



Commonly-Asked Questions of the New NAIFA-Endorsed E&O Program

1) Who is CalSurance®?

CalSurance Associates, a division of Brown & Brown of California, Inc. (“CalSurance”), is the broker NAIFA selected to administer and place the coverage with the underwriter, Aspen, on behalf of NAIFA members.

2) Why did NAIFA decide to change E&O brokers from AON to CalSurance?

This change aims to bring improved policy coverage, added services, a fresh underwriting perspective and expanded marketing opportunities for NAIFA national to reach all members.

3) Do I need to be a member of NAIFA to obtain the exclusive NAIFA E&O coverage developed by CalSurance/Aspen?

Yes, current membership is required to take advantage of this important member benefit. We are confident of our current and future enhanced policy provisions, improved administration, more energetic and creative marketing and a fresh underwriting perspective. In addition, there is a committee of your NAIFA-member peers, the NAIFA PLP Committee, whose sole function is to monitor and manage the program to ensure NAIFA member policyholders receive the best possible

4) What are the major differences between the older AON program and the new E&O Program with CalSurance?

Please refer to the **CalSurance** side-by-side comparison

5) What is the difference between admitted and non-admitted carrier and how does this affect my policy?

Admitted/Non-admitted refers to the underwriting carrier status with each state. An admitted carrier will go through the process of filing forms and seeking approval of states department of insurance to offer coverage in the state and comply with various regulations in the state. A non-admitted carrier is one that does not go through this process for a variety of reasons. In some instances, it is because a volatile class of business may require frequent changes to coverage that wouldn't be possible on an admitted basis (notice requirements on an admitted basis may not allow for it). This also happens when new carriers are coming on line or new forms are being introduced. The process of getting admitted paper can take up to a year in some states. This is the case with Aspen now. Aspen is now in the process of getting their admitted company and their version of the approved policy form approved. There are currently 45 states admitted and the number is growing monthly. The five remaining states are currently pending state department insurance approval. It's important to note that “non-admitted” does not mean “not allowed”. Each state requires disclosures to the insured regarding non-admitted status and non-participation in a state's insurance guarantee fund.

6) What is the insurance rating for CalSurance and what is the financial stability?

CalSurance is a broker and program administrator, similar to AON. Brokers do not carry ratings. AM Best is a rating company that evaluates the financial strength and size of an insurance company. Aspen American Insurance Company and Aspen Specialty currently maintain an AM Best rating of "A XV" with a stable outlook indicating a secure financial rating and a financial size of over \$2 billion in assets. Granite States, a Chartis company currently maintains a similar rating, however, the outlook provided by AM Best for Granite States is negative, indicating the possibility of a rating downgrade due to unfavorable financial/market trends relative to the current rating level. The ratings presented here are from AM Best's review completed in December 2010 and are current as of October 11, 2011. You may learn more about AM Best ratings by visiting www.ambest.com.

7) What are the steps to renew my current E&O policy with CalSurance?

Renewing policy holders will receive a renewal packet from CalSurance in the mail with all the information you need to renew. You can also visit www.naifaeo.com to:

- 1) Quote and bind online
- 2) Download a short form application if you want to submit your AON renewal quote and receive the quoted renewal price
- 3) Download a standard application if you would like a full underwriter review to check for additional discounts.

If you have questions, you may contact the NAIFA Program customer service team at 888-833-2304.

8) If I currently do not have E&O coverage, what is the best way for me to apply with CalSurance?

Current NAIFA members may obtain an online quote at www.naifaeo.com* or you may fill out the Standard Application available on the website or by calling the NAIFA Program customer service team at 888-833-2304.

**Some individuals may not qualify for online quoting due to agency size or claims*