

THE HARTFORD ASSET MANAGEMENT CHOICESM POLICY

HELP YOUR CLIENTS STAY AHEAD OF EMERGING RISKS WITH THE HARTFORD ASSET MANAGEMENT CHOICE POLICY.

Asset management firms and their investment funds face management and professional liability exposures at unprecedented levels as regulatory scrutiny of the industry has intensified in the years following the financial crisis. In addition to investor protection, regulators such as the Securities and Exchange Commission have made emerging threats such as cybersecurity preparedness a priority.¹

So whether an asset manager is large or small, everything from employment practices to employee integrity is now subject to intense scrutiny.

High stakes. No matter how well-managed the firm, or how strong the performance, one lawsuit or regulatory proceeding can trigger costs that spiral up into millions of dollars. And the damage extends beyond finances, potentially undercutting reputations and careers.

CUTTING-EDGE COVERAGE IN THE FACE OF CYBERSECURITY THREATS

Unlike some other insurance products, The Hartford Asset Management Choice Policy allows you to tailor your client's policy to include express coverage for:

- Third-party network security liability claims
- First-party cyber risks

PROTECTION FOR COMPLEX RISKS - WITHOUT THE COMPLEX FORM

For more than 30 years, The Hartford has provided coverage to investment advisers. So, we understand the complex nature of the exposures faced by the asset management industry. That's why we created The Hartford Asset Management Choice Policy. It's a straightforward, blended liability insurance policy - with options for increasingly comprehensive coverage - that can help protect firms and funds from key management and professional liability exposures:

- Adviser Directors & Officers (D&O) Liability
- Professional Liability
- Employment Practices Liability (EPL)
- Private Fund Liability
- Registered Fund Liability
- Fiduciary Liability
- Cyber Liability
- Kidnap & Ransom (K&R)



Benefits include:

- Insuring agreements that are easier to follow and clearly delineate different coverage offerings
- Overall high degree of flexibility with a wide breadth of standard and potential coverage grants
- More flexibility in selecting defense counsel
- Dedicated claims staff experienced in handling complex litigation

POLICY HIGHLIGHTS: EXPANDED COVERAGE FOR TODAY'S EXPOSURES

The Hartford's Asset Management Choice Policy helps protect asset managers against emerging risks with these features.

Definitions:

- Investment adviser expanded to include any private entity registered as an investment adviser while under management control (no restriction based on scope and compensation)
- Investment adviser professional services expanded to include adherence to regulatory guidelines for designing internal policies and the formation of private funds
- Defense costs expanded to include corporate manslaughter acts, extradition costs and SOX 304 and Dodd-Frank 954 costs

Coverage extensions:

- Automatic coverage for new funds
- Automatic run-off coverage for terminated, liquidated, or divested funds
- Crisis management coverage for insured persons
- Witness expense coverage for insured persons
- Regulatory cooperation expense reimbursement
- Explicit coverage for network security liability available for most risks
- Affirmative plaintiff fees coverage for derivative claims
- AIFMD for foreign domiciled advisers and funds subject to the relevant directive

Conditions:

- Retention amended to be waived for insured persons after reasonable effort to seek indemnification
- Notice provision expanded to 90 days and allows for qui tam complaints previously filed under seal
- 100% defense allocation to individual insureds for non-indemnifiable claims
- Reinstatement of subrogation recoveries

COUNT ON THE HARTFORD

- 30+ years of experience insuring asset management firms and their funds
- 500+ investment advisers and funds count on us to insure them
- 200+ years delivering on our promises to pay claims
- Dedicated claims staff with experience in handling complex litigation
- Specialized risk engineering services

LEARN MORE.

Contact your HFP underwriter today or visit THEHARTFORD.COM/AMC.

¹ Examination Priorities for 2014, available at: sec.gov/about/offices/ocie/national-examination-program-priorities-2014.pdf

Any discussion of coverage herein is summary only. Coverage depends on the actual facts of each claim and the terms, conditions, and exclusions of the issued policy. Please refer to the issued policy to determine all terms, conditions and exclusions of coverage. Coverage

is provided by the property and casualty companies of Hartford Financial Services Group, Inc. and may not be available to all businesses in all states.

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