



# FARMERS

## Agents' Group Benefits Program Errors & Omissions Frequently Asked Questions

### 1. Do I have coverage for my agency staff under my Errors & Omissions (E&O) coverage?

Yes, the following are additional insureds on your E&O policy (subject to the limitations specified in the actual policy):

The Agent's:

- |                     |                         |
|---------------------|-------------------------|
| ✓ Corporation       | ✓ Stockholders          |
| ✓ Partnership       | ✓ Employees             |
| ✓ Business Entity   | ✓ Leased Employees      |
| ✓ Partners          | ✓ Temporary Employees   |
| ✓ Officers          | ✓ Heirs                 |
| ✓ Directors         | ✓ Executors             |
| ✓ Administrators    | ✓ Legal Representatives |
| ✓ Agency Producers* |                         |

### 2. Do I have coverage for personal lines business placed with companies outside of Farmers?

Yes.

### 3. What about commercial lines business placed outside of Farmers?

If a claim arises from an error made on or prior to December 31, 2003 coverage will be afforded for any agent for commercial brokered business (CBB). For errors made on or after January 1, 2004, commercial brokered business coverage is only included if this coverage option has been specifically elected and paid for continuously by the agent.

### 4. What is considered commercial brokered business?

Commercial brokered business is insurance that is sold to a business and is placed with a company other than Farmers. Some examples of commercial lines would be General Liability Policies, Commercial Property & Business Owner Packages, including Workers Compensation Insurance.

### 5. If I excluded commercial brokered business (CBB) coverage, can I add it back mid-term?

Yes; if you become appointed with an outside carrier, you may add CBB by contacting Home Office Agents' Benefits at 323.932.3904 for the required form. If you add this coverage mid-term, the retroactive date will be the date you add the coverage. Remember that this is claims made coverage and adding and dropping this optional coverage could result in a gap in coverage if a claim is made against you.

### 6. If I am a reserve agent with Farmers Insurance Group, do I have coverage to sell commercial brokered business?

There is no coverage provided to reserve agents under the E&O program for commercial brokered business, nor is it an optional coverage available for purchase for a reserve agent.

### 7. What about life insurance, annuities and accident & health insurance placed with other companies?

There is coverage for "fixed" life insurance and annuities as well as accident & health insurance.

### 8. What about variable life, variable annuities and mutual funds?

These products are securities. If you are a registered representative of Farmers Financial Solutions (FFS) there is coverage for securities placed through FFS. There is a sub-limit of \$1,000,000 each claim and an annual aggregate of \$1,000,000 for this coverage. Please refer to the Mutual Funds and Variable Products endorsement for details on the coverage provided for professional services rendered as a registered representative of FFS.

## 9. What is the deductible on my E&O policy?

The deductible will vary depending on whether the claim is for an error made in the sale or service of a Farmers product or a brokered product. Your deductible will only apply to damages and not the defense costs associated with a claim. The deductible options are:

\$1,000 – per claim for business placed with or through Farmers or placed with or through one of Farmers' strategic alliance companies.

\$5,000 – per claim on all other covered business.

## 10. What is the Deductible Buy Back Option?

For a small additional monthly premium, you can eliminate the out of pocket expense associated with your deductible up to a maximum of \$10,000 each policy year for your agency/district office should an E&O claim ever be brought against you.

## 11. If I have a claim on a product of Blue Shield or Blue Cross which deductible applies?

The deductible on products of Blue Cross is \$1,000, as Blue Cross (including Wellpoint Health Networks, Inc. and affiliates including but not limited to Blue Cross of CA and UNICARE) is considered a strategic alliance company of Farmers Insurance Group. The deductible on products of Blue Shield is \$5,000.

## 12. What is my retroactive date?

The retroactive date on the Farmers Group E&O program is the later of:

1. Inception date of the named insured's agent or district managers contract with Farmers Insurance Exchange; or
2. The date of the first claims made errors and omissions liability coverage maintained without interruption.

## 13. What happens when my Appointment Agreement with the Farmers Insurance Exchange Companies Terminates?

On the date your agency appointment terminates with Farmers, your active errors and omissions coverage ceases that same date. Based upon the reason for your contract termination, an Extended Reporting Period (ERP) may be provided or offered to you. Please refer to the Farmers Policy, Section VI: Extended Reporting Period, Part B for specific coverage details.

## 14. Can I increase or decrease my coverage limits mid-term?

Other than the January 1<sup>st</sup> Annual Enrollment, limits may be increased mid-term if you add a Farmers appointed Agency Producer (AP), District Life Specialist (DLS), District Manager Training & Administrative Assistant (DMTAA) or Reserve District Manager (RDM) as of the date they are appointed. Contact your local marketing department, or you can download the required form by accessing the participant website under plan information using your participant id# and PIN. Fax the completed form to Home Office Agents' Benefits at 323.933.7025. You can only reduce limits during Annual Enrollment.

If you have any further questions please call CalSurance, the E&O Broker. Customer Care Representatives are available Monday through Friday from 7 am to 5 pm PST at: 866.893.1023.

## Additional Useful Information

To obtain a copy of the policy go to: [www.farmersagentsbenefits.com](http://www.farmersagentsbenefits.com), click on Account Access, enter your Participant ID and PIN, click on the "Errors and Omissions" tab, Scroll to the "Reference Materials" section click on the "Link to CalSurance site."

To print a certificate from any computer, 24 hours a day, 7 days a week, just sign on to [www.farmersagentsbenefits.com](http://www.farmersagentsbenefits.com), click on the CalSurance link under Errors & Omissions (right side) and when prompted, enter your name and six digit agent code (no dashes or hyphens). You can then view and print.