

# Financial Institutions Insurance



## Directors and Officers Liability Insurance Overview



### Claims covered by D&O Insurance can include:

- Errors in judgment
- Mismanagement
- Breaches of duty
- Wrongful acts related to organizational activities
- Improper execution of managerial duties
- Improper valuation of assets
- Inadequate disclosure or misrepresentation of risks

D&O insurance policies provide coverage for individual directors and officers as well as for the insured entity as a whole. Coverage is typically divided into three insuring agreements – called “sides” – and these agreements specify what type of retention or deductible applies. For example, in cases where an insured firm goes bankrupt, Side A coverage will usually specify that no retention or deductible will apply to individual directors or officers.

### Sample Claim:

An advisory firm employs a portfolio manager who forges documents and misrepresents the rate of return on a group of investments.

After sub-par performance on a number of these investments, a group of clients sue the firm for mismanagement as well as failure to supervise and monitor the employee.

### Coverage Definition:

This insurance (also known as D&O Insurance) indemnifies directors and officers of an investment advisory firm if they are sued by stockholders, employees, clients and others in conjunction with the performance of their duties. Coverage extends to claims arising out of alleged errors in judgment, breaches of duty, and wrongful acts related to their organizational activities.

In some instances, there can be overlap between errors and omissions liability (E&O) allegations and D&O allegations. However, there are other instances, including suits brought forth by regulators and service providers, that are exclusive to D&O coverage and will not be addressed by E&O insurance.

### Who We Are:

Started in 1958, The Uhl Agency is an independent insurance agency located in Dayton, Ohio. We specialize in writing executive liability lines of insurance for registered investment advisors, broker dealers, mutual funds complexes, private equity, and hedge funds.

The Uhl Agency recognizes every business is unique and that a proper business insurance program takes into account the individual needs of each business. We will work with you to develop a program that addresses your exposures while not breaking the bank during the process.