

Pull out your current policy and check the box next to any coverage you can confirm is already in place — anything unchecked is worth a quick conversation with your advisor. Coverage checklist for FINRA member broker-dealers. Priorities reflect typical exposure; confirm against business lines and reps.

CORE **PREVALENT** **SITUATIONAL** — Core: almost always needed · Prevalent: commonly carried by businesses in this class · Situational: depends on specific exposure

COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐ Broker-Dealer E&O	Covers customer claims and arbitrations over recommendations and service.	CORE
☐ Fidelity Bond (FINRA Rule 4360)	Required by FINRA — covers employee theft and certain fraud losses.	CORE
☐ Cyber Liability	Covers breaches and account takeovers, including at vendors.	CORE
☐ Directors & Officers	Covers management and regulatory investigation costs — fines are not covered.	PREVALENT
☐ Employment Practices	Covers claims by employees and representatives.	PREVALENT
☐ Independent Rep E&O Program	Confirms independent contractors carry E&O that responds with the firm's.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The most commonly missed gap for this class is coverage for private placements and complex products. Some E&O policies exclude or sublimit claims over private placements, non-traded REITs, or other complex products — the products regulators watch most. Firms should confirm those products are covered and that the fidelity bond meets FINRA's requirement.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Core / Prevalent / Situational labels describe general patterns observed for this class of business — what is commonly carried, not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.