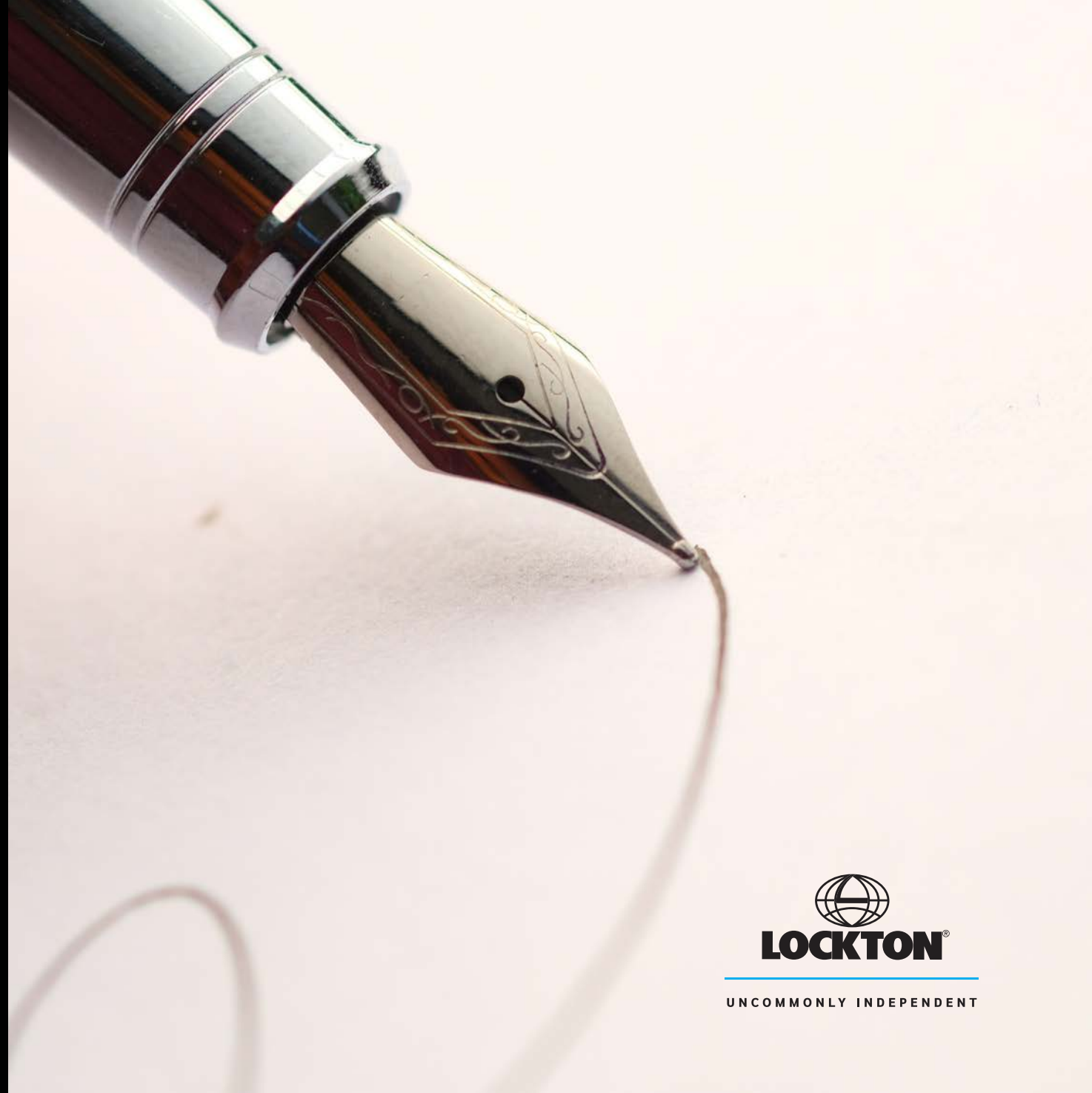


# Family Trustee Liability



**LOCKTON®**

UNCOMMONLY INDEPENDENT

# At Lockton, we do things differently.

Many lay trustees do not appreciate the substantial personal liabilities they assume by undertaking this role. There are many responsibilities and legal obligations which often unbeknown to them, can expose them personally.

It is also important to note that a Professional Adviser may only be covered under their practices PII for the work that they do in their professional capacity. This can leave them personally exposed when acting in their capacity as a trustee.

Trustees are tasked with making key decisions in the beneficiaries' best interest and in accordance with the trust, whilst also having to comply with the various laws in place. With so many duties to different parties, even those trustees who have years of experience can find themselves in a number of contentious situations.

As key decision-makers, trustees face potential claimants from many sources, including beneficiaries, creditors and other board members. Unlike employees of a professional services organization, non-professional trustees may not be afforded protection by an entity — instead, allegations of a wrongful act or a breach of trust can be brought against them personally.

Allegations against trustees can take many forms including: mismanagement of trust assets, failure to diversify assets, accounting errors, unfair or improper distributions, failure to follow terms of the trust agreement, and conflict of interest. Fortunately in a number of circumstances, these allegations can be insured.



# Freedom to act with peace of mind

We have designed our Family Trustee Liability insurance product to protect individuals who serve as lay trustees, including those acting in their non-professional capacity.

It is important to note that our cover is afforded to natural persons in their individual capacities as trustees. Professional advisers may only be covered under their practices PII, for the work that they do in their professional capacity which leaves them personally exposed.

## Am I eligible for Family Trustee Liability?

### Our cover is designed for:

- Family Trustees as opposed to Charity Trustees
- Lay trustees who are not appointed for their professional services
- Trustees appointed where their organisation does not cover their trustee responsibilities

### Trust types covered under our policy include:

- Family trusts that are intentionally created to either generate income for beneficiaries, and/or accumulate additional wealth within the trust
- Bare Trust, Mixed Trust, Discretionary Trust, Accumulation and Maintenance Trust, and Interest in Possession Trust are some of the acceptable trust types
- Trusts where land, buildings, investments, money, art, antiques and other valuables or assets are held in trust





# With Lockton, you receive:

- Cover for non-professional family trustees against wrongful acts / breach of trust
- A selection of liability limits up to £5m to fit your potential exposure
- Cover for professional trustees where your liability is excluded from an organisation's liability cover
- One initial proposal form with only a declaration required at renewal
- Complementary insurance health check of all the trust assets, to advise trustees that all assets are correctly insured for and on behalf of the trust

Lockton's Private Client specialists can also assist with the risk management and insurance requirements of the trust's assets, including: residential and commercial property, fine art, collectables, chattels and jewellery.

## What is covered?

- Professional Indemnity (which can be easily extended to include contractors)
- Protection against potential litigation brought by the trust's beneficiaries or other claimants, where there is an allegation of a Wrongful Act
- Protection for a trustee's personal assets, effectively protecting their own personal wealth
- Damages, judgements and settlements awarded against a trustee in relation to a Wrongful Act
  - This includes reimbursement to the trust, to the extent it has indemnified the trustee in respect of the wrongful act / breach of trust
- Defence costs incurred in the investigation, defence and settlement of any claim against a trustee in relation to a wrongful act
- Any person who was, now is, or may hereafter become a trustee

## Cover extensions exclusive to Lockton

- Defence costs in respect of illegal profits and deliberate acts
- International assets extension

*Going above  
and beyond the  
competition,  
every time.*

To find out more about your risks, legal exposures and eligibility for this insurance product, contact:

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