

**City National Insurance Company**  
Administered by:  
**Foxquilt Insurance Services, LLC**  
**Professional Liability Errors and Omissions**  
**Explanatory Memorandum**

Attached for your review is a Filing Authorization Letter from City National Insurance Company (hereinafter referred to as The Company) authorizing Martin & Company to submit this filing on their behalf. Please direct all correspondence regarding this filing to Martin & Company.

In accordance with the regulatory provisions of your state, the Company is pleased to introduce its Foxquilt Professional Liability Errors and Omissions program. This program is written on a monoline basis and is designed specifically to serve small businesses, but specializes in serving micro-businesses, and sole proprietors operating multiple professional service activities, including business services, technology services, personal services, healthcare and wellness providers, and certain technical or specialized professions. These insureds represent a meaningful and underserved segment that is often inadequately addressed by traditional commercial insurance offerings.

The Foxquilt Professional Liability Errors and Omissions program is differentiated by its focus on evolving small business operating models that frequently have multiple operations under a single entity, are newly formed, and/or are independent contractors and service providers operating across multiple business activities for larger enterprises. Traditional professional liability errors and omissions products often require insureds to purchase multiple policies, rating on the highest exposure or face restrictive underwriting when operating across several classes of business. Foxquilt's program is designed to accommodate multiple operations within a single policy, providing tailored coverage that reflects the actual risk profile of each insured. This program will use Professional Liability Errors and Omissions coverage is provided on a claims-made and reported basis with underwriting features including prior acts options and extended reporting periods. The program is proprietary and based on a competitor's rules, rating and forms.

The program has been developed to address the compliance-driven insurance needs of businesses that perform work for large enterprises, marketplaces, and platforms that require subcontractors and service providers to carry professional liability errors and omissions insurance meeting specific contractual requirements. Foxquilt partners directly with enterprises to provide compliant and affordable insurance solutions to their independent contractor base, streamlining onboarding, certificate issuance, and ongoing compliance administration. Foxquilt's solution is also available through traditional retail brokers and direct-to-consumer on their website.

Policies are issued on an annual basis and are supported by a technology-enabled platform that allows insureds and brokers to bind coverage quickly, manage certificates of insurance, add or modify operations, and service policies through a digital and mobile-friendly experience. This approach is intended to reduce administrative burden and improve accessibility for insureds who may be purchasing commercial insurance for the first time or prefer digital servicing capabilities.

The Foxquilt Professional Liability Errors and Omissions program is designed to be affordable and scalable for new and growing businesses, while maintaining disciplined underwriting and pricing appropriate for the market. By combining coverage with modern distribution, enterprise compliance capabilities, and flexible policy structures, the program provides a solution tailored to the evolving needs of today's small business owners.

Please be advised the forms are system-generated and may be formatted differently due to system constraints. The content, however, will remain the same. Therefore, the forms will not be re-filed unless otherwise requested by your Department in response to this filing.