such activities for a fee or no fee;
  3. guaranteed outcome investment performance products;

4. any underwriting, syndicating or investment banking or associated counseling or investment activities involving or related to mergers, acquisitions, divestitures, tender offers, leveraged buy-outs, re-organizations, capital structuring, recapitalization, spin-offs, primary or secondary offering of securities, business valuation or financing for any enterprise, or any disclosure requirements in connection with the foregoing; and
5. services performed as an attorney, actuary, accountant, notary public, Registered Investment Advisor, tax advisor, real estate agent or broker, or property and casualty insurance agent or broker.

Section IV Exclusions, Item Z “**Mutual Fund Trading Practices**” is added:

**Z. Mutual Fund Trading Practices.** The Company shall not be liable to make any payment in connection with any Claim (for purposes of this exclusion, to include any civil, criminal, or regulatory investigation) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving, Late Trading or Market Timing in the trading of mutual fund shares.

For purposes of this exclusion, Late Trading shall mean:

1. placing orders to buy or sell hedge or mutual fund shares after close of a trading day, but receiving the price based on the hedge or mutual fund’s Net Asset Value for that day of trading; or
2. violations of laws, rules, or regulations related to the rule of forward pricing; or
3. allegations that after the close of trading, hedge funds or other investors were allowed to cancel orders of mutual fund shares or securities that were made prior to the close of trading; or
4. the types of late trading practices described in the 3<sup>rd</sup> September 2003 complaint filed by the New York Attorney General in action styled State of New York v. Canary Capital Partners, LLC, et al., Supreme Court of the State of New York.

For purposes of this exclusion, Market Timing shall mean:

1. intentionally permitting Short-Term Trading of hedge or mutual fund shares; or
2. written or oral representations regarding the use of Short-Term or timing trading techniques in a hedge or mutual fund’s shares, or written or oral representations regarding the hedge or mutual fund’s efforts to monitor or prevent Short-Term Trading or timing trading in its shares; or
3. the receipt of fees or other compensation in exchange for trading privileges not available to other investors in hedge or mutual fund shares; or
4. the types of market timing practices described in the 3<sup>rd</sup> September 2003 complaint filed by the New York Attorney General in action styled State of New York v. Canary Capital Partners, LLC, et al., Supreme Court of the State of New York.

For purposes of this exclusion, Short-Term Trading shall mean selling or exchanging shares in a mutual fund less than 180 days after its purchase, or any other period of time greater than 180 days if so described by the mutual fund as short-term trading.

**All other terms, conditions, and exclusions of this policy remain unchanged.**

**SPECIMEN**