

# Financial Institutions Professional Liability

## DEPOSITORY INSTITUTIONS

**Travelers offers the option to add coverage that helps protect you from a wide range of potential loss exposures, including lender liability and professional services liability.**

### **Protect your financial institution from costly exposures**

Travelers SelectOne+<sup>SM</sup> allows you the flexibility to tailor coverage options to your specific needs. For example, you have the option of maintaining a separate limit of liability for your financial institution professional liability protection. You also have the option to select a sublimit for lender liability coverage or professional services liability coverage.

You can choose to have our experienced Travelers claim attorneys and claim specialists select the defense counsel for your claims, or you can choose to select your own defense counsel. You can also choose to add protection for your bank's leased employees.

### **Lender liability coverage benefits**

- Expanded definition of lending act, including loan servicing for loans when your bank has an ownership interest
- Lender liability coverage applies to claims for emotional distress or mental anguish

### **Professional services liability coverage benefits**

- No need to schedule professional services to be covered
- Professional services also include loan servicing on behalf of a third party

### **Trust services coverage benefits**

- Coverage for trustee of any IRA or Keogh account is automatically included
- Trust services include any service performed within a trust department or trust company

Since the signing of the Gramm-Leach-Bliley Act in 1999, many banks have taken advantage of the opportunity to expand the scope of their operations beyond traditional services. However, banks who manage professional services — such as insurance agency services, security broker/dealer services or asset management services — can be held liable if a customer is not pleased with the level of attention received, or if errors and omissions occur in the execution of services. Travelers has your solution.

With Travelers on your side, you'll have confidence and peace of mind knowing you have the support you need in the event of a potentially damaging suit.

### **Comprehensive coverage offers protection you can count on**

- Coverage extends to financial institution, its directors, officers and employees
- Defense costs included for covered claims seeking non-monetary relief
- Coverage for subsidiaries also extends to certain owned or controlled nonprofit entities, political action committees, limited liability companies and joint ventures
- Coverage for punitive or exemplary damages, and the multiple portion of any multiplied damages, with most favorable venue language
- Modified settlement provision if the financial institution withholds consent to a settlement

- Definition of claim is enhanced to include written demands for non-monetary relief and written requests to toll or waive a statute of limitations
- No reporting requirement, and automatic coverage is provided, for acquired subsidiaries that are smaller than a specified threshold for lending acts or professional services acts taking place after the acquisition date
- 90-day automatic coverage, or the remainder of the policy period, whichever is less, for acquired subsidiaries above a specified threshold for lending acts or professional services acts taking place after the acquisition date
- No reporting requirement, and automatic coverage, for new professional services if the projected annual fee income or gross revenue is less than a specified threshold
- 90-day automatic coverage, or the remainder of the policy period, whichever is less, for new professional services above threshold (additional coverage subject to underwriting requirements)
- Run-off coverage if your bank is acquired, with policy continuing until the end of the policy period, for lending acts or professional services acts committed prior to the date of acquisition (a coverage quotation can be provided for an additional three-year extension, with options for lesser or greater periods)
- No exclusion under the professional services liability coverage for a claim based upon the financial impairment of your financial institution
- The policy is not cancelable by Travelers, except for nonpayment of premium
- Worldwide coverage where legally permissible
- Arbitration only at policyholder's request

## Why Travelers

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability
- With offices in every U.S. state, we possess national strength and local presence
- Our dedicated underwriters, risk control specialists and claim professionals offer extensive industry and product knowledge

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## Travelers knows depository institutions.

To learn more, talk with your independent insurance agent or visit [travelersbond.com](http://travelersbond.com).

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Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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