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FORM 7-17A-5  
PART III

SEC FILE NUMBER
8-21590

FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/19 AND ENDING 12/31/19  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Clarendon Insurance Agency, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1601 Trapelo Road – Suite 30

(No. and Street)

Waltham

(City)

MA

(State)

02451

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael K. Moran

(781) 790-8730

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PricewaterhouseCoopers LLP

(Name – if individual, state last, first, middle name)

101 Seaport Boulevard, Suite 500

(Address)

Boston

(City)

MA

(State)

02210

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY


\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

## OATH OR AFFIRMATION

I, Michael K. Moran, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of

Clarendon Insurance Agency, Inc., as

of December 31, 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Michael K. Moran  
Signature

Financial/Operations Principal and Treasurer

Title

Maryellen Percuoco  
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**Clarendon Insurance Agency, Inc.**  
(SEC I.D. No. 21590)  
(A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Financial Statements and Supplemental Schedules**  
**December 31, 2019**

**Clarendon Insurance Agency, Inc.**  
(A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Table of Contents**  
**December 31, 2019**

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## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholder of  
Clarendon Insurance Agency, Inc.

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of financial condition of Clarendon Insurance Agency, Inc. (the "Company") (a direct, wholly-owned subsidiary of Delaware Life Insurance Company) as of December 31, 2019, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### ***Significant Transactions with Related Parties***

As discussed in Note 3 to the financial statements, the Company has entered into significant transactions with Delaware Life Insurance Company, a related party.

### ***Supplemental Information***

The Computation of Net Capital Pursuant to SEC Rule 15c3-1 and Computation for Determination of Reserve Requirements Pursuant to SEC Rule 15c3-3 has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934.



In our opinion, the Computation of Net Capital Pursuant to SEC Rule 15c3-1 and Computation for Determination of Reserve Requirements Pursuant to SEC Rule 15c3-3 is fairly stated, in all material respects, in relation to the financial statements as a whole.

*PricewaterhouseCoopers LLP*

Boston, Massachusetts  
February 26, 2020

We have served as the Company's auditor since 2013.

**Clarendon Insurance Agency, Inc.**  
(A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Statement of Financial Condition**  
**December 31, 2019**

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<b>Assets</b>	
Cash	\$ 1,453,507
Total assets	<u>\$ 1,453,507</u>
<b>Liabilities and Stockholder's Equity</b>	
<b>Liabilities</b>	
Payable to affiliates	\$ -
Total liabilities	<u>-</u>
<b>Stockholder's Equity</b>	
Common stock, \$1 par value - 150,000 shares authorized, 600 shares issued and outstanding	600
Additional paid-in capital	1,744,400
Accumulated deficit	<u>(291,493)</u>
Total stockholder's equity	1,453,507
Total liabilities and stockholder's equity	<u>\$ 1,453,507</u>

The accompanying notes are an integral part of these financial statements.

**Clarendon Insurance Agency, Inc.**  
(A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Statement of Operations**  
**Year Ended December 31, 2019**

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<b>Revenue</b>	
Distribution fee income	\$ -
Total revenue	<u>-</u>
<b>Expenses</b>	
Overhead expense	156,764
Compliance expense	353,361
Licensing and exam fees	92,877
Audit fees	60,942
Other expense	74,296
State tax	3,879
Less: Expense reimbursement from Parent (Note 3)	<u>(742,119)</u>
Total expenses	<u>-</u>
Net income	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**Clarendon Insurance Agency, Inc.**  
 (A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Statement of Changes in Stockholder's Equity**  
**Year Ended December 31, 2019**

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	<u>Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholder's Equity</u>
Balance at January 1, 2019	600	\$ 600	\$ 1,744,400	\$ (291,493)	\$ 1,453,507
Net income	-	-	-	-	-
Balance at December 31, 2019	<u>600</u>	<u>\$ 600</u>	<u>\$ 1,744,400</u>	<u>\$ (291,493)</u>	<u>\$ 1,453,507</u>

The accompanying notes are an integral part of these financial statements.

**Clarendon Insurance Agency, Inc.**  
(A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

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**Cash Flows from Operating Activities:**

Net income	\$	-
Changes in assets and liabilities:		
Receivable from affiliates		-
Payable to affiliates		-
Net cash provided by operating activities		<u>-</u>
Net change in cash		<u>-</u>

**Cash**

Beginning of year		<u>1,453,507</u>
End of year	\$	<u><u>1,453,507</u></u>

**Supplemental disclosure of cash flow information**

Net cash refunded (paid) for income taxes	\$	-
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**Non-cash activities**

Expense reimbursement from Parent	\$	742,119
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The accompanying notes are an integral part of these financial statements.

**Clarendon Insurance Agency, Inc.**  
(A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Notes to Financial Statements**  
**December 31, 2019**

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**1. Business and Organization**

Clarendon Insurance Agency, Inc. (the "Company") is a registered broker-dealer with the U.S. Securities and Exchange Commission and is regulated by the Financial Industry Regulatory Authority ("FINRA"). The Company acts as a principal underwriter and general distributor for variable annuities and variable life insurance policies issued by its affiliates, Delaware Life Insurance Company (the "Parent") and Delaware Life Insurance Company of New York ("DLNY"). The Company is a direct, wholly-owned subsidiary of the Parent, and the Parent is a direct, wholly-owned subsidiary of Group One Thousand One, LLC. The Company is a limited purpose broker-dealer that does not engage in any retail securities activities and does not handle any customer funds or securities.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

**Income and Expenses**

Distribution fee income is recognized as revenue when the services are provided. Distribution fee expense is accrued daily based on a rate determined by reference to intercompany services agreements. The Company had no distribution fee income and distribution expense for the year ended December 31, 2019.

Expenses charged by the Parent to the Company include direct charges and allocated expenses which are recognized when incurred.

**Clarendon Insurance Agency, Inc.**  
**(A Wholly-owned Subsidiary of Delaware Life Insurance Company)**  
**Notes to Financial Statements**  
**December 31, 2019**

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**3. Related-Party Transactions**

The Parent keeps records on behalf of the Company to record income and expenses. The Company serves as the designated principal underwriter for the variable insurance products issued by the Parent and DLNY. As such, the Company performs certain distribution and underwriting services for certain separate accounts of the Parent and DLNY.

The Company has an administrative services agreement with the Parent under which the Company has agreed to pay the Parent for the cost of services and facilities provided. The Company also has a principal underwriter's agreement with the Parent and DLNY under which the Parent and DLNY agree to reimburse the Company for the cost of all distribution and underwriting services provided by the Company. For the year ended December 31, 2019, the expense reimbursement received by the Company from the Parent and DLNY was \$742,119, which is shown in the Company's Statement of Operations as an offset to expenses incurred.

Effective as of January 1, 2019, the Company has an insurance networking agreement with Delaware Life Marketing LLC ("DLM"), an affiliate, under which the Company provides marketing support and wholesaling services to DLM. Under this agreement, DLM agrees to pay the Company 100% of compensation that DLM receives, if any, relating to the sale of the Parent's variable insurance products. The Company did not receive any payments from DLM related to this agreement during the year ended December 31, 2019.

The Company's operations consist solely of activities performed for affiliated companies and may not be indicative of conditions or results of operations that would have existed if the Company had not been operated as an affiliated company.

**4. Income Taxes**

The Company accounts for income taxes in accordance with the Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASC") Topic 740, "Income Taxes." Deferred income taxes are recognized when assets and liabilities have different values for financial statement and tax reporting purposes, and for other temporary taxable and deductible differences as defined by FASB ASC Topic 740. The effect on deferred taxes of a change in the tax rates is recognized in income in the period that includes the enactment date.

The Company will file separate stand-alone federal and state income tax returns for the year ended December 31, 2019. The Company had no tax liability at December 31, 2019.

Certain provisions of FASB ASC Topic 740 prescribe a recognition threshold and measurement attribute for tax positions taken or expected to be taken in a tax return. FASB ASC Topic 740 also includes standards for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company recognizes interest and penalties accrued related to unrecognized tax benefits ("UTBs") in other expense. Tax years prior to 2015 are closed to examination and audit adjustments under the applicable statute of limitations. The Company does not believe it has any uncertain tax positions for its stand-alone federal and state income tax returns that would be material to its financial statements. Therefore, the Company did not record a liability for UTBs at December 31, 2019.

**Clarendon Insurance Agency, Inc.**  
(A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Notes to Financial Statements**  
**December 31, 2019**

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**5. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule under the Securities Exchange Act of 1934 ("SEC Rule 15c3-1") which requires the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness, as defined, to net capital not exceeding 15 to 1. The Company's net capital, as computed pursuant to SEC Rule 15c3-1, at December 31, 2019 was \$1,453,507 which was greater than the required net capital of \$5,000 by \$1,448,507. The ratio of aggregate indebtedness to net capital was 0 to 1.

**6. Exemption from Reserve and Security Custody Requirements Pursuant to SEC Rule 15c3-3**

The Company claims exemption from the reserve requirements of Rule 15c3-3 of the Securities Exchange Act of 1934 under the provisions of subparagraph (k)(1) thereof, since its transactions are limited to the purchase, sale, and redemption of redeemable securities of registered investment companies. The Company does not receive customer funds or securities in connection with its activities as a broker-dealer. The Company does not hold funds or securities for, or owe money or securities to, customers.

**7. Commitments and Contingencies**

The Company is not aware of any contingent liabilities arising from litigation or other matters that could have a material impact on its financial condition, results of operations, or cash flows.

**8. Subsequent Events**

Management has evaluated subsequent events through February 26, 2020, the date on which these financial statements were available to be issued. Based on this evaluation, no events have occurred from December 31, 2019 through February 26, 2020 that require disclosure or adjustment to the financial statements.

## **Supplemental Schedules**

**Clarendon Insurance Agency, Inc.**  
 (A Wholly-owned Subsidiary of Delaware Life Insurance Company)  
**Computation of Net Capital Pursuant to SEC Rule 15c3-1**  
**December 31, 2019**

**Schedule I**

**Computation of Net Capital Pursuant to SEC Rule 15c3-1**

**Net Capital**

Total ownership equity from Statement of Financial Condition	\$ 1,453,507
Total ownership equity qualified for net capital	<u>\$ 1,453,507</u>
Total capital and allowable subordinated liabilities	\$ 1,453,507
Deduction of total non-allowable assets	<u>-</u>
Net capital before haircuts on securities positions	1,453,507
Haircuts on securities	<u>-</u>
Net capital	<u>\$ 1,453,507</u>

**Computation of Basic Net Capital Requirement**

Minimum net capital required (greater of 6 2/3% of total aggregate indebtedness or \$5,000)	\$ 5,000
Excess net capital	<u>\$ 1,448,507</u>
Net capital, less greater of 10% of total aggregate indebtedness or 120% of \$5,000	<u>\$ 1,447,507</u>

**Computation of Aggregate Indebtedness**

Total liabilities from Statement of Financial Condition	\$ -
Total aggregate indebtedness	<u>\$ -</u>

**Reconciliation Pursuant to SEC Rule 17a-5(d)(2)(iii)**

No reconciliation is necessary under the provisions of Rule 17a-5(d)(2)(iii) under the Securities and Exchange Act of 1934 as no material differences exist between the net capital included in the audited financial statements and the computation of net capital filed with the unaudited FOCUS Report IIA – Form X-17a-5 as of December 31, 2019.

**Computation for Determination of Reserve Requirements Pursuant to SEC Rule 15c3-3**

The Company claims exemption from Rule 15c3-3 of the Securities Exchange Act of 1934 under the provisions of subparagraph (k)(1) thereof, which exempts broker-dealers whose transactions are limited to the sale and redemption of redeemable securities of registered investment companies.

**Reconciliation Pursuant to SEC Rule 17a-5(d)(2)(iii)**

No reconciliation is necessary under the provisions of Rule 17a-5(d)(2)(iii) of the Securities Exchange Act of 1934 as no differences exist in the computation for determination of reserve requirements between the audited financial statements and the unaudited FOCUS Report IIA – Form X-17a-5 filed as of December 31, 2019.

Securities Investor Protection Corporation  
1667 K Street NW, Ste 1000  
Washington, DC 20006-1620

Forwarding and Address Correction Requested

SIPC-3 2020

8-

8-21590 FINRA DEC 04/29/1977  
CLARENDON INSURANCE AGENCY INC  
ATTN: LAW AND COMPLIANCE  
1601 TRAPELO RD STE 30  
WALTHAM, MA 02451

Check appropriate boxes.

(i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;\*

(ii) its business as a broker-dealer is expected to consist exclusively of:

(I) the distribution of shares of registered open end investment companies or unit investment trusts;

(II) the sale of variable annuities;

(III) the business of insurance;

(IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

(iii) it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products;

Pursuant to the terms of this form (detailed below).

x [Signature] 12/19/2019  
Authorized Signature/Title Date

Securities Investor Protection Corporation  
1667 K Street NW, Ste 1000  
Washington, DC 20006-1620

## Form SIPC-3

FY 2020

### Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the fiscal year ending 12/31/2020 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;\*
- (ii) its business as a broker-dealer is expected to consist exclusively of:
- (I) the distribution of shares of registered open end investment companies or unit investment trusts;
- (II) the sale of variable annuities;
- (III) the business of insurance;
- (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- (iii) it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products;

and that, therefore, under section 78ccc(a)(2)(A) of SIPA it is excluded from membership in SIPC.

\*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

#### Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under section 78ddd(c) of the SIPA.

Sign, date and return this form no later than 30 days after the beginning of the fiscal year, using the enclosed return envelope.

Retain a copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

Change of Address. If the Broker-Dealer's principal place of business has changed, please make the necessary corrections.

\_\_\_\_\_  
Legal Name

\_\_\_\_\_  
Doing Business As (d/b/a)

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Business Address continued

\_\_\_\_\_  
Mailing Address continued

\_\_\_\_\_  
Business City/State/Zip

\_\_\_\_\_  
Mailing City/State/Zip

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Alternate Phone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Primary Contact

\_\_\_\_\_  
Email Address



SECURITIES INVESTOR PROTECTION CORPORATION  
1667 K STREET, N. W., SUITE 1000  
WASHINGTON, D.C. 20006-1620  
(202) 371-8300  
WWW.SIPC.ORG

December 13, 2019

TO: Securities Brokers and Dealers Who Have Claimed Exclusion From SIPC Membership for the fiscal year ended **December 31, 2019** under Section 78ccc(a)(2)(A)(ii) of the Securities Investor Protection Act of 1970 ("SIPA").

The enclosed SIPC-3 is provided for your use in the event that you intend to continue to claim exclusion from membership in SIPC because you expect your business as a broker-dealer, *during the ensuing 2020 fiscal year*, to continue to consist exclusively of one or more of the categories listed on that form.

The completed form should be returned in the enclosed return envelope, no later than 30 days after the new fiscal year.

In the event of any change in your business that would terminate your exclusion from membership in SIPC, you must immediately give SIPC written notice so that data concerning SIPC membership and assessments can be mailed to you.

Any questions should be directed to SIPC via [form@sipc.org](mailto:form@sipc.org).

Sincerely,

SECURITIES INVESTOR  
PROTECTION CORPORATION

Enclosures: SIPC-3  
Return envelope

Securities Investor Protection Corporation  
1667 K Street NW, Ste 1000  
Washington, DC 20006-1620

Forwarding and Address Correction Requested

Check appropriate boxes.

(i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;\*

(ii) its business as a broker-dealer is expected to consist exclusively of:

(I) the distribution of shares of registered open end investment companies or unit investment trusts;

(II) the sale of variable annuities;

(III) the business of insurance;

(IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

(iii) it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products;

Pursuant to the terms of this form (detailed below).

x [Signature] 12/19/2019  
Authorized Signature/Title Date

SIPC-3 2020

8-

8-21590 FINRA DEC 04/29/1977  
CLARENDON INSURANCE AGENCY INC  
ATTN: LAW AND COMPLIANCE  
1601 TRAPELO RD STE 30  
WALTHAM, MA 02451

Securities Investor Protection Corporation  
1667 K Street NW, Ste 1000  
Washington, DC 20006-1620

## Form SIPC-3

FY 2020

### Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the fiscal year ending 12/31/2020 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;\*
- (ii) its business as a broker-dealer is expected to consist exclusively of:
- (I) the distribution of shares of registered open end investment companies or unit investment trusts;
- (II) the sale of variable annuities;
- (III) the business of insurance;
- (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- (iii) it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products;

and that, therefore, under section 78ccc(a)(2)(A) of SIPA it is excluded from membership in SIPC.

\*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

#### Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under section 78ddd(c) of the SIPA.

Sign, date and return this form no later than 30 days after the beginning of the fiscal year, using the enclosed return envelope.

Retain a copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

Change of Address. If the Broker-Dealer's principal place of business has changed, please make the necessary corrections.

\_\_\_\_\_  
Legal Name

\_\_\_\_\_  
Doing Business As (d/b/a)

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Business Address continued

\_\_\_\_\_  
Mailing Address continued

\_\_\_\_\_  
Business City/State/Zip

\_\_\_\_\_  
Mailing City/State/Zip

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Alternate Phone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Primary Contact

\_\_\_\_\_  
Email Address



**SECURITIES INVESTOR PROTECTION CORPORATION  
1667 K STREET, N. W., SUITE 1000  
WASHINGTON, D.C. 20006-1620  
(202) 371-8300  
WWW.SIPC.ORG**

December 13, 2019

**TO: Securities Brokers and Dealers Who Have Claimed Exclusion From SIPC Membership for the fiscal year ended December 31, 2019 under Section 78ccc(a)(2)(A)(ii) of the Securities Investor Protection Act of 1970 ("SIPA").**

The enclosed SIPC-3 is provided for your use in the event that you intend to continue to claim exclusion from membership in SIPC because you expect your business as a broker-dealer, *during the ensuing 2020 fiscal year*, to continue to consist exclusively of one or more of the categories listed on that form.

The completed form should be returned in the enclosed return envelope, no later than 30 days after the new fiscal year.

In the event of any change in your business that would terminate your exclusion from membership in SIPC, you must immediately give SIPC written notice so that data concerning SIPC membership and assessments can be mailed to you.

Any questions should be directed to SIPC via [form@sipc.org](mailto:form@sipc.org).

Sincerely,

**SECURITIES INVESTOR  
PROTECTION CORPORATION**

Enclosures: SIPC-3  
Return envelope