

MACFARLANES

HEDGE FUNDS UPDATE

INSURANCE

Investment manager liability insurance typically comprises, at a minimum, PI and D&O cover (including cover for legal representation at regulatory investigations) but can frequently also extend to cover losses arising from other risks such as crime, fraud and cyber attack. Policy wordings are often complex and / or imperfect and new wording innovations regularly come to market. Brokers cannot always be relied upon to carry out an effective and detailed audit of the drafting, therefore, regular legal review can result in meaningful improvements to cover.

There is also a need to consider the developing legal risk profile of investment managers, particularly in light of the extension of the Senior Managers Regime due in 2018. Certain policy extensions and standalone ring-fenced policies are being brought to market to help mitigate these risks. Although brokers often have their own solutions to these issues, we are ideally placed to provide an impartial legal view.

Andrew Barton has recently joined us as a partner specialising in insurance matters. Andrew has over 20 years' experience advising clients on a wide range of insurance transactional and advisory matters. Andrew is a leading practitioner advising on professional and management liability protection matters, including D&O, PI and POSI insurance and associated director indemnification issues. Andrew has good relationships with the major brokers and works with them regularly to assist clients.

Andrew can help with anything from a high level sanity check of policy wording to determine the extent to which they represent a market standard, through to a detailed legal audit and mark up where appropriate. The ideal time for such a review is in the context of renewal - optimum leverage can be achieved where there is sufficient time realistically to allow a change of underwriter if the wording is not satisfactory, which implies a legal review early in the process.

Andrew would be happy to discuss any questions or requirements you may have regarding these matters.

CONTACT DETAILS

If you would like further information or specific advice please contact:



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This note is intended to provide general information about some recent and anticipated developments which may be of interest. It is not intended to be comprehensive nor to provide any specific legal advice and should not be acted or relied upon as doing so. Professional advice appropriate to the specific situation should always be obtained.

Macfarlanes LLP is a limited liability partnership registered in England with number OC334406. Its registered office and principal place of business are at 20 Cursitor Street, London EC4A 1LT. The firm is not authorised under the Financial Services and Markets Act 2000, but is able in certain circumstances to offer a limited range of investment services to clients because it is authorised and regulated by the Solicitors Regulation Authority. It can provide these investment services if they are an incidental part of the professional services it has been engaged to provide. © Macfarlanes July 2016