

Administered by:



**Small Securities Broker/Dealer  
and  
Registered Representative  
Professional Liability Application**

**Brown & Brown of California, Inc.**

**NOTICE: THIS IS AN APPLICATION FOR A CLAIMS-MADE AND REPORTED POLICY, WHICH SUBJECT TO ITS PROVISIONS APPLIES ONLY TO CLAIMS WHICH ARE BOTH FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. DEFENSE COSTS ARE INCLUDED WITHIN THE LIMIT OF LIABILITY. THE INFORMATION CONTAINED AND STATEMENTS MADE WITHIN THIS APPLICATION ARE INCORPORATED INTO, AND WILL FORM THE BASIS OF, ANY POLICY OF INSURANCE ISSUED BY CATLIN. THE APPLICANT AND ALL SIGNORS OF THIS APPLICATION WARRANT THAT THE INFORMATION CONVEYED IS TRUE AND CORRECT.**

Please fully answer all questions and submit requested information. Bold-faced terms are defined in the Policy and have the same meaning in the **Application**. Any information provided, whether physically attached or available on the **Applicant's** web site, shall be deemed incorporated into this **Application**. The **Insurer** will hold the **Application** (and all materials submitted herewith) in confidence.

**A. General Information**

1. **Named Insured:** \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
 Website: \_\_\_\_\_  
 Date of Incorporation/Formation: \_\_\_\_\_ CRD #: \_\_\_\_\_

2. **Named Insured's representative to receive notices from Insurer:**  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Telephone: \_\_\_\_\_ Email address: \_\_\_\_\_

3. **Limits and Retentions Requested:**

a. Limits: Per Claim/ Aggregate:  \$500,000/\$1,000,000     \$1,000,000/\$1,000,000     \$1,000,000/\$2,000,000  
 b. Retention Entity:                     \$25,000                                     \$50,000                                     \$100,000

4. a. Does the Applicant currently purchase E&O coverage  Yes  No  
 b. What is the Effective Date of your current Policy? : \_\_\_\_\_  
 c. What is the Retroactive Date or Prior Acts Date on your current Policy? : \_\_\_\_\_  
 d. Applicant's current insurance carrier: \_\_\_\_\_

5. Has the Applicant been the subject of, or is currently involved in or discussing, any mergers, acquisitions, divestitures and/or tender offers within the past three (3) years?  Yes  No  
**If yes, please provide details on the Supplemental Information Form (S.I.F)**

6. Has the Applicant or any of its Directors, Officers, Employees or Registered Representatives been disciplined, fined or suspended or the subject of a formal investigation by the SEC, NASD, state securities regulatory authorities, state insurance departments or other regulatory bodies or have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the SEC) within the past five (5) years?  Yes  No  
**If yes, please provide details on the Supplemental Information Form (S.I.F)**

7. Has the Applicant received any notices, letters or complaints from customers in the past three (3) years?  Yes  No  
**If yes, please provide details on the Supplemental Information Form (S.I.F)**

8. Have any professional liability claims (whether covered or uncovered by insurance) been made against the Applicant and/or its Registered Representatives within the past five (5) years?  Yes  No  
**If there have been claims, please provide complete details, including but not limited to, the nature of the allegation, names of parties involved, date of error, date claim was made, product involved, resolution, if any, amount of settlement or award, if any, amount of defense costs, reserve amounts for defense costs and indemnity, if applicable and current status, if not resolved. Please provide details on the Supplemental Information Form (S.I.F)**
9. Does the Applicant or any of its directors, officers, employees or Registered Representatives have knowledge or information of any fact, circumstance or any actual or alleged act, error or omission which may reasonably be expected to give rise to a claim being made against them?  Yes  No

**If yes, please provide details on the Supplemental Information Form (S.I.F),** including but not limited to, parties involved, dates when the situation arose, specific act, error or omission at issue and status.

**IT IS AGREED THAT ANY CLAIMS ARISING FROM THE MATTERS REFERRED TO IN QUESTIONS 7, 8 AND 9 ABOVE WILL NOT BE COVERED UNDER THE TERMS AND PROVISIONS OF THE POLICY APPLIED FOR HEREIN.**

**B. Financial and Product/Service Information**

10. a. Head count of sales force:

Category	Current Year	Prior Year	Next Year
Full-Time Producers (Non NY Rep)			
Part-Time Producers (Non NY Rep)			
Non-Producing Executives/ Managers			
Other (back office)			
<b>TOTAL</b>			

- b. Of the current number, how many are licensed as: Series 6 \_\_\_\_\_ Series 7 \_\_\_\_\_  
 Series 11 \_\_\_\_\_ Series 22 \_\_\_\_\_ Series 24 or 27 \_\_\_\_\_ Other \_\_\_\_\_

- c. How many Full-Time /Part-Time Producers are Domiciled in New York: \_\_\_\_\_

11. Net Capital Requirement (Rule 15c3-3 of Securities & Exchange Act of 1934)

- a. Minimum Net Capital Required \_\_\_\_\_  
 b. Current level of Net Capital \_\_\_\_\_ as of \_\_\_\_\_

12. **Gross Revenues:** Current Year Prior Year Next Year  
 \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

13. Please state the percentage (%) of revenues which are derived from the following:

_____ % Direct Business	_____ % Full Service Securities Brokerage	_____ % Underwriting
_____ % Discount Securities Brokerage	_____ % Investment Advisory Services	_____ % Other ( please specify):
_____ % Fee Based Financial Planning	_____ % Managed Accounts	_____

14. a. Please state the percentage (%) of revenues which are derived from the following:

_____ % Accident & Health	_____ % Hedge Funds*	_____ % Proprietary Products*
_____ % Admin of Employee Benefit Plans	_____ % Life Insurance	_____ % REIT's**
_____ % CDO*	_____ % Life Settlements*	_____ % Short Sales of Stock
_____ % CMO*	_____ % Limited Partnerships**	_____ % Unit Investment Trusts
_____ % Commodities*	_____ % Listed Bonds	_____ % Unlisted Stocks*
_____ % Direct Private Placements**	_____ % Listed Stocks	_____ % Unregistered Stocks or Bonds*
_____ % Disability Income Ins	_____ % Long Term Care	_____ % Variable Annuities
_____ % Equity Index Annuities	_____ % Mutual Funds	_____ % 24 Hour Health Care Insurance
_____ % Exchange Traded Funds	_____ % Other Mortgage Related Obligations*	_____ % 1031 Exchange**
_____ % Fixed Annuities	_____ % Penny Stocks*	_____ % 1035 Exchange**
_____ % Future/Options*	(unlisted securities trading at less than \$5)	_____ % Other (please specify):

**100% TOTAL**

\* The sale of these products is not covered under the basic policy

\*\* The sale of these products is not covered under the basic policy; however, coverage available via supplement

- b. Does the Applicant seek coverage for the sale and servicing of "Specialty Investments" i.e. Limited Partnerships, REITS, 1031 Exchanges or Direct Private Placements? (If yes, please complete Specialty Investments Supplement)  Yes  No

**C. Compliance**

15. Describe the procedures for selecting investments to be included on the approved products list, the procedures for updating the list and procedures for monitoring the performance of approved products (check all that apply):
- Selection of investments is subject to committee approval.
  - Due diligence is done where appropriate by an outside due diligence firm.
  - Chief Compliance Officer or other Senior Officer monitors the performance of the approved products on a quarterly basis.
  - Applicant has procedures in place to remove products from approved list when product is no longer generating income for the Firm.
  - Other(please explain): \_\_\_\_\_

16. What information is required to open a new account? (check all that apply):
- Customer's signed authorization granting Applicant permission to share customer's information
  - Customer's information: i.e. name; address; phone no.; age; ss# or tax id#
  - Customer's tax status: i.e. estimated net worth; annual income; tax bracket
  - Customer's occupation and employer's name and address
  - Customer's investment objective
  - Investment Experience
  - Customer is required to provide information on accounts they have with another member of the NASD
  - Citizenship
  - Other(please explain): \_\_\_\_\_

17. Describe the procedures for reviewing and approving new account (check all that apply):
- Back office personnel checks each application for completeness; signatures by client, rep and Principal
  - Chief Compliance Officer reviews account form and opens account
  - Confirmation Sent to Customer reconfirming information on the new account form and instructions on contacting the Firm if information or investment objectives change
  - Application is sent back to rep if not complete
  - Investment objectives are reviewed by Principal and CCO to ensure suitability based on customers, age, and net worth
  - Applicant has a customer identification program for Anti Money Laundering
  - Other(please explain): \_\_\_\_\_

18. Customer account information and investment objectives are required to be updated (check all that apply):
- Whenever there is a life event (i.e. birth, death, marriage, divorce, relocation)
  - Annually
  - Every other year
  - Once every three years
  - Other(please explain): \_\_\_\_\_

19. Describe the Applicant's procedures for verifying customer orders and determining that confirmations are accurate and received on time as well as in accordance with customer objective and sophistication (check all that apply):
- Applicant relies solely on Clearing Firm to deliver confirms and review each trade for suitability.
  - Chief Compliance Officer reviews each transaction against the clients new account form.
  - Confirmations are mailed out within 24 hours and instruct client to contact firm, if information not correct.
  - Other(please explain): \_\_\_\_\_

20. How often does the Applicant:

		Daily	Weekly	Monthly	Quarterly	Annually	Other
a.	Monitor existing Customer Accounts – checking investment objectives against the investments made						
b.	Review trading blotter						
c.	Review exception reports on large transactions						
d.	Review exception reports on churning						
e.	Review exception reports on replacement policies						
f.	Conduct training on products and business planning						
g.	Conduct training on compliance and operational procedures						

21. Does the Applicant:

a.	Have procedures for documenting files, emails and telephone conversations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b.	Utilize Checklist lists for various operations (i.e. opening new accounts?)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c.	Have procedures to clarify to prospective customers the advantages of making quantity mutual fund Purchases that qualify for break points and purchases under Rights of Accumulation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d.	Have procedures to clarify to prospective customers the specific charges that are associated with variable contract transactions (i.e. surrender charges, withdrawals and limitations)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e.	Require customers to sign a "switch letter" each time for inter-product and intra-product transactions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f.	Disclose within the "switch letter" any charges that the customer will likely incur due to the switch?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
g.	Have procedures for reps to issue negative consent letters, if customer does not wish to adhere to rep's recommendations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
h.	Include investment objective descriptions on its new account form?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i.	Utilize software that updates its compliance manual as regulations are changed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
j.	Utilize an outside consultant firm to review its compliance manual and or business forms?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
k.	Offer any special incentives or contests based in whole or in part on sales commission figures?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
l.	Does the Applicant outline its procedures for handling customer complaints in its compliance manual?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

22. Does the Applicant utilize disclosure forms for the following products? (If Applicant does not offer product, check N/A)

a.	Mutual Funds	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
b.	"B" & "C" Shares	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
c.	Equity Indexed Annuities	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
d.	Variable Annuities	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
e.	Limited Partnerships	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
f.	REIT's	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
g.	Direct Private Placements	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

**D. Hiring and Management of Registered Representatives**

23. How does the Applicant gain new Registered Representatives? (check all that apply):

- Referrals
- Job postings in trade publications or websites
- Other (please explain): \_\_\_\_\_

24. Describe the Applicant's hiring procedures (check all that apply):

- Each candidate must complete a pre-hire application authorizing a background check
- Candidates are interviewed by the President, CCO and Sales Manager
- Background check conducted
- Private Investigation Firm is hired to conduct background check
- Review of outside business
- Committee determines if candidate should be hired.
- Other (please explain): \_\_\_\_\_

25. Background check includes a review of the following (check all that apply):

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> CRD records and U-4/U-5 forms | <input type="checkbox"/> Bankruptcies      | <input type="checkbox"/> Bank Accounts                 |
| <input type="checkbox"/> Contact Prior Employers       | <input type="checkbox"/> Residency History | <input type="checkbox"/> Real Estate Holdings          |
| <input type="checkbox"/> Credit Check                  | <input type="checkbox"/> Foreclosures      | <input type="checkbox"/> Liens on Real Estate Holdings |
| <input type="checkbox"/> Finger Printing               |  | <input type="checkbox"/> DMV and Vehicle Registration  |
| <input type="checkbox"/> Other (please explain): _____ |  |  |

26. Will the Applicant consider hiring a registered representative with any history of criminal or civil proceedings, customer complaints, regulatory investigations, professional suspensions, or other claims?  Yes  No

27. Does the Applicant's training for newly hired Registered Representatives include a review of the following (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Compliance Manual                | <input type="checkbox"/> Unacceptable Outside Business Activities       |
| <input type="checkbox"/> Operational Procedures           | <input type="checkbox"/> Policies regarding selling unapproved products |
| <input type="checkbox"/> New Account and Disclosure Forms | <input type="checkbox"/> Continuing Education requirements              |

28. In the past three (3) years, has the Applicant terminated or placed on heightened supervision (as a consequence of disciplinary infractions), any Registered Representatives as a result of a review of their operations or performance?  Yes  No  
**If yes, please provide details on the Supplemental Information Form (S.I.F)**

29. Auditing:

a.	Does the Applicant conduct audits of all off-site branch offices at least once every three years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b.	Does the Applicant conduct unscheduled audits as part of its audit process?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c.	Are at least 15% of all audits conducted unscheduled?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d.	Does the Applicant utilize an outside vendor to conduct its audits?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e.	Does the Applicant have any one-person branch offices?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f.	Are unscheduled audits being conducted at one-person branch offices?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
g.	Are Producing Managers audited annually by senior or otherwise independent persons?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
h.	Can Producing Managers act as the primary supervisor of their own business activities such as transaction approvals and new account forms?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i.	Are Offices of Supervisory Jurisdiction audited annually?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**E. Supplemental Information**

30. a. Is the Applicant a public company?  Yes  No
- b. Does any shareholder/owner hold more than a 10% ownership interest?  Yes  No  
**If yes, please provide details on the Supplemental Information Form (S.I.F)**
- c. Is there an Affiliated/Subsidiary Company(ies) to be covered?  Yes  No  
**If yes, please provide details on the Supplemental Information Form (S.I.F)**

31. Number of Branches: \_\_\_\_\_ How many of these are Offices of Supervisory Jurisdiction? \_\_\_\_\_

32. a. Average length of service of Registered Representatives with the Applicant: \_\_\_\_\_
- b. Attrition rate of Registered Representatives in the first year of contract: \_\_\_\_\_%
- c. In the first five (5) years: \_\_\_\_\_%
- d. What level of production is mandated for maintaining Registered Representative status with the Applicant? \_\_\_\_\_

33. a. Is the Applicant registered as an Investment Advisor with the SEC?  Yes  No
- b. Total asset value of all accounts managed: Current Year: \_\_\_\_\_ Prior Year: \_\_\_\_\_
- c. How many Registered Representatives provide services under the Applicant's corporate RIA? \_\_\_\_\_
- d. Does the Applicant allow Registered Representatives to hold individual RIA designations?  Yes  No  
 If yes, how many Registered Represent hold individual RIA designations: \_\_\_\_\_
- e. How many Registered Representatives and/or partners, directors or officers have discretionary authority? \_\_\_\_\_
- f. What percentage of total commission revenues are derived from Discretionary Money Management? \_\_\_\_\_

34. a. Total number of customer accounts during the most recent fiscal year: \_\_\_\_\_
- b. What is the average size investment portfolio for each customer: \_\_\_\_\_
- c. What percentage (%) is: Margin: \_\_\_\_\_%
- d. What percentage (%) are: Individual: \_\_\_\_\_% Corporate: \_\_\_\_\_% Institutional: \_\_\_\_\_%
- e. What is the average dollar value for a securities trade: \_\_\_\_\_

35. What is percentage (%) breakdown of the Applicant's customer base by age category?

\_\_\_\_\_ % Below 40                      \_\_\_\_\_ % 40 - 65                      \_\_\_\_\_ % Over 65

**F. Attachments**

The following materials must be attached to this signed and dated application. Please check off materials as attached.

1.  Proof of Insurance (Copy of current Declarations Page), if Applicant elects to purchase backdated prior acts coverage
2.  Summaries of any SEC, NASD or other regulatory body examinations or audits within the last five (5) years and management's response to each including exit interview summaries of formal examination or audit letters have not yet been received.
3.  Description of all professional liability claims against the Applicant and/or its Registered Representatives within the last five (5) years (please provide the nature of the allegation, names of parties involved, date of error, date claim made, product involved, resolution, if any, amount of settlement or award, if any, amount of defense costs and current status, if not resolved).
4.  Loss runs for the last five (5) years, if currently insured.

**G. Warranty**

**The undersigned authorized owner, partner, director, or officer represents and warrants on behalf of the Named Insured and all persons/entities for which insurance is being sought that to the best of his/her knowledge and belief after diligent inquiry, the statements set forth herein and attached hereto are true. It is understood that the statements in this Application, including material submitted to or obtained by the underwriter, are material to the acceptance of the risk, and relied upon by the underwriter. The Insureds further agree that in the event of any material misrepresentation or omission in the Application, including materials submitted to or obtained by the underwriter, this Policy shall be void.**

The undersigned authorized officer of the applicant declares that the statements set forth herein are true. The undersigned agrees that if the information supplied on this **Application** changes between the date of this **Application** and the effective date of the insurance, that he/she will immediately notify the **Insurer** of such changes, and the **Insurer** may withdraw or modify any outstanding quotations or authorizations or agreements to bind the insurance.

Signing this **Application** does not bind the applicant or the **Insurer** to complete the insurance, but it is agreed that this **Application** shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the Policy. Applicant's acceptance of the **Insurer's** quotation is required prior to binding coverage and policy issuance.

SIGNED: \_\_\_\_\_ DATE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

**Fraud Prevention – General Warning**

**NOTICE:** Any person who knowingly, or knowingly assist another, files an application for insurance or claim containing any false, incomplete or misleading information for the purpose of defrauding or attempting to defraud an Insurance Company may be guilty of a crime and may be subject to criminal and civil penalties and loss of insurance benefits.

**NOTICE TO ARKANSAS 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 for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**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 insurance company files a statement of claim containing any false, incomplete or misleading information is guilty of a felony of the third degree.

**NOTICE TO HAWAII APPLICANTS:** For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

**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 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 MEXICO 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 civil fines and criminal 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 knowingly 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.

**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 fact materially false information or conceal 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 PUERTO RICO APPLICANTS:** Any person who knowingly and with the intention to defraud includes false information in an application for insurance or file, assist or abet in the filing of a fraudulent claim to obtain payment of a loss or other benefit, or files more than one claim for the same loss or damage, commits a felony and if found guilty shall be punished for each violation with a fine of no less than five thousands dollars (\$5,000), not to exceed ten thousands dollars (\$10,000); or imprisoned for a fixed term of three (3) years, or both. If aggravating circumstances exist, the fixed jail term may be increased to a maximum of five (5) years; and if mitigating circumstances are present, the jail term may be reduced to a minimum of two (2) years.

**NOTICE TO TENNESSEE 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 VIRGINIA 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 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.

