



BITS AND PIECES

TIPS AND IDEAS ABOUT THE FIDUCIARY RULE

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BICE Malpractice Insurance Protection

No, this is not about the Hippocratic Oath, it's about the Prudent Person Rule. The Best Interest Contract Exemption ("BICE") requires advisors to have an enforceable contract that permits litigation for recovery of damages if plaintiffs can show a failure to comply with BICE. The central requirement of BICE is the Prudent Person Rule.

A Best Interest Contract in the hands of every client that has a retirement account is an enormous exposure if the market should take a dive. Insuring against this risk will become an essential part of doing business and the premiums for this coverage can be expected to escalate. Like medical malpractice insurance, BICE insurance can be expected to initially reflect the estimate of potential claims and ultimately reflect actual experience.

Do you know how BICE will change your liability insurance coverage?