

# Insurance for investment managers and funds



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The insurance landscape for Investment Managers is extremely competitive, with market and regulatory forces combining to create a positive risk transfer environment.

The insurance market has witnessed an increase in the number of insurers keen to participate in this space, and this heightened competition, coupled with a relatively benign claims environment, has had a direct impact on the rates insurers charge and the scope of cover afforded by the insurance contract.

As always with insurance, you hope you never have to use the policy, however if such a situation arises you want to know it will respond appropriately. As such, we at Rossborough Professional Risks together with our parent company Arthur J Gallagher have developed the AJG IMI Pro, which is at the forefront of what is available in the market in terms of the scope of cover it affords.

## Highlights include:

- Clear and simple policy wording
- Broad coverage, fewer exclusions
- Claim notification requirement triggered only by a specified person's awareness of a written demand (not 'oral', and not 'company's knowledge')
- Defence costs
- Regulatory investigation costs
- Full limit mitigation cover (particularly important in the event of a trading error)
- Meets coverage requirements as prescribed by Article 12 of AIFMD
- Separate limits of cover for the 'Manager' entities versus the 'Fund' entities
- Flexible product; buy the cover the way you want to
- Additional limits available for 'Non-Executive Directors'
- Broad automatic cover in the event of an acquisition
- Broad non-disclosure language restricting insurers ability to decline claims

## Why Rossborough Professional Risks?

We have a specialist team based across The Channel Islands and the London Market focussing on Investment Managers, with an enviable portfolio of clients, ranging from multi-jurisdictional, multi-billion dollar managers, to new start-ups and boutique Investment Managers. Our client-centric approach begins with employing experienced practitioners and releasing them from corporate distractions to focus solely on our service delivery.

Our senior people take a resolutely hands-on approach. Outstanding communication and client service should go without saying, and these are traditional values that we continue to hold dear.

We have a Claims Team of legally trained individuals who are specialists in the Financial Services sector.

They:

- Provide strategic advice on complex claims
- Assume responsibility for overall management of the claim
- Remain involved until conclusion
- Advocate on your behalf with insurers and their lawyers

Rossborough is a  
leading insurance  
broker which boasts  
local and global  
expertise

### Case study - efficient claims management:

Our client received notice of a claim from one of their customers regarding losses suffered as a result of liquidity problems related to one particular investment forming part of their overall portfolio. Insurers commenced their investigations into policy coverage and sought to raise questions over policy response in the absence of any identifiable wrongful act.

Due to this uncertainty our client had forged ahead in the defence of their claim without (much) further interaction with insurers and, unfortunately, by the time settlement proposals were brought to Insurers' attention, further assertions by Insurers of non-cooperation had arisen.

At this juncture, we were appointed as broker and the financial lines claims team reviewed the case and commenced discussions with insurers. Due to our appreciation of the products in question and the original expectations of our client's customer set out in their mandate, we were able to successfully demonstrate to insurers that a) the causative factor of the claimant's loss was actually the initial choice of investment fund; and b) there was no detrimental effect in the client's handling of the claim.

As a result of our persistent negotiation and presentation of all mitigating circumstances, notwithstanding the weight of coverage defences in their favour, Insurers proceeded to consider the claims for the substantial defence costs and ultimate settlement amount (above the retention).

### Your next step

To discuss your requirements or to explore cover options please contact:

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## Financial Risks

[www.rossborough.co.uk](http://www.rossborough.co.uk)