

## *'Carefree' can be a risky attitude when buying insurance.*

Taking out a professional liability insurance is a process that requires diligence. This factsheet provides information for client advisors of financial services who would like to take out a professional liability insurance that complies with Swiss FinSA:

1. **Anyone can compare premium amounts.**

By taking out the insurance offer with the lowest premium, you save considerable costs year after year. But beware: the premium level is not necessarily the most important criterion.

2. **Define your requirements.**

Even with mandatory insurance, the offers differ significantly in price and coverage. Some extensions of cover may be useful, others are effectively reducing the coverage.

3. **Ask for comparable offers.**

Clear tender criteria ensure that the offers obtained are comparable. This approach creates market transparency, and you can identify the offer that fulfils your needs best.

4. **Insurers know why their general terms and conditions contain small print.**

It is easy to get a high-level understanding of the insurance policy. But would you know the different wording of an "extended reporting period"? You may want to understand how this could work against your interests if the policy is cancelled or replaced by another policy.

5. **Good insurance contracts are negotiable and can be adapted to your needs.**

The professional liability insurance should be adapted to your business model and the coverage should automatically include any foreseeable development.

6. **Mistakes happen.**

Make sure that the insurance contract is issued correctly. If you do not object within thirty days, any discrepancies in the policy issued will be deemed to have been accepted.

7. **The law allows insurers to reduce their obligation to pay in the event of a claim.**

Take note of the contractual obligations arising from your insurance contract and make sure they can be effectively complied with, to avoid potential reductions in insurance pay-outs.

**Recommendation:** Choose an independent insurance broker who will competently advise you in your decision-making process and effectively relieve you of administrative tasks. There are no additional costs for you because the premium offered by the insurer already includes the broker's commission.

Did we spark your interest? Please contact us by phone or by e-mail to [enquiry@risksolution.ch](mailto:enquiry@risksolution.ch).

Please note on the reverse side the legal basis of the Professional Liability Insurance for Client Advisors of Financial Services according to the Swiss Financial Services Act FinSA.

## Legal Basis of the Professional Liability Insurance for Client Advisors of Financial Services according to the Swiss Financial Services Act FinSA

According to Art. 22 FinSA, client advisors of domestic financial service providers who are not supervised in accordance with Art. 3 FINMA Supervision Act and client advisors of foreign financial service providers may only exercise their activities in Switzerland if they are entered in a register of advisors. The advisor register is maintained by a registration office in accordance with Art. 31 FinSA. It requires FINMA approval for its activities.

Pursuant to Art. 95 para. 2 FinSA and Art. 107 FinSO, client advisors subject to a registration must apply for entry into an advisor register within six months of approval of the first Registration Office, i.e. by 19 January 2021 at the latest.

Client advisors shall be entered in the Advisor Register if they provide evidence that - amongst other- they have *taken out professional liability insurance* or equivalent financial security.

The ordinance FinSO regulates in Art. 32, para. 2 the requirements for the sum insured of the professional liability insurance as follows

- The sum insured, which is available for all claims in one year, must be at least CHF 500,000. If the insurance is taken out by a financial services provider who employs several client advisors, the sum insured must be at least
  - a. for two to four customer advisors: CHF 1.5 million.
  - b. five to eight customer advisors: CHF 3 million.
  - c. more than eight customer advisors: CHF 10 million.
- Period of notice of 3 months (Art. 32, para. 4 FinSO)
- Late registration period of one year (Art. 32, para. 5 FinSO)

## The Insurance Broker's Client Information according to Art. 45 of the Insurance Supervision Act ISA

Walker Risk Solution Ltd is an independent insurance intermediary for all lines of insurance and is subject to the Swiss Insurance Supervision Act (ISA). In the FINMA Register of Insurance Intermediaries, Walker Risk Solution is registered under the number 25930.

Following the agreement between Switzerland and Liechtenstein regarding direct insurance and insurance intermediation on 20. August 1998, Walker Risk Solution is admitted as an insurance intermediary in the Principality of Liechtenstein.

Walker Risk Solution has concluded collaboration agreements with insurers licensed in Switzerland and in Liechtenstein but, within the meaning of the legislation on insurance supervision, is not associated, whether legally nor commercially, with an insurer.

Walker Risk Solution warrants that its employees will handle the personal data entrusted to them in compliance with the principles of Swiss federal law on data protection.