

# Elite Investment Management Insurance

CHUBB®



## Who does it protect?

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Providing a professional service to clients is an important part of any business' operations. All companies strive to do this with the utmost integrity professionalism. Unfortunately, and at times unintentionally, this is not always the case.

Financial institutions can be affected by litigation against their management team, board of directors and company. They may need to compensate clients for errors and oversights that occur. All of which can be costly distractions for the business.

Our products are created to protect the following;

- Investment advisers and consultants
- Wealth management firms
- Mutual funds, exchange traded funds, and closed-end funds
- Hedge funds
- Funds of funds
- Property Funds

## What does it cover?

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- The directors and officers of investment management companies for claims arising from wrongful acts in their management or stewardship of the company

- The directors and officers of an investment fund for claims arising in relation to the management of the fund
- The company and its employees from claims related to their failure to perform professional services or errors or omissions related to those services
- Preservation of limit for AIFMD claims

## What limits do we offer?

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We offer policy limits of up to £20m.

## Benefits of cover

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- Protection from theft with a broad definition of crime cover
- Additional limits for non-executive directors for non-indemnifiable losses
- Outside directorship cover and unlimited lifetime cover for retired directors and officers
- Tax liability cover for insured persons in the event of personal liability as a result of company insolvency
- Preservation of limit of liability for alternative investment funds
- Cover for civil fines and penalties against insured persons where insurable by law
- Cyber breach notification costs and property management services cover both available as optional extensions

## How Chubb cover responds

<b>Trading beyond a client's instructions</b>	
<p>An investment management company traded outside the scope of the instructions issued by their clients;</p> <p>One client's account was unintentionally operated without six agreed futures contracts, which impacted nearly 180 traded contracts. The account lost a considerable amount of profit because of the negligent oversight.</p> <p>A second client's account was managed at a lower level of exposure than they had requested. The Investment Management Agreement in place had been misinterpreted. Over 18 months the account produced lower profits.</p> <p><b>Consequence</b></p> <p>In order to compensate the client, the company reduced their fees.</p>	<p>Because the Chubb policy included cover specifically for the mitigation of losses that their client sustained, we were able to reimburse our assured for the compensation paid to the client.</p>
<b>Defence costs following an investigation</b>	
<p>A number of directors and officers were named in a long term SEC investigation into trade allocations across various hedge funds managed by the company. The investigation centred on a potential conflict of interest concerning these allocations across funds based in the UK, US and Bahamas.</p> <p><b>Consequence</b></p> <p>As a result a fine was issued against the individual directors and officers.</p>	<p>The Chubb policy included specific D&amp;O cover so the insured was able to claim for the advance defence costs linked to the investigation.</p>

### Why choose Chubb?

#### Recognised market leader.

We have a dedicated and highly experienced underwriting team with a vast amount of knowledge on the various exposures facing all types of financial institutions.

#### Multinational capability.

Chubb's worldwide network can provide local cover for multinational operations or companies with multinational exposures.

#### Award-winning claims service.

Our claims team is consistently recognised as the best in the business. We handle all claims in-house and clients have a single loss adjuster to liaise with throughout the process.

### Contact us

Our policies are available through brokers, for any other enquiries contact:

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Chubb. Insured.<sup>SM</sup>

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Chubb European Group SE (CEG). Operating in the UK through a branch based at 100 Leadenhall Street, London EC3A 3BP. Risks falling within the European Economic Area are underwritten by CEG which is governed by the provisions of the French insurance code. Registered company number: 450 327 374 RCS Nanterre. Registered office: La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France. Fully paid share capital of €896,176,662.