

I am adamantly against requiring firms and associated persons to produce third-party insurance coverage information. First of all, such insurance coverage (E&O) isn't even REQUIRED by FINRA and many small firms do not carry such expensive coverage. Second, the insurance carriers will use such an amendment to unilaterally raise premiums due to the increased risk exposure.

If this amendment becomes effective, every lawyer in the county will find individuals to file claims against firms for the sole purpose of determining whether the broker/dealer has E&O coverage. Once that information is known, the barn door will be wide open for nuisance cases. The net result will be more small firms shutting their firms down and/or moving to an RIA model.

FINRA needs to find ways to boost its member firm count, not create another reason for small firms to throw in the towel.

Kind regards,

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