

Financial Institution Loss Scenarios from Chubb



Failure to Make Contributions

COVERAGE SECTION	Investment Advisors Errors & Omissions Liability
Cause of action	Suitability of Investments
Type of organization	Investment Adviser
Number of employees	Under 20

DESCRIPTION OF EVENT

A claimant alleged that her adviser failed to effectuate any contributions to her retirement plans over a four year period and that she did not obtain the employer match that was available for these periods. The claimant also alleged that the mutual funds in her account were not actively managed and that several investments selected by the adviser were illiquid and inappropriate given the claimant's time horizon and risk tolerance. She sought unspecified monetary damages.

RESOLUTION

The case was settled for nearly \$100,000.



Chubb Group of Insurance Companies
Warren, NJ 07059
www.chubb.com

Could this happen to your organization? Contact your trusted Chubb agent or broker.

Golsan Scruggs
7320 SW Hunziker Street, Suite 320, Portland OR 97223
Phone: (503)244-0297
Email: info@golsanscruggs.com