Financial Institutions Insurance

The Uhl Agency

Fiduciary Liability Insurance Overview

Coverage Definition:

Not to be confused with Errors and Omissions Liability, Fiduciary Liability insurance protects the personal assets of plan fiduciaries who have discretionary authority over a pension or other employee benefit plan. This type of insurance pertains to the fiduciary responsibilities associated with your firm's plans rather than your clients' retirement plans on which you advise or consult.

Claims covered by fiduciary liability insurance can include:

- Denial of benefits
- Improper advice
- Administrative error / enrollment oversight
- Mismanagement of retirement funds
- Failing to diversify a retirement plan's assets properly
- Failure to uphold prudent investor rule

There are two broad categories of benefit plans that fall under ERISA regulations:

1) Retirement plans: this includes defined benefit pension plans, profit sharing plans (such as 401(k)s), and employee stock ownership plans; and
2) Welfare plans: medical, dental, life, disability, and other employee benefit plans

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.

Sample Claim:

An investment advisory firm amended the structure of their own employee retirement/profit sharing plan by changing from a daily valuation plan to a balance forward plan. In addition, only two types of investment options were offered: small-cap and mid-cap value.

The market performs extremely well during the next twelve months but the rate of return on the options significantly underperformed when compared to other options (including large-cap and international) that could have been offered.

The employees sued the firm for damages and alleged the firm failed to diversify the plan's assets properly.