



# SECURITIES BROKER / DEALER

## Arch Insurance (Canada)

Arch Canada is a market leader in Canada for providing Securities Broker/Dealer and Registered Representative errors and omissions insurance protection. Coverage addresses claims arising from wrongful acts of a registered representative providing professional services and for wrongful supervisory acts of the broker/dealer. Our experienced staff takes a highly disciplined and selective approach to underwriting one of the most challenging areas insurance in allowing us to provide a cost effective risk transfer solution and address the regulatory challenges of client complaints.

### KEY FEATURES:

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.
- A failure of the broker/dealer to adhere to prevailing industry standards in supervising the registered representatives
- Primary or excess basis
- 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

### PRODUCT AND CLAIM SCENARIOS

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

### CLIENT PROFILE

Our preferred accounts include firms that are insurance company affiliates with the following characteristics:

- A minimum of 100 registered representatives
- \$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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