Insurance for Asset Managers and Funds

We know you understand risk. We do too.

Asset managers and investment funds face an ever-expanding array of complex professional and management liability exposures—stemming from regulatory changes, global market volatility, and an ever more interconnected investment world.

With a growing array of exposures, asset managers are increasingly susceptible to a potentially devastating lawsuit, regulatory proceeding, or written demand by a disgruntled client. Claims against your firm or its people, or against a fund you manage or its directors, can spawn from everyday decisions, actions, or errors, and increasingly from negligence or fraud by third parties. Such claims can translate into an unexpected financial burden.

Have You Considered:

- No matter how strong the performance of your firm, or how well managed, it still faces risks outside its control.
- Even if your firm does nothing wrong, it may have to defend itself against a lawsuit, and defense costs can escalate to millions of dollars.
- Your investment decisions and actions could trigger lawsuits by other stakeholders in that investment who have been adversely impacted by your decisions and actions.
- Whenever investment returns do not meet expectations, whether for a separate account or for a fund you manage, your firm and its people and (if applicable) the fund directors are at risk of a lawsuit, even if it is baseless.

For more than 40 years, asset management firms have been choosing Chubb for their insurance needs. Our customers include:

- Investment advisers and consultants
- Hedge fund managers and funds
- Mutual funds, exchange-traded funds, and closed-end funds
- Fund of funds
- Private equity firms and funds
- Venture capital firms and funds
- Real estate investment trusts (REITs) and private real estate funds
- Wealth management firms and family offices
- Broker dealers

Professional & Management Liability
• Wrongful acts, negligence, or even fraud by a third party that caused your client or fund to suffer a loss, could trigger a claim against you.

• Growing pressure from regulators and a rapidly changing regulatory environment only increase the likelihood of a regulatory proceeding against you.

• Without insurance, the fund you manage may bear the financial responsibility for the costs associated with a claim against your firm or its people. This can aggravate investors who don’t want their fund assets paying these unexpected additional costs on behalf of the manager.

• Any claim against your firm or its funds could put at risk the personal assets of its leadership team or the fund directors.

Tailored Insurance Solutions for Sophisticated Needs

In times like these, it’s smart to have a financially strong, experienced insurer in your corner that understands the business of asset managers and investment funds, and has years of experience paying claims on their behalf.

Chubb can offer you an insurance program that can protect your firm, its people, and your funds and their directors, as well as help you manage the legal costs, settlements, or judgments that arise out of lawsuits, demands, or regulatory proceedings. Our all-lines capability and integrated approach to multiple coverages can streamline the insurance process for you and help you avoid the complications of dealing with multiple insurers.

Third-Party Liability

Professional Liability (Errors & Omissions Liability)—A client or investor could sue your firm or its people for mistakes made in providing investment advice or providing investment management services.

• Insurance helps protect against the costs associated with lawsuits or demands alleging errors and omissions, breach of contract, or breach of fiduciary duty in providing investment advice or investment management services.

Your firm or its people could be the subject of a regulatory proceeding investigating or alleging violations of law under the Investment Adviser Act of 1940, the Investment Company Act of 1940, or any federal or state securities laws or anti-fraud statutes.

• Insurance helps manage legal costs in responding to formal regulatory or administrative proceedings in connection with investment management activities.

A bankruptcy, merger, or acquisition involving a company in which your fund invested could lead to lawsuits by another stakeholder who is adversely impacted by the transaction.

• Insurance can pay your legal costs or legal obligations associated with lawsuits by third parties arising out of your investment decisions and actions.

Directors and Officers Liability for your firm—An employee, shareholder, or competitor could sue your directors, officers, managers, or partners for losses that allegedly arose out of their actions and decisions related to managing the firm.

• Insurance helps protect against the exposures associated with the overall management of the firm.

Directors and Officers Liability or General Partners Liability for your funds—Fund investors could sue fund directors related to representations in the fund’s prospectus or offering memorandum.

• Insurance protects fund directors, trustees, and general partners from legal costs and liabilities arising out of decisions, actions and statements made in their capacity as directors and trustees.

Cyber Liability—Lost or stolen electronic information can result in claims from affected third parties.

• Insurance offers protection from the costs associated with cyber liability lawsuits alleging invasion of privacy, disclosure injury, content injury, reputational injury, conduit injury, or impaired access injury.

Employment Practices Liability (EPL)—An employee could sue your firm for discrimination, harassment, and/or retaliation.

• Insurance helps protect your firm and its employees from the costs associated with employment-related wrongdoing.

• State-of-the-art loss prevention services—such as Chubb’s Employment Practices Liability Loss Prevention Program, featuring ChubbWorks, a state-of-the-art online employment resource—can help reduce or even eliminate potential EPL claims.

Fiduciary Liability—A retiree or employee of your firm could sue your firm and/or its directors, officers, or employees for breach of fiduciary duty or errors or omissions in the administration of your employee benefit plans.

• Insurance helps protect your firm, its benefit plans, and its executive or employee fiduciaries for losses resulting from costly litigation, including allegations of imprudent investment of plan assets, prohibited transactions, and wrongful denial of benefits.

• In certain circumstances, insurance may be the only available means to protect the assets of your company’s executive or employee fiduciaries from exposure to the personal liability imposed upon them under the Employee Retirement Income Security Act (ERISA).
First-Party Coverages

Cyber Crime—A hacker could breach your firm’s electronic security and steal personal information.

- Insurance helps protect against the costs associated with cyber crime losses, including business interruption, e-theft and e-communication losses, e-threat, privacy notification expenses, e-vandalism expenses, and crisis management and reward expenses.

Fidelity Bond—A “trusted” employee of your firm could embezzle hundreds of thousands of dollars over several years before the fraud is discovered.

- The bond offers protection to your firm’s assets from the potentially devastating costs of employee fraud.
- The bond also provides protection to all of your firm’s employee benefit plans for purposes of ERISA.

Mutual Fund Bond—An administrator to your mutual fund could fraudulently redirect hundreds of thousands of dollars to his own account.

- The bond protects your mutual funds’ assets from larceny or embezzlement by the funds’ various contracted service providers.
- The bond is designed to meet the coverage requirements of Rule 17g-1 of the Investment Company Act of 1940 for your mutual funds.

ERISA Bond—An investment adviser to multiple employers’ benefits plans may scheme to fraudulently deduct fees from each plan every quarter over a number of years, causing thousands of dollars of loss to each plan.

- As an investment adviser to third parties’ employee benefit plans, you may be required to be bonded under ERISA.

Kidnap Ransom and Extortion—With more and more investment managers traveling globally, your employees are at risk for potential kidnapping or extortion threats.

- Insurance helps protect companies and their employees against a wide range of expenses associated with incidents of kidnapping and extortion, including the cost of optional crisis management services, where permitted.

Why Chubb?

<table>
<thead>
<tr>
<th>Our Company</th>
<th>Our People</th>
<th>Our Products and Services</th>
</tr>
</thead>
</table>
| **Leadership**
- Chubb has provided innovative insurance solutions to asset managers and funds longer than almost any other insurer.

**Deep problem-solving expertise**
- Our reputation for in-depth understanding of the asset management business and superior service, from underwriting to claims handling, is well known.

**Performance**
- Agents and brokers consistently rate our quality of service among the best in the insurance industry.¹

**Strength and stability**
- Our financial stability and ability to pay claims rate among the best in the insurance industry and stand apart in today’s turbulent financial climate.
- We’ve maintained A.M. Best’s highest ratings for more than 75 years.

**Dedication to your needs**
- Our experts are experienced in a broad spectrum of asset managers and investment funds and will meet with you and your insurance advisor.
- We’re conveniently positioned in many of the world’s most important financial centers.

**Tailored solutions**
- Our specialized, flexible, standout products and services are tailored to the asset management industry and designed to grow with your firm.

**Worldwide reach**
- Our multinational capabilities include placement of local policies all over the world.

**Preventing losses before they occur**
- We’ve designed a wide array of cutting-edge, user-friendly risk management resources to help you incorporate loss prevention into your operational strategies.

¹. Goldman Sachs U.S. Research, annual Property/Casualty Insurance Rate Survey of Producers.
Call Today

For more information about Chubb Financial Institutions and how our insurance solutions can help your institution, contact your trusted agent or broker today. You may also visit us at www.chubb.com.