



Next generation RIA Professional Liability protection

Insurance for today's advisors and fiduciaries

RIA RISKS TODAY

Advisors have always faced risk. But the advisory business is a lot different now than it was a decade ago. Today's RIAs face:

- Broadened and increased SEC exam regulatory activities
- More sophisticated social engineering and cyber attacks
- Mainstreamed usage of alternative investment vehicles
- Elevated legal and ethical standards for fiduciaries
- Heightened client expectations and documentation requirements
- Increased legal defense costs for advisors and their firms

LOCKTON AFFINITY ADVISOR RESPONDS

As both a leading U.S. specialist in financial institutions insurance and the national administrator of the Beazley Lloyd's of London RIA Errors & Omissions Insurance Program, Lockton Affinity Advisor is responding to these risks proactively.

Working with Beazley, we've implemented a series of meaningful enhancements to:

- ✓ Meet the challenges of the current risk environment.
- ✓ Exceed the expectations of advisors seeking coverage.

New Errors and Omissions benefits

When advisors partner with us, they'll find E&O coverage that's designed to better address the real world challenges facing today's RIAs.



Enhanced Alternative Investment coverage

What it means:

- Broader E&O protection for RIAs
- More practical coverage structure
- Better alignment with today's diversified portfolios
- Increased underwriting flexibility

The details:

- Prior policy form's significant limitation removed
- Alternative investments no longer broadly excluded
- Exposures evaluated and managed individually
- Now addressed through scheduled endorsements



New Social Engineering & Fund Transfer protections

What it means:

- One of the fastest growing advisor exposures handled
- Protection against modern cyber-enabled financial crime
- Coverage that's designed specifically for advisory firms
- Improved integration between E&O and Crime exposures

The details:

- Fraudulent Instruction coverage
- Funds Transfer Fraud coverage
- Social Engineering Endorsement availability
- \$100,000 Social Engineering coverage included automatically
- Optional Social Engineering buy-up to \$250,000 limits



Increased Pre-Claim Assistance coverage

What it means:

- Earlier intervention with key stakeholders
- Reduced claim severity for RIAs and insurers
- Improved outcomes for clients and advisors

The details:

- Proactive support before a claim escalates
- Tools and resources to investigate and address issues
- Coverage benefit limits from \$5,000 to \$10,000



Improved Counsel Selection Flexibility benefit

What it means:

- More collaborative claims handling
- Greater visibility into defense strategy
- Increased confidence throughout the claims process

The details:

- Greater advisor participation in defense decisions
- Enhanced policy language regarding counsel selection
- Now more closely aligned with leading market forms



More Favorable Settlement Provisions benefit

What it means:

- Greater flexibility in claim resolution decisions
- Reduced financial impact in disputed settlement situations

The details:

- Updated and improved policy language
- Featuring an 80/20 Hammer Clause benefit
- Advisor-friendly settlement recommendation approach



Expanded Trading Error Protection coverage

What it means:

- Improved clarity around trading error scenarios
- Better protection across advisor business models

The details:

- Revised, clarified and broadened coverage language
- Applies to Discretionary and Non-Discretionary Accounts
- Provides clearer protection for administrative and execution errors



New Mock Audit Expense coverage

What it means:

- Encourages proactive compliance preparation
- Supports stronger regulatory readiness
- Helps reduce exam-related stress and expense

The details:

- Coverage up to 50% of mock audit expenses
- Maximum benefit of \$10,000 in coverage
- Subject to specific policy provisions

New Cyber benefits

In addition to E&O enhancements, advisors now have access to improved Cyber coverage solutions with the Beazley BBR 5.0 Cyber Protection Program through Lockton Affinity Advisor.



Enhanced Cyber Insurance coverage with Beazley

What it means:

- Modern integrated approach to cyber risk protection
- Coverage designed specifically for financial services firms
- Scalable options based on firm size and complexity

The details:

- Business Interruption coverage
- Data Recovery Costs benefit
- Regulatory Defense coverage
- Media Liability coverage
- Cyber Extortion Protection benefit
- Fraudulent Instruction coverage
- Funds Transfer Fraud coverage
- Reputation Loss coverage options
- Optional Computer Hardware Replacement benefits

THE LOCKTON AFFINITY ADVISOR DIFFERENCE

**Protecting advisors. Supporting fiduciaries.
Advancing the profession.**

The Lockton Affinity Advisor Insurance Program is a purpose-built insurance solution designed exclusively for the financial advisory community.

Our team of experts monitors emerging industry risks, regulatory developments, insurance claims trends, market shifts and more.

The result is a modernized E&O platform that delivers:

- Broader Professional Liability protection
- Stronger Cyber Liability integration
- Better claims support
- Increased regulatory readiness
- Advisor-focused policy enhancements
- Access to one of the most experienced financial institutions insurance teams in the industry



For leading protection and dedicated support,
advisors can contact Lockton Affinity Advisor at:

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The Lockton Affinity Advisor Insurance program is administered by Lockton Affinity, LLC d/b/a Lockton Affinity Insurance Brokers LLC in California #0795478. Coverage is subject to actual policy terms and conditions. Policy benefits are the sole responsibility of the issuing insurance company. Coverage is provided by an excess/surplus lines insurer which is not licensed by or subject to the supervision of the insurance department of your state of residence. Policy coverage forms and rates are not subject to regulation by the insurance department of your state of residence. Excess/Surplus lines insurers do not generally participate in state guaranty funds and therefore insureds are not protected by such funds in the event of the insurer's insolvency. Not available in all states.