

Insurance Protection-Starter Kit for Hedge Fund Managers

In response to the emergence of hedge fund managers in Switzerland and Liechtenstein a simple, yet customized program of insurance, employee benefits and risk management is now available.

Walker Risk Solution, a specialised risk management and insurance advisor to managers of alternative investment funds, has designed a comprehensive program for hedge funds: the 'Insurance Protection-Starter Kit' for emerging managers. The program grows in sophistication as the fund's assets under management and the number of employees increases. It is based on a detailed analysis of the hedge fund industry's insurance needs, from launch to their becoming a billion dollar asset fund.

The program gives hedge fund managers a clear understanding of their options every step of the way. When hedge fund managers launch their funds, they face abundant responsibilities and requirements. The Starter Kit is designed to take their risk management and insurance concerns off the table so they can concentrate on raising assets and managing their funds. Some pre-launch concerns among hedge fund managers include purchasing property/casualty and liability insurance, accident and medical coverage.

Start-ups of single and fund of funds manager are now increasingly buying Directors and Officers and Errors and Omissions (D&O/E&O) Professional Liability coverage. While many of the start-ups consider D&O and E&O coverage a prerequisite for being in business, many large hedge funds, which have historically not owned a policy to protect themselves against costs from regulatory investigations, are now considering buying coverage. Investors in these established hedge funds, which accepted the fund spending a few hundred thousand Euros on the occasional lawsuit, are no longer content with their returns subsidizing legal bills. Similarly, AIMA recommends its members to buy adequate D&O liability protection.

More established hedge funds may consider key person life insurance as an important component in the management of risk, alongside business

succession planning and sophisticated pension and deferred compensation programs.

Walker Risk Solution plays an important advisory role through each stage of growth, and provides hedge fund managers with benchmark reports showing the coverage and services that other alternative fund managers are buying. Especially in the current regulatory environment, making the right choices is more important than ever. Even at the beginning, providing the right coverage requires experience. The challenge is in being able to anticipate problems and respond quickly.

About Walker Risk Solution Ltd

Walker Risk Solution was founded in 2010 as a boutique insurance and risk management advisory firm with offices in Zug and Zurich. It serves Swiss and Liechtenstein based funds and asset managers who require sophisticated advice addressing multiple risk factors. Walker Risk Solution's technical expertise in identifying and dissecting risk, coupled with its culture of senior-level attention and client service, results in high levels of customer trust and loyalty.

Walker Risk Solution developed its Insurance Protection-Starter Kit to support the launch of hedge fund in Switzerland and Liechtenstein.



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