

Exclusions (Including but not limited to)

Dishonest, fraudulent, criminal acts or intentional acts
Bodily injury, destruction of property
Contractual liability
Claims by an enterprise which an Insured controls
Claims arising out of Employee Benefit Plans sponsored by the Insured as an employer
Violations of the rules or regulations of the NASD or SEC
Promises or guarantees as to the future value of an investment
Professional Services performed by the Insured as an accountant, actuary, attorney, real estate agent or real estate broker
Premiums, commissions, taxes or any other client funds which any Insured collected or should have collected, returned or should have returned
Activities in computer programming or processing
Unauthorized use of confidential material
Insolvency of any organization in which funds have been placed or coverage obtained. This exclusion will not apply if the organization in which funds were placed or coverage obtained was rated "A-" or better by the A.M. Best and was admitted by the applicable jurisdiction at the time of placement
Disputes with another insurance agent or broker concerning commissions, fees, client lists or entitlements
Placement of coverage with Multiple Employer Welfare Arrangements
Investment products partially or totally owned by the Insured
Claims based solely on losses allegedly sustained by fluctuation in market value of any securities
Sale or servicing of structured settlements
Ownership, formation, operation, or administration of a health maintenance organization, risk retention group, self-insurance program, or purchasing group
Claims based on the Insured's status as a Named Fiduciary
Insured's activities as a Broker/Dealer
Tax advice provided by the Insured, except as an incidental part of Professional Services
Wrongful termination or discrimination by the Insured on the basis of race, color, age, sex, marital status, religion, national origin, sexual preference, or disability
Damages allegedly sustained by anyone who is not a client of the Insured
Activities in exercising discretionary authority
The sale of securities or limited partnerships other than through a NASD approved Broker/Dealer authorized by the sponsoring life company
The formation, operation or administration of a Unit Investment Trust, Limited Partnership, Real Estate Syndicate or REIT
Punitive or exemplary damages for any claim made in the state of Alabama, Mississippi, South Carolina, Texas or West Virginia



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DBA CalSurance
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Orange, CA 92863-7048

Phone: (800) 745-7189
Fax: (800) 607-6875
Email: info@calsurance.com

Customer Service Hours:
Monday - Friday
7 a.m. to 5 p.m. PST

Over 30 Years
of Proven Success

Over \$100 million
in annual sales

"The information obtained from A.M. Best dated May 9, 2006 is not in any way CalSurance's warranty or guaranty of the financial stability of the insurer in question, and that the information is current only as of the date of the publication."

AssurityHighlights_050906_v2

Errors & Omissions Insurance Plan Highlights

Sponsoring Life Company:
Assurity Life Insurance Company &
Security Financial Life Insurance Company

Program Coverage Provided by:
American Automobile Insurance Company
A Fireman's Fund Insurance Company
2006 AM Best's: A(Excellent): XV

Program Administered by:
Brown & Brown of California, Inc.
DBA CalSurance

Policy Period:
July 1, 2006 to July 1, 2007



Outline of Coverage

Limits of Liability:

\$1,000,000 Each Claim Per Agent

\$1,000,000 Aggregate Per Agent
or

\$2,000,000 Each Claim

\$2,000,000 Aggregate Per Agent

Defense Costs:

Outside the Limits of Liability

Claims Administration:

Brown & Brown of California, Inc. dba Lancer Claims Services

Deductible (Damages Only):

\$1,000 Products of Assurity Life Insurance Company and Security
Financial Life Insurance Company

\$2,500 For Claims involving all other covered Products and Services

Named Insured:

Agents of Assurity Life Insurance Company and Security Financial Life
Insurance Company who have paid the premium and whose names are on file
with the Insurer.

Additional Insured:

Insured Agent's Business Entity

Partners

Administrators

Officers

Stockholders

Directors

Employees of Agents

Heirs/Executors

Coverage (Claims Made and Reported):

Acts, errors or omissions arising out of the rendering of or failure to render
Professional Services

Personal Injury

Failure to supervise, manage or train

Retroactive Date:

The earlier of date of first continuous claims made E&O coverage or first
continuous insurance agents Errors & Omissions contract with Assurity
Life Insurance Company and Security Financial Life Insurance
Company.

Professional Services Includes:

Coverage Level I

Coverage provided for Assurity Life Insurance Company and Security
Financial Life Insurance Company Group products only

Coverage Level II

Sales and/or servicing of:

Life Insurance

Employee Benefit Plans

Accident & Health Insurance

Pension/Profit Sharing Plans

Disability Insurance

Variable Life Insurance

Annuities

Variable Annuities

Providing advice, consultation and administration of above products,
whether or not a fee is charged

Also includes:

Financial Planner Activities

Notary Public

Coverage Level III (Optional - Additional Premium):

All of the above plus:

Mutual Funds

Variable Life

Variable Annuities

Coverage Level IV (Optional - Additional Premium):

All of the above plus:

Other securities placed through an approved Broker Dealer registered
representative with the NASD, including, but not limited to:

Stocks

Limited Partnerships

Bonds

Real Estate Investment Trusts

Unit Investment Trusts

Questions and Answers

How are Prior Acts addressed?

Coverage is on a "Claims Made and Reported" basis. Claims must be made against you and reported to Lancer Claims Services in writing during the Policy Period for the coverage to be triggered. "Prior Acts" coverage is provided as long as this requirement is satisfied and in addition:

- A. You had no knowledge of any claims or potential claims as of the effective date of the policy;
- B. You have no other coverage for any such claim;
- C. The act or personal injury occurred after the retroactive date which is the effective date of the Registered Representative's first continuous claims made Errors and Omissions policy.

Will I be covered for claims from life and A&H products I sell or service outside of the Sponsoring Life Company?

Yes, as long as the act, error or omission or Personal Injury occurred after the retroactive date. However, be aware that the deductible for outside covered products is \$2,500 each claim.

Is the sale and/or servicing of property/casualty products covered?

No.

Is there coverage for losses arising out of terrorism?

No

What if my contract with the Sponsoring Life Company is terminated during the policy period?

Coverage will continue until the expiration date of the policy or 90 days after the date of contract termination, whichever is greater. Termination of an agent contract shall also incorporate the death, retirement or incapacity of the Named Insured.

There is also a three (3) or five (5) year Optional Extended Reporting Period Endorsement available. The cost for this endorsement is 200% for three (3) years and 300% for five (5) years of the Agent's last annual policy premium. The request for the endorsement and the premium must be received by CalSurance before the expiration date of this policy.

This provision would also apply in the event of the Agent's death or retirement.

This document is a summary of the coverage provided. All statements contained herein are subject to all of the terms, Conditions and Exclusions of the actual policy.

I currently have E&O coverage elsewhere. What should I do prior to my enrollment in this E&O program about incidents of which I am aware that could give rise to a claim?

Most E&O policies include an "Awareness Provision" similar to that described below. Therefore, we strongly suggest that you report any incident which you feel could give rise to an E&O claim to your current carrier. Failure to do so could leave you without coverage for such claims if it is discovered that you had knowledge of such an incident prior to your enrollment in this E&O Program.

What is a claim, and what does "Claims Made and Reported" mean?

A "Claim" is any verbal or written demand for payment or restitution, a Claim is "made" when the Insured first learns of it, a Claim is "reported" by giving written notice of it to Lancer Claims Services. A Claim must be "made and reported" during the policy period. The policy requires that written notice of claims be provided as soon as practicable during the Policy Period.

For your protection, the policy also includes an "Awareness Provision." This allows you to provide written notice of circumstances that could reasonably be expected to give rise to a claim. Then if a claim subsequently arises out of the described circumstances, it will be considered to be a claim during the Policy Period in which the written notice was received. Responsibility for such claims will rest with the carrier affording coverage during that Policy Period regardless of any future change in carrier.

How do I report a claim?

The agent has the following duties in the event of a claim or suit:

1. As soon as practicable, give to the Insurance Company written notice.
2. Immediately forward every demand, notice, summons or other process received to:

Lancer Claims Services
681 South Parker St., Suite 200
Orange, CA 92868
(800) 821-0540
3. Cooperate with the Insurance Company and do whatever it takes to secure and effect any rights of indemnity, contribution or apportionment.
4. The Insured cannot demand or agree to arbitration of any claim nor make any payment, admit any liability, settle any claims, assume any obligation or incur any expenses without the written consent of the Insurance Company.



Assurity Life Insurance Company & Security Financial Life Insurance Company



Enrollment Form

Claims Made and Reported Errors and Omissions Coverage

Policy Period: July 1, 2006 to July 1, 2007

By applying for this insurance, you are applying for membership in the Financial Sales Professionals Risk Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901 et seq.). There is no additional charge for membership.

Agents with Expiring Coverage: Must Enroll within 30 Days of Expiration Newly Contracted Agent Must Enroll within 45 Days of Contract Date

Instructions: Complete all sections of form. If you are paying by credit card, fax enrollment form to: (800) 607-6875. Enrollment forms with checks, please mail check made payable to Brown & Brown of California, Inc. dba CalSurance to: Brown & Brown of California, Inc. DBA CalSurance, P.O. Box 7048, Orange, CA 92863-7048
Coverage Questions: Call CalSurance Customer Service at (800) 745-7189 or e-mail at info@calsurance.com

1. Your Information

Please print clearly.

Name (first, middle initial and last):

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Street Address:

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City:

--

State:

Zip:

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Daytime Phone:

--	--	--	--	--	--	--	--	--	--	--	--

Fax:

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E-Mail:

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2. Selection of Options

Effective Date of Coverage: _____

You must select both a "Limit" and "Coverage" option from below:

Limit Options:

\$1,000,000 / \$1,000,000

\$2,000,000 / \$2,000,000

Coverage Options:

(Please refer to "Plan Highlights" for further description of coverage)

Coverage Level I: Assurity Life Insurance Company & Security Financial Life Insurance Company Group products only

Coverage Level II: Products of all Life Companies

Coverage Level III: Products of all Life Companies including Mutual Funds, Variable Life & Variable Annuities.

Coverage Level IV: Products of all Life Companies including Variable Life, Variable Annuities, Mutual Funds and Securities sold through an authorized Broker-Dealer registered with the NASD.

Premium Due from Table: (See Enclosed) \$

Premiums include an administration fee of \$30.

3. Payment

(We do not accept Debit Cards, Discover or American Express)

Payment in Full by check:

Please make check made payable to Brown & Brown of California, Inc., DBA CalSurance for the full premium due. - OR -

Payment in Full by Credit Card:

Please complete credit card information below. - OR -

Payment by Credit Card Installments:

I elect to pay my premium in four equal installments by credit card. I authorize Brown & Brown of California, Inc., Company DBA CalSurance to process the installment charges on the date the enrollment form is received, October 1, 2006, January 1, 2007 and April 1, 2007. I understand a \$7.50 processing fee will be added to each installment. - OR -

Payment by ACH Installments:

I would like to pay my premium in four equal installments by pre-authorized debits from my checking account, I understand and authorize Brown & Brown of California, Inc., dba CalSurance to process four installments on the date the enrollment form is received and on October 1, 2006, January 1, 2007 and April 1, 2007. I understand a \$7.50 processing fee will be added to each installment. Please return enrollment form with attached Debit Pre-Authorization Form along with a voided check. Without completed Debit Pre-Authorization Form, this Enrollment Form **WILL NOT** be processed.

Credit Card Information

(We do not accept Debit Cards, Discover or American Express)

Account #: MasterCard Visa

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Expiration Date of Credit Card:

--	--	--	--

Cardholder's Name:

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Cardholder's Signature:

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Today's Date:

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(Billing Through Brown & Brown of California, Inc.)

4. Signature Required (IMPORTANT)

I understand and agree to the following: I must be a currently contracted agent with Assurity Life Insurance Company and/or Security Financial Life Insurance Company to be eligible for this program, otherwise, I will not be considered an insured under this policy, no claims made against me will be covered, and any premiums paid by me will be returned. If I am a currently contracted agent of the Assurity Life Insurance Company and/or Security Financial Life Insurance Company, paying a premium for coverage under this program, such premium is considered fully earned and therefore I will not be entitled to a return premium for any reason. Should my contract with the Assurity Life Insurance Company and/or Security Financial Life Insurance Company terminate for any reason, coverage continues until the expiration date of the policy or 90 days from contract termination, whichever is greater.

This is a claims made and reported policy. I have no knowledge of any pending claim or incident that could give rise to a claim under the proposed policy, and if any such claim exists, or knowledge or information exists and any claim or action arises therefrom, it is excluded from coverage for which this enrollment form applies. A potential gap in coverage may occur if I elect an effective date that is not continuous with my prior expiration date, and may result in denial of a claim.

Agent's Signature:

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Today's Date:

--



Errors and Omissions Insurance Authorization Agreement for Pre-Authorized Debits

Assurity Life Insurance
Company

Security Financial Life
Insurance Company

July 1, 2006 to July 1, 2007

SEE ENROLLMENT INSTRUCTIONS FOR PREMIUM AMOUNT

I (we) hereby authorize Brown & Brown of California, Inc., dba CalSurance, hereinafter called COMPANY, to initiate electronic debits from my (our) checking account indicated below at the financial institution named below, hereinafter called DEPOSITORY and to debit the same to such account. This authority is to remain in full force and effect until COMPANY and DEPOSITORY have each received written notification from me (or either of us) of its termination in such time as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

I (we) agree that if premiums are not paid on the dates specified below, or in the event the withdrawals are dishonored, coverage shall terminate upon ten (10) days. Notice of Cancellation: The agent will be eligible for reinstatement of coverage ONE time only, by paying appropriate premium in addition to a reinstatement fee of \$20.00. Please attach a "voided" check to the bottom of this form. The Enrollment Form will not be processed if a "voided" check is not attached. Annual premium will be divided into 4 (four) equal installments. Payments will be processed accordingly: **First installment will be taken upon receipt of Enrollment Form then again on, October 1, 2006, January 1, 2007 and April 1, 2007.** I understand that a \$7.50 processing charge will be added to each installment.

Name of Financial Institution: _____

Address or Branch: _____

City: _____ State: _____ Zip: _____

Transit / ABA Number: _____ Account Number: _____

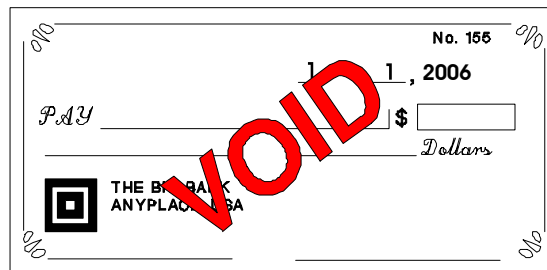
This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and Financial Institution a reasonable opportunity to act on it.

Name: _____

Signature: _____ Social Security Number: _____

Signature: _____ Date: _____

(If account requires two signatures)



**Please attach a voided check, or photocopy there of applicable to the above account in this space below.
(Enrollment will not be processed without it).**

Assurity Life Insurance Company & Security Financial Life Insurance Company Enrollment Premium Table

Policy Period: July 1, 2006 to July 1, 2007

Effective Date	Coverage Options	\$1,000,000 Each Claim \$1,000,000 Annual Aggregate	\$2,000,000 Each Claim \$2,000,000 Annual Aggregate
July 1, 2006	Coverage Level I	\$630	\$730
	Coverage Level II	\$676	\$782
	Coverage Level III	\$752	\$869
	Coverage Level IV	\$1,166	\$1,331
Aug719 1, 2006	Coverage Level I	\$580	\$672
	Coverage Level II	\$622	\$719
	Coverage Level III	\$692	\$799
	Coverage Level IV	\$1,071	\$1,223
September 1, 2006	Coverage Level I	\$530	\$613
	Coverage Level II	\$568	\$657
	Coverage Level III	\$632	\$729
	Coverage Level IV	\$977	\$1,114
October 1, 2006	Coverage Level I	\$480	\$555
	Coverage Level II	\$515	\$594
	Coverage Level III	\$572	\$659
	Coverage Level IV	\$882	\$1,006
November 1, 2006	Coverage Level I	\$430	\$497
	Coverage Level II	\$461	\$531
	Coverage Level III	\$511	\$589
	Coverage Level IV	\$787	\$897
December 1, 2006	Coverage Level I	\$380	\$438
	Coverage Level II	\$407	\$469
	Coverage Level III	\$451	\$519
	Coverage Level IV	\$693	\$789
January 1, 2007	Coverage Level I	\$330	\$380
	Coverage Level II	\$353	\$406
	Coverage Level III	\$391	\$450
	Coverage Level IV	\$598	\$681
February 1, 2007	Coverage Level I	\$280	\$322
	Coverage Level II	\$299	\$343
	Coverage Level III	\$331	\$380
	Coverage Level IV	\$503	\$572
March 1, 2007	Coverage Level I	\$230	\$263
	Coverage Level II	\$245	\$281
	Coverage Level III	\$271	\$310
	Coverage Level IV	\$409	\$464
April 1, 2007	Coverage Level I	\$180	\$205
	Coverage Level II	\$192	\$218
	Coverage Level III	\$211	\$240
	Coverage Level IV	\$314	\$355
May 1, 2007	Coverage Level I	\$130	\$147
	Coverage Level II	\$138	\$155
	Coverage Level III	\$150	\$170
	Coverage Level IV	\$219	\$247
June 1, 2007	Coverage Level I	\$ 80	\$ 88
	Coverage Level II	\$ 84	\$ 93
	Coverage Level III	\$ 90	\$100
	Coverage Level IV	\$125	\$138

Above premiums include an administration fee of \$30.