



# SECURITIES BROKER / DEALER

Arch Insurance (Canada) | www.archinsurance.com

Arch Canada is a market leader in Canada for providing Securities Broker/Dealer and Registered Representative errors and omissions coverage which addresses claims arising from wrongful acts of a registered representative providing professional services and for wrongful supervisory acts of the broker/dealer (including its directors, officers and employees). Arch Canada takes a highly disciplined and selective approach to underwriting what historically has been one of the most challenging areas in providing a cost effective risk transfer solution and which addresses the regulatory challenges of client complaints.

## PRODUCT & CLAIM SCENARIOS:

Securities Broker/Dealer and Registered Representative Errors and Omissions Coverage Subject to its terms and conditions, this policy protects registered representatives for claims arising from "wrongful acts" in the actual or alleged rendering or failing to render "professional services". Our coverage also extends to the broker/dealer for claims arising out "wrongful supervision acts", including the failure to create, implement, enact or enforce any applicable supervisory procedures required by law, regulation or regulatory authority. Typical claims scenarios to which the coverage would respond include:

- Suitability issues arising from inappropriate investment strategies such as leveraged loans, investment products or investment structures
- Errors arising from the servicing of investment accounts, including the failure to affect a timely trade, the failure to transfer funds or the failure to make an investment
- A failure of the broker/dealer to adhere to prevailing industry standards in supervising the registered representatives

## KEY FEATURES

- Primary or excess basis
- Claims made-and-reported policy form
- Underwritten either on a duty to defend or non-duty basis with a tailor-made claims handling agreement to facilitate quick settlement responses to reflect regulatory requirements
- Limits up to \$10 million aggregate
- Loss reporting capabilities
- Detailed annual claims review to facilitate identification of trends and developments impacting liabilities and exposures

## CUSTOMER PROFILE

- Our preferred accounts include firms that are insurance company affiliates with the following characteristics:
- A minimum of 100 registered representatives and a \$150,000 minimum premium and \$50,000 minimum retention for the Broker/Dealer (lower retentions will apply to the registered representatives)
- Broker/dealer must have at least 5 years of operating history and have a minimal percentage of firm accounts traded on margin and/or with discretionary authority

## SUBMISSION GUIDELINES

- Arch Insurance Company (Canada Branch) application
- At least five years of loss experience
- Audited financial statements for Broker/Dealer
- On-site compliance and complaint handling review

## CLAIMS

Arch Canada adheres to a proactive claims handling program in order to achieve cost efficient, superior results. Our claims professionals have extensive experience handling most types of losses and are dedicated to providing customized, responsive customer service to each insured. Partnership with our insured is the cornerstone of the Arch claim handling philosophy. For more information email: [crain@archinsurance.com](mailto:crain@archinsurance.com)

## PRODUCT CONTACTS

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Disclaimer: This material provides only a general overview of the coverage features of the Arch Insurance (Canada) Company Securities Broker / Dealer Coverage. Please refer to an actual copy of the policy for its complete terms and conditions, including coverage and exclusions. \*A.M Best Company has assigned a financial strength rating of "A (Excellent)" to Arch Insurance Company. Arch Insurance (Canada), a branch office of Arch Insurance Company, is licensed pursuant to section 574 of the Insurance Companies Act of Canada.