



AssuredPartners

FLYER

# Start-up Hedge Funds

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Power  
through  
Partnership

## START-UP HEDGE FUNDS

AssuredPartners specialises in Financial Risks Insurance and Cyber Insurance. We have expert providers in the AssuredPartners group and beyond who offer General Insurance and Employee Benefit Insurance - please contact us for a referral.

### What insurances do you need to consider?

- Financial Risks Insurance
- Cyber Insurance
- Employee Benefit Insurance
- General Insurance

### How much cover should you buy?

Factors affecting pricing:

- Investment strategy
- Leverage
- Investor profile
- Manager domicile
- Quality of cover including structure and exclusions



## WHAT DOES FINANCIAL RISKS INSURANCE COVER?

The two core insurances initially purchased are:

### 1. Professional Indemnity Insurance (PI)

PI insurance, also known as Errors and Omissions (E&O) insurance, provides cover on a civil liability basis for the insured and its directors, partners, and employees in respect of claims arising from the alleged failure in the provision of professional services being provided to, or on behalf of, their customers.

#### PI insurance provides cover for the following:

- Marketing and distribution activities undertaken for or on behalf of the funds
- Trade errors and operational risks
- Defence costs and damages
- Regulatory exposure

### 2. Directors' and Officers' Liability Insurance (D&O)

D&O insurance provides personal financial protection for the directors, officers and partners of the management companies in the event a claim is made against them for an alleged wrongful act in the overall management of the business. Separate D&O cover is also available for the fund directors in the event of claims in relation to the overall management of the fund(s).

#### D&O provides cover for the following:

- Wrongful acts including breaches of fiduciary duty and breaches of any statute or law
- Regulatory exposures
- Defence costs and damages

## WHAT INSURANCES DO YOU NEED TO CONSIDER?

One of the main differences between PI and D&O policies is the capacity in which the wrongful act, which gives rise to the claim, is committed. In the case of the PI policy, this wrongful act will occur where services are being provided to or on behalf of customers, rather than in the D&O policy which relates to acts committed in the course of the overall management of the companies/funds.

## SPECIALIST ASSET MANAGEMENT INSURANCE SOLUTIONS

As a specialist financial services broker, we represent clients from across the asset management industry, including start-up hedge funds, large institutional managers, private equity managers, family offices, and portfolio management specialists.

## YOUR CONTACTS



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