Trustee narrative

ExecutivePerils has been insuring trusts since our creation, including some noteworthy, such as Howard Hughes Estate and eToys trustees.

We provide E&O (errors & omissions, professional liability) insurance for all types of trustee situations, including family trusts with multiple specialty trusts and a wide range of asset types. Let our team know your client’s needs and challenges, and we will provide quick service, competitive pricing and coverage from a range of insurance markets. Our clients are getting our professional liability expertise and comprehensive coverage at competitive prices.

Trustees are held to a high fiduciary standard which makes them vulnerable to attack from disgruntled beneficiaries who scrutinize and critique their every move. Many trustees who are handed the family or company reins are unaware that their corporate, accounting or lawyers liability insurance policy may not provide them with any coverage, leaving them uninsured and exposed to large potential losses, particularly in a volatile economy when depreciating assets may easily be tied to damages.

The trustee may also be left holding the bag when claims are asserted after the trust has been fully distributed, leaving the trustee without trust funds to defend himself, much less compensate himself for the additional trustee services that will be required. A trustee’s duties are much more than a ‘miscellaneous profession’. Trustees are sophisticated professionals with specific legal exposures, inherent to their business; and their errors and omissions policy should reflect just that.

**ExecutivePerils** places malpractice insurance for trustees handling a variety of trusts including:

Corporate bankruptcies

1. living trusts
2. beneficiary trusts
3. family trusts
4. testamentary trusts
5. liquidating trusts (see claim example 8)
6. charitable trusts (see claim example 7)
7. special needs trusts
8. pooled trusts
9. estate guardianship agreements
10. conservatorship agreements

The exposurers are huge:

**Trustee's Errors & Omissions exposures include:**

* Conflict of interest
* Violation of trust or corporate purpose
* Mismanagement or non-management of trust assets
* Exceeding the authority granted by the trust
* Intentional wrongful conduct
* Third parties that the trustee recommends, selects or retains improperly performs, or fails to perform, professional services as required
* Suits brought by beneficiaries seeking to challenge the terms of the trust.

**Trustees have the duty to:**

* Be fair when dealing in transactions with each beneficiary;
* to participate in the trust administration and insure that co-trustees participate;
* to act promptly to take possession of trust assets and property when appointed;
* to defend the trust against attack and to enforce claims;
* to protect and preserve trust property;
* to keep trust property separate;
* to provide an accounting of the trust to beneficiaries.

Trustees frequently retain the services of other professionals (e.g., attorney, CPA, investment advisor) to assist in the valuation and administration of the trust. Trustees are vicariously liable for the actions of such other professionals and have a duty to select professionals who are competent and qualified.