

INVESTMENT ADVISER ENDORSEMENT - DISCRETION
(Only Applies to Named Insureds with Coverage Option H)

The following information, and signature by an authorized representative, is required only when this endorsement is issued subsequent to the preparation of this policy.

First Named Insured:
Policy Number:
Effective Date Of This Endorsement:

This endorsement forms a part of the policy to which it is attached. It is effective on the inception date of the policy unless stated otherwise above.

In consideration of the premium charged, it is understood and agreed that with regard to the insurance afforded under this policy only to named insureds who have Coverage Option H, the following amendments are made to this policy:

1. SECTION I --- DEFINITIONS is amended as follows:

The definition of "investment management contract" is amended to read as follows: "Investment management contract" means a written contract between a "registered investment adviser" and his/her/its "client", contained in a single document or a series of related documents, setting forth the "client's" risk tolerance or risk profile and the "registered investment adviser's" duties and responsibilities with respect to the investment of the "client's" money; it includes, without limitation, a "Limited Mutual Fund Market Timing / Asset Allocation Agreement", but it does not include a "discretionary account agreement" or any contract or agreement under the terms of which a "registered investment adviser" retains custody of any "client" funds, or any contract or agreement under the terms of which a "registered investment adviser" has access to any "client" funds other than for the limited purpose of paying fees for his/her/its "investment management services", which fees have been agreed to by said "client" pursuant to the terms of the "investment management contract."

The definition of "discretionary account agreement" is amended to read as follows: "Discretionary account agreement" is an agreement, actual or implied, under the terms of which an "individual" or "entity" has "investment discretion" in buying or selling or otherwise handling the "securities" or other investments of a third party; it does include, without limitation, a power of attorney, but it does not include: (1) a "Limited Mutual Fund Market Timing/Asset Allocation Agreement;" or (2) any other "investment management contract" under the terms of which a "registered investment adviser" is given, or exclusively exercises, "investment discretion" only with respect to buying, selling or otherwise handling investments in mutual funds and publicly registered and publicly traded stocks, bonds, REITS, "covered calls" and "protective puts", and regular Exchange Traded Funds (ETF's) and Exchange Traded Notes (ETN's) (this does not include leveraged ETF's, ETN's or mutual funds or Inverse ETF's, ETN's or mutual funds except as otherwise provided by the Inverse Securities Endorsement) and/or the investments in variable life or variable annuity sub accounts, which investments are otherwise covered under the terms of this policy, and where said insured does not retain custody or otherwise have access to any "client" funds other than for the limited purpose of paying fees earned pursuant to the explicit terms of that agreement."

2. SECTION VI F is amended to read as follows:

"F. Discretionary Accounts / Investment Discretion. Except as otherwise specifically provided in the Investment Adviser Endorsement – Coverage H, we do not cover claims which arise out of or in conjunction with: services performed under a "discretionary account agreement"; or the exercise of "investment discretion" whether pursuant to a "discretionary account agreement" or otherwise.

Nothing herein contained shall vary, alter, waive or extend any of the terms, conditions, provisions, agreements, limitations or exclusions of this policy, other than as stated above.

By: _____
Authorized Representative