

Frequently Asked Questions Regarding Registered Investment Advisor Professional Liability Coverage



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1. What does the Fox Point Registered Investment Advisor Professional Liability Insurance policy cover?

Fox Point's Registered Investment Advisors Professional Liability Insurance (also referred to as Errors and Omissions) product provides coverage for actual or alleged acts, errors, or omissions arising out of professional services rendered for others.

2. Why should I purchase this insurance? The Securities Broker/Dealer firm I am affiliated with already provides E&O coverage for me.

It is true that some brokerage operations include coverage for their RIAs as part of their professional liability policy. It is critical to note this protection is limited—it only covers you while you are working on behalf of that particular firm. You would not be insured for any activities performed independently or on behalf of another Broker/Dealer. In addition, the insurance protection you do have will no longer be in effect once you terminate your affiliation with the covered firm.

The Fox Point RIA E&O policy is designed to protect you—not the Broker/Dealer firm with which you are affiliated. Coverage is completely portable.

3. What does the term “Claims Made and Reported” mean?

The Registered Investment Advisors Professional Liability coverage form is written on a claims-made and reported basis. Under this type of form, an insured will be covered for claims brought against them during the policy period - regardless of when the underlying incident occurred. Two developments together trigger coverage:

- a. When the claim is made against the insured, and
- b. The date the matter is reported to the insurance company.

4. Does the product offering provide any ancillary benefits?

All policyholders receive Identity Theft protection. This special coverage is provided at no additional cost to the Insured. It provides reimbursement for the expenses related to the recovery of one's identity, including defense costs for certain civil suits and re-filing of loans. The offering also provides access to trained specialists on call to guide individuals through the process of restoring their identity profiles and credit records. Reimbursement for expenses and lost wages are subject to a \$25,000 limit. The Identity Theft insurance is underwritten by member companies of American International Group, Inc. The coverage is not offered in New York and may not be available in other jurisdictions.

5. Who is the insurance carrier behind the product?

The coverage is placed through certain underwriters at Lloyds. Lloyds is rated “A” (Excellent) by A.M. Best for its financial stability and claims paying ability.