

Protection for the business of the family office

The business of the family office is as unique as the family it serves. In today's world, family offices are confronted with risks that extend beyond the family and require more protection for all the services offered to the family.

The broad range of services family offices provide in managing wealth preservation and transfer often involve fiduciary standards of care. The implied duties arising out of the performance or failure to perform these services create liabilities for the family office executives and its professional staff. Like all directors, officers and professionals, family offices can be sued for any number of issues alleging professional negligence, violation of trust agreements, failure to safeguard assets and mismanagement of investments.

Chubb supports family offices with the following coverages:

Professional Liability

Family offices may be at risk of being sued over services performed on behalf of the family itself, such as allegations of inadequate services or errors made during a service. Even if a lawsuit is without merit, the impact can be costly. Chubb's tailored solutions

are designed to give the business of the family office the protection it and the people who work for the family office need.

Family Trust and Trustee Liability

The coverage insures a family trust for acts committed by a trustee employed by the family office, and it protects the trustees of all trusts administered, sponsored or advised by the family office.

Directors & Officers Liability

We help the family office protect the personal assets of its directors and officers from claims alleging error, misrepresentation, misstatement, omission, neglect, or breach of duty. Coverage is available whether the wrongful act occurred while engaged in family office business or while serving for the family office on the board of a nonprofit organization.



A fraudster hacked into a client's email and sent a wire transfer request to the client's family office. An employee of the family office complied with this request, believing it to be a legitimate request from the client, and sent \$500,000 to a foreign bank. However, the employee did not call the client to confirm the authenticity of the request, and violated a condition of coverage under the family institution bond. The Family Office terminated the employee, who then sued for wrongful termination. Through Chubb's professional liability coverage, the Family Office was protected through defense costs and settlement.

Employment Practices Liability

This coverage protects the family office from the threat of employee-related litigation, including claims for wrongful termination, discrimination, or harassment.

Fiduciary Liability

In today's ever-shifting legal environment, employers like a family office are increasingly responsible for the benefits options they offer employees. Under the Employee Retirement Income Security Act of 1974 (ERISA), fiduciaries can be held personally liable for losses to a benefit plan incurred as a result of their alleged errors, omissions, or breaches of their fiduciary duties.

Cybersecurity Coverage

New and emerging privacy concerns and fast-growing cyber threats present financial challenges to the family office. That's why we offer award-winning services and access to experts to help make the family office whole again following any cyber incident.

Crime Coverage

Fidelity and Crime Policy is designed to protect family offices from the potentially devastating impact of employee and nonemployee perpetrated crimes.

Business Owners Coverage

With broad protection for property and liability exposures, Chubb's business owner's policy (Chubb BOP) serves as the foundation for the family office insurance portfolio.

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