

Financial Institutions Insurance



Non-Custodial ERISA / Fiduciary Fidelity Bond Overview



Within ERISA regulations, “fiduciaries” include anyone who:

- Renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan; or
- Has any authority or responsibility to do so; or
- Has any discretionary authority or discretionary responsibility in the administration of such plan.

ERISA rules specify that the bond must be obtained for 10% of the plan’s assets and the bond be no less than \$1,000 or no more than \$500,000 per plan with one exception – plans holding employer securities are subject to a bond maximum of \$1,000,000 per plan.

Coverage Definition:

Similar to ERISA bonds for your own firm’s employee benefit programs, fiduciary fidelity bonds are designed to protect your clients’ retirement plans from fraudulent actions committed by those individuals who are fiduciaries for such plans.

Coverage can address events such as larceny, theft, embezzlement, forgery, misappropriation, or any other type of loss committed by one of your employees (either acting alone or in collusion with others).

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 employee of a registered investment advisor poses as a plan participant in several 401(k) plans and withdraws amounts totaling more than \$10,000.

While Errors & Omissions Liability as well as Directors & Officers Liability address a number of the allegations in the ensuing lawsuits, the Non-Custodial ERISA / Fiduciary Fidelity Bond covers the plan funds that were stolen.