

2002-2003 INDIVIDUAL AGENT PLAN FEATURES:

- Option A: Limit of liability \$2,000,000 each claim subject to an annual aggregate of \$2,000,000 each agent each policy period.
- Option B: Limit of liability \$2,000,000 each claim subject to an annual aggregate of \$3,000,000 each agent each policy period.
- A \$15,000,000 annual aggregate policy limit applies to all agents, all claims, each policy period.
- First dollar defense and investigative expenses are provided and are in addition to the limit of liability.
- Basic coverage includes the sale and servicing of mutual funds, variable life and variable annuities (Series 6 and Series 22) through any SEC-registered broker/dealer.
- Optional coverage available for the sale and servicing of other financial products (Series 7) as well as financial planning/consulting activities (see enrollment form).
- Monthly pre-authorized check (PAC) payment option.
- Deductibles:
 - \$0 for each claim arising out of the sale of life, annuity, accident or health insurance products offered by Lincoln Benefit Life (LBL) or Allstate Life Insurance Company or its affiliates.
 - \$1,500 for claims arising out of the sale of life or accident and health insurance products of other companies.
- Policy provides coverage for liability imposed by law for damages caused by any wrongful act by the insured for which the insured is legally liable while rendering services for others as a licensed life and accident & health insurance agent or broker as respect to the claims first made against the insured agent and reported to the Corporation during the policy period.
Coverage will include:
 - (a) Any employee of the insured agent while acting within the scope of their duties as such; however, such coverage does not include employees acting as agents, sub-agents, brokers or sub-brokers who are licensed by any insurance or other regulatory authority to sell Life and Accident & Health Insurance;
 - (b) Any heir, executor, administrator, assignee or legal representative of the agent in the event of the agent's death, incapacity or bankruptcy; an insured agent's estate will also be covered for acts committed while the agent was covered;
 - (c) The corporation, partnership or sole proprietorship under which the agent is doing business or is employed, but only as respects such corporation's, partnership's or sole proprietorship's liability as it might arise out of the insured agent's activities specified as covered elsewhere in this policy.
- Prior acts coverage granted if:
 - (i) such Prior Acts must have been committed while the insured agent was covered by life, accident and health insurance agents professional liability or errors or omissions insurance which was continuously in force from the date of the Prior Acts until the date of claims first made against the insured and reported to Westport Insurance;
 - (ii) the insured agent shall provide to Westport Insurance a copy of the continuously in force prior life, accident and health insurance agents professional liability or errors or omissions insurance or other proof of such insurance;
 - (iii) no insured shall have any knowledge of a claim arising out of any Prior Acts as of the inception date of coverage for the insured agent provided by this policy; and
 - (iv) there is no other applicable professional liability or errors and omissions coverage in effect at the time the claim is made against the insured.
- If the agent's contract with Lincoln Benefit Life is terminated midterm, he/she will be covered up to the policy anniversary date for acts committed during the period the agent had coverage under this policy but prior to the termination date of the agent subject to the terms of the policy. **Accordingly, there is no premium refund.**
- A one year discovery period is available to agents who terminate from Lincoln Benefit Life. This extended reporting period covers acts committed during the period the agent had coverage under this policy but prior to the date of termination. If an extended discovery period is desired, the agent shall contact the program administrator, Aon Association Services, and pay premium equal to 100% of the last annual premium within 30 days of termination. Aon, in turn, will retain the agent's name on the subsequent Discovery Period roster.
- See enrollment form for applicable premium and pro-rata premiums on mid-term enrollment.

ANSWERS TO COMMONLY ASKED QUESTIONS

1. What are the Policy Limits of Liability and what does it mean?

The limit of liability is \$2,000,000 each claim subject to an annual aggregate of \$2,000,000 each agent/each policy period. There is also an optional \$2,000,000 each claim subject to an annual aggregate of \$3,000,000 each agent/each policy period. The limits of liability are shared with those individuals to whom coverage is also extended under the policy.

2. What are the deductibles and how will they be applied?

There is no deductible applicable to the costs of defense. A \$0 deductible applies only toward payment of loss per claim arising from the sale of a life, annuity, accident and health product of LBL or Allstate Life Insurance Company or its affiliates. A \$1,500 deductible applies per claim arising from the sale/servicing of a life, annuity, or accident and health product from all other companies.

3. Is my partnership, corporation or agency covered?

Yes, the corporation, partnership or agency under which the insured is doing business or is employed is covered, but only as respects such corporation's, partnership's or agency's liability as it might arise out of the individual insured's activities specified as covered in the policy.

4. Am I covered for the sale of Mutual Funds and Variable Products?

Yes, but only for the sale and servicing of these products through any SEC registered broker/dealer.

5. What happens if an agent becomes disabled or retires?

An Extended Discovery Endorsement is available to a disabled or retiring agent. The cost per agent for this coverage is 100% of the last annual premium. The same policy limits of the endorsed policy will apply for the entire period of the endorsement. Coverage must be elected by the agent within thirty (30) days of appointment termination. This endorsement provides an additional one year in which to report claims.

6. How does the optional coverage for Series 7/financial planning consulting work?

Coverage applies only in circumstances involving the sale or attempted sale of any of the products covered in the base policy (including variables and mutual funds) plus stocks and bonds, and unit investment trusts. There is a separate \$500,000 sublimit for this coverage. For complete details, please see the exclusions section of this brochure.

IMPORTANT COVERAGE LIMITATIONS:

- Coverage under this program is offered on a claims made basis. The policy will only cover claims first made against the insured during the policy period. The agent must not have had knowledge of the Claim or circumstances likely to result in a Claim at the effective date of his/her coverage.
- This policy applies to an act, error or omission which takes place anywhere in the world, provided that the claim is made and suit is brought against the Insured in the United States of America, its territories or possessions and the District of Columbia, Puerto Rico or Canada.
- If the Insured has other insurance against the loss covered by this policy, this policy shall be excess over any other valid and collectible insurance and shall then apply only in the amount by which the applicable limit of liability of this policy exceeds the sum of the applicable limit of liability of all such other insurance. This provision will not apply if the Insured has similar coverage with Employers Reinsurance, or one of its affiliates. In this event only one limit of liability shall be available to the Insured, and such limit shall be the greater of the available limits irrespective of under which policy such limit is provided.

APPLICABLE EXCLUSIONS TO SALE AND SERVICING OF LIFE, ANNUITY AND ACCIDENT AND HEALTH INSURANCE PRODUCTS:

This policy does not apply to:

- A. any intentional, dishonest, fraudulent, criminal or malicious act, or assault or battery committed by or contributed to by any insured;
- B. bodily injury to, or sickness, disease or death of any person arising out of the acts of the insured;
- C. injury to or destruction of any property, including the loss of use thereof;
- D. any liability assumed by the insured under contract, unless the insured would have been legally liable in the absence of such contract;
- E. any claim arising out of or in connection with the financial inability to pay, insolvency, receivership, bankruptcy or liquidation of any insurance company, any reinsurer, any IPA, HMO, PPO, DSP or any pool, syndicate, association or any healthcare provider;
- F. any claim for commissions, taxes, fees, reimbursement or the failure to collect, pay or return premium, or commingling of, or use of, client funds;
- G. any loss arising out of any insured's promises or guarantees as to:
 - 1. interest rates, or
 - 2. fluctuations in interest rates, or
 - 3. future premium payments, or
 - 4. market values;

- H. any claim arising out of services performed by the insured as an actuary, accountant, attorney, tax advisor, tax preparer, real estate agent or real estate broker or property and casualty insurance agent or property and casualty insurance broker, advisor or consultant;
- I. any claims arising out of wrongful employment practices, act of discrimination or business competition;
- J. any claim arising out of any duties or activities assumed under contract by an insured as a plan administrator or fiduciary under the Employee Retirement Income Security Act of 1974 (ERISA), the Pension Benefits Act or the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) including any amendments, regulations or enabling statutes pursuant thereto, or any other similar federal, state or provincial statute or regulation;
- K. any claim made against the insured based upon or arising out of any pension, profit sharing, health or welfare or other employee benefit plan or trust sponsored by the insured as an employer;
- L. any claim based on the insured's status as a named fiduciary or under power of attorney;
- M. any proceedings against or fines or penalties levied against the insured by a local, state, provincial or federal regulatory agency or self-regulatory body;
- N. any penalties, statutory multiple damages or any form of non-money damages, including but not limited to specific performance or injunctive relief;
- O. any claim made against the insured arising out of the insured's activities as the third party administrator of any plan whether insured or self-insured and whether the insured performs such activities for a fee or for no fee;
- P. any claim arising out of the unauthorized use of intellectual property, copyright, trade secrets, confidential or proprietary information, or unfair business competition;
- Q. any claim brought against the insured by a securities broker/dealer;
- R. any claim arising out of the development, placement or sale of structured settlements;
- S. any claim arising out of or in connection with a fraudulent or nonexistent entity;
- T. any claim arising out of the referral of individuals or entities to individuals or entities selling or servicing or purporting to sell or service property and casualty insurance or securities products;
- U. any claim arising out of or based upon:
 - 1. the quality of care rendered by or lack of care rendered by or the alleged malpractice of a participating provider of services, its employees, physician, or other practitioner, of any other health care provider; or
 - 2. the failure of a health care provider to pay the salaries or fees of any practitioner;
- V. any claim arising out of, based upon, or in connection with a viatical settlement.
- W. any claim arising out of, based upon, or in connection with any actual or potential failure of any system, electronic device, software, or program to advance to or register the year 2000 A.D., or subsequent years. This exclusion also applies regardless of the cause or source of any such actual or potential failure, and regardless of whether the system, electronic device, software, or program is that of an Insured, a client, or other person or entity.

**ADDITIONAL APPLICABLE EXCLUSIONS TO THE SALE
OF MUTUAL FUNDS AND VARIABLE PRODUCTS (SERIES 6 AND SERIES 22) OR
OTHER SERIES 7 EQUITY PRODUCTS (SERIES 7 COVERAGE IS OPTIONAL):**

- (a) any claim for loss sustained or alleged to have been sustained by any person, firm or organization that is not either a customer of the Insured Agent or a customer's appointed administrator, executor, receiver or trustee in bankruptcy;
- (b) a willful violation of any statute or any rule or regulation of any federal, provincial or state securities regulatory agency;
- (c) any claim brought against the Insured Agent by a broker/dealer organization or any investment company;
- (d) any claim based upon a loss or alleged loss sustained from fluctuations in the market value of any security;
- (e) any loss arising out of the Insured Agent making promises or guarantees as to the future value of any fund;
- (f) any claim arising out of the insolvency, receivership, bankruptcy, liquidation or financial inability to pay liability of any company, entity or other investment vehicle in which any customer has invested.
- (g) Any act, error or omission if, at the time of such act, error or omission, the Insured Agent is engaged in the sale of mutual funds or financial products other than through an SEC-registered broker/dealer organization.

**ADDITIONAL APPLICABLE EXCLUSIONS FOR OPTIONAL COVERAGE FOR FINANCIAL
PLANNING/CONSULTING:**

For this optional coverage to apply, the Insured must also be covered by the Financial Products Endorsement.

- (a) any claim for loss sustained or alleged to have been sustained by any person, firm, or organization that is not either a customer of the Agent or a customer's appointed administrator, executor, receiver, or trustee in bankruptcy;
- (b) a willful violation of any statute or any rule or regulation of any federal, provincial, or state securities regulatory agency;
- (c) any claim brought against the Agent by a broker/dealer or any investment company;
- (d) any claim based upon a loss alleged to have sustained through fluctuations in the market value of a security;

- (e) any claim arising out of the Insured making promises or guarantees as to the future value of any security;
- (f) any claim arising out of or in connection with the insolvency, receivership, bankruptcy, liquidation, or financial inability to pay of any entity or investment vehicle in which any customer has invested;
- (g) any claim arising out of or based upon the actual or alleged insolvency, receivership, bankruptcy, liquidation, reorganization, rehabilitation, or financial inability to pay of a clearing house;
- (h) any claim arising out of management of an account for a client under an actual or implied agreement or under any power of attorney which gives the insured discretion in buying or selling securities or other investments for such account;
- (i) any claim brought by or against the Insured as a beneficiary of any trust or estate, or any claim brought against the Insured as a trustee;
- (j) claims arising out of the underwriting or distribution of securities or investment interests, or any participation in such activities, regardless of whether or not any registration statement is filed with any federal, state, or local government authority;
- (k) claims arising out of or based upon:

Any actual or alleged failure, malfunction, or inadequacy of;

1. Any of the following, whether belonging to any insured or to others:
 - a) computer hardware, including microprocessors;
 - b) computer application software;
 - c) computer operating systems and related software;
 - d) computer networks;
 - e) microprocessors (computer chips) not part of any computer system; or
 - f) any other computerized or electronic equipment or components;
2. Any other products and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph K.1. above; due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

If you have any questions regarding these exclusions, please call Aon Association Services Plan Administrator who can forward you a copy of the specimen policy for your review.

NOTE: This brochure is not intended to be a legal interpretation of the policy provisions, but merely to present highlights of the more important provisions of the program. This is intended only to provide an overview of standard policy features on any endorsements. The terms of the policy itself control.

The Underwriter:

Westport Insurance Corporation
A part of ERC Group
Overland Park, KS
A.M. Best rating: A++ (Superior)

Plan Administrator:

Aon Association Services
159 E. County Line Road
Hatboro, PA 19040-1218
Phone: (800) 621-0711

In the event you have a claim, you should immediately forward notice to:

Claims Administrator:

Employers Reinsurance Corporation
Professional Liability Claims
5200 Metcalf - P.O. Box 2991
Overland Park, KS 66201
Phone: (800) 255-6931

2002-2003 Lincoln Benefit Life Enrollment Form for the Sponsored Errors and Omissions Plan

Please enroll me in the Errors & Omissions (E&O) Program sponsored by Lincoln Benefit Life Company. Enclosed is my enrollment form for professional liability coverage for policy period ending July 1, 2003. **Enrollees:** Put a check mark in front of the desired effective date and circle the appropriate premium. We cannot process your enrollment without your indication of effective date and premium. **The enrollment form and payment must be received by the 15th of the month of the effective date chosen.** Please complete this form and return it with your check/credit card PAC authorization to: **Aon Association Services, Agents' E&O Programs, 159 E. County Line Road, Hatboro, PA 19040-1218.**

Payment Options

- ☐ Payment in full by check made payable to Aon Association Services.
☐ Payment in full by credit card (Visa/Mastercard only) ☐ Visa ☐ Mastercard Expiration Date _____

Credit Card # _____ Cardholder's Signature _____

- ☐ Payment by Pre-Authorized Checking (PAC) account deductions

To implement your PAC payment mode, please attach a check in the amount indicated under the appropriate PAC column below and return it along with your completed PAC authorization form (enclosed). Your checking account will be debited for the remaining monthly installments in the amount of \$43.08 (\$2MM/\$2MM Limit), \$51.08 (\$2MM/\$3MM Limit), \$25 (Series 7/Financial Planning), beginning on or about the first business day of the third month of coverage. This payment option is not available after February, 2003.

Effective Date of Coverage:	Option A \$2MM/\$2MM		Option B \$2MM/\$3MM		Optional Series 7/Financial Planning \$500K sub-limit Coverage	
	Annual Premium*	PAC Deposit	Annual Premium*	PAC Deposit	Annual Premium	PAC Deposit
July 2002	\$542	\$111.17	\$638	\$127.17	\$300	\$50
August 2002	\$499	\$111.17	\$587	\$127.17	\$275	\$50
September 2002	\$456	\$111.17	\$536	\$127.17	\$250	\$50
October 2002	\$413	\$111.17	\$485	\$127.17	\$225	\$50
November 2002	\$370	\$111.17	\$434	\$127.17	\$200	\$50
December 2002	\$327	\$111.17	\$383	\$127.17	\$175	\$50
January 2003	\$283	\$111.17	\$331	\$127.17	\$150	\$50
February 2003	\$240	N/A	\$280	N/A	\$125	N/A
March 2003	\$197	N/A	\$229	N/A	\$100	N/A
April 2003	\$154	N/A	\$178	N/A	\$ 75	N/A
May 2003	\$111	N/A	\$127	N/A	\$ 50	N/A
June 2003	\$68	N/A	\$76	N/A	\$ 25	N/A

*\$25 administrative fee included

Agent Name: _____

Address _____

City State Zip _____

Phone _____

Social Security Number _____

LBL Agent# _____

I understand and agree that I am not eligible for coverage under the Lincoln Benefit Life sponsored errors and omissions program unless I am authorized by the proper authorities to sell insurance products and I am legally contracted to represent Lincoln Benefit as of my coverage effective date. If I submit a claim for benefits under this policy and it is determined that I am not eligible for coverage, I will only receive a refund of any premiums paid not to include administrative fees.

Signature: _____

Date: ____/____/____

Aon Association Services*
159 E. County Line Road
 Hatboro, PA 19040-1218
 LINCOLN BENEFIT LIFE - POLICY LEO-100031-2

Automatic Premium Collection
Authorization Agreement for Pre-Authorized Payments (Debits)

I (we) hereby authorize Aon Association Services*, to initiate electronic debit entries or effect a change by any other commercially accepted method, to my (our) checking account indicated below. I (we) hereby authorize the financial institution named below, hereinafter called Depository to debit the same to such account. This authority is to remain in full force and effect until Aon Association Services* has received written notification from me (or either of us) of its termination in such time and in such manner as to afford Aon Association Services* reasonable opportunity to act on it. We must be notified within 48 hours of the intended deduction. Deductions are scheduled for the 1st business banking day of the month.

I (we) agree that if premiums are not paid as due under the policy, as in the event of withdrawals are dishonored, your coverage as an enrollee under the policy will terminate.

Name of Financial Institution _____

Address or Branch _____

City _____ State _____ Zip Code _____

Transit / ABA Number _____ Account Number _____

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and Financial Institution a reasonable opportunity to act on it. We must be notified within 48 hours of the intended deduction. Deductions are scheduled for the 1st business banking day of the month.

Name	«First» «Last»
ID Number	«ID»
Social Security Number	«SS»

Signature _____

Signature _____ Date _____
 (If account requires two signatures)

* Aon Association Services is a Division of Affinity Insurance services, Inc.: in CA, MN & OK is a Division of AIS Affinity Insurance Agency, Inc. and in NH & NY is a Division of AIS Affinity Insurance Agency.

Please attached a voided check, or photocopy thereof applicable to the above account in this space.

Aon Association Services*
159 E. County Line Road
 Hatboro, PA 19040-1218
 LINCOLN BENEFIT LIFE - POLICY LEO-100031-2

Automatic Premium Collection
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I (we) agree that if premiums are not paid as due under the policy, as in the event of withdrawals are dishonored, your coverage as an enrollee under the policy will terminate.

☐ New/additional coverage

☐ Bank/account change only

Name of Financial Institution _____

Address or Branch _____

City _____ State _____ Zip Code _____

Transit / ABA Number _____ Account Number _____

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and Financial Institution a reasonable opportunity to act on it.

Name _____ «First» «Last»
 ID Number _____ «ID»
 Social Security Number _____ «SS»

Signature _____

Signature _____ Date _____
 (If account requires two signatures)

* Aon Association Services is a Division of Affinity Insurance services, Inc.: In CA, MN & OK is a Division of AIS Affinity Insurance Agency, Inc. and in NH & NY is a Division of AIS Affinity Insurance Agency.

Please attached a voided check, or photocopy thereof applicable to the above account in this space.