

# MARSH DELTA™

## AN ENHANCED INSURANCE PROPOSITION FOR INVESTMENT MANAGERS



Delta Investment Management Insurance (IMI) has been developed in response to the issues that have emerged in the years following the financial crisis. We have worked with our investment manager clients to create a broker-driven solution which addresses many of the key issues.

### DELTA – EXCELLENT FINANCIAL AND PROFESSIONAL INSURANCE COVERS AT COMPETITIVE PRICES.

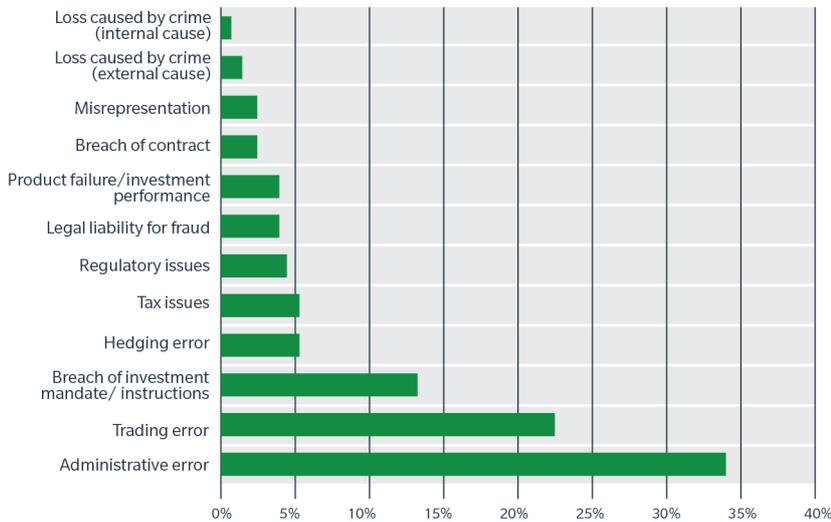
Delta is a suite of financial lines insurance offerings for Marsh clients.

- Delta products are underwritten by a panel of insurers specifically selected for their quality of service and strong credit rating<sup>1</sup>, claims capability and ability to offer excellent cover at competitive rates.
- Cover is provided on the basis of proprietary, market-leading Delta policy wordings.
- To ensure that every client receives competitive terms each panel insurer is offered the opportunity to compete for each submission (unless our client instructs us otherwise).
- Clients are presented with a choice of Delta options with varying features, all of which offer excellent cover at a competitive price.

### COVERAGE FEATURES AVAILABLE INCLUDE<sup>2</sup>:

- Tailored cover for mitigation costs.
- A broad definition of wrongful professional act.
- Cover for investigation costs, not subject to a retention.
- Cover for emergency costs, not subject to a retention.
- “Employee dishonesty” and “established misdeeds” exclusions, subject to final adjudication.
- Robust “non-avoidance” language.
- Claim notification requirements clarified by use of a control group “trigger”.
- A narrow “insured entity-versus-insured entity” exclusion, with a specific carve-back for funds.
- Cover for wrongful professional acts, which includes those acts by a person or entity for whom the insured is legally liable.
- A narrow contractual liability exclusion, with specific carve-backs including for “failure to perform... with reasonable skill and care”.
- Critical regulatory response costs, not subject to a retention.
- Professional indemnity and directors and officers cover for funds.

ASSET MANAGEMENT INCIDENCE OF PROFESSIONAL INDEMNITY AND CRIME NOTIFICATIONS 2006 - 2013



This chart shows the nature of investment manager claims handled by Marsh's FINPRO claims team in London during a period of seven years. The study involved 126 claims; a large number of these would be expected to fall within the loss mitigation provisions of the Delta wording.

## MARSH DELTA – KEY FACTS

### Who is Delta intended for?

Delta IMI has been specifically designed for investment managers principally investing in equities, bonds, and related derivative products. It is therefore suitable for hedge funds, as well as the more traditional forms of equity and fixed asset fund management. It is also applicable to fund-of-fund managers.

Please note that we have developed a separate product for private equity, infrastructure, and property fund management. Delta is not available for investment managers that are domiciled in the US.

### Capacity available

Each insurer has the capacity to provide the following limits: GBP 10 million, or USD 15 million, or CAD 15 million, or AUS 15 million, or EUR 15 million. Delta panel insurers may agree to participate together, either as reinsurance quota share or excess of loss, giving a maximum of GBP 40,000,000, or equivalent currency.

### Insurers underwriting Marsh Delta IMI

Delta is exclusively underwritten by a panel of leading insurers with strong credit ratings.

### Claims

FINPRO has a dedicated financial lines claims team. FINPRO clients purchasing Delta have access to this specialist claims team.

The information contained herein is based on sources we believe reliable and should be understood to be general risk management and insurance information only. The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such.

In the United Kingdom Marsh Ltd is authorised and regulated by the Financial Conduct Authority.

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### FOOTNOTES:

1. As at January 2015.
2. The information contained here is based on the cover available under a selection of Delta offerings each underwriter's Delta offering will differ.