



Risk Management Resource Guide for Financial Advisors

Be an Educated Insurance Purchaser

- I. Know the A.M. Best Rating of your carrier.
- II. Get references—contact industry organizations like the Financial Planning Association (FPA or National Association of Personal Financial Advisors (NAPFA).
- III. Look for a strong defense provision in the policy. “Right and duty to defend” obligates the insurer to defend you 100% if any part of the claim would be covered.
- IV. Make sure the policy has an “incident trigger” in its definition of a claim. This will allow the insurance carrier to conduct loss control and defense preparation without a written demand.
- V. Make sure your policy has clause requiring your consent to settle a claim.
- VI. Will the policy allow you to use a “retroactive date” to preserve coverage for acts prior to the policy inception date?
- VII. Ask if your policy provides coverage for fee activities only or if product sales coverage is also available.
- VIII. If you are dually registered as a registered rep and as an RIA, will your broker-dealer’s group policy cover your outside activities?
- IX. Determine if you are comfortable sharing your policy limits with your broker-dealer, or another advisor.
- X. If you leave your current firm, will your coverage and prior acts date be portable?



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REQUEST A COVERAGE & COST ANALYSIS TO LEARN MORE

Name	Preferred Method of Contact
Address	Number in Group
	Limits
	Practice Counties
Phone	Retro Active Date
Email Address	Expiration Date

Forward to a Colleague!