

FIDUCIARY LIABILITY

Provides legal defense expenses, settlement/judgement costs and fines and penalties for **Wrongful Acts** committed by a Fiduciary, Administrator and/or Sponsor Organization of a Covered Plan. This exposure is specifically EXCLUDED in EVERY OTHER insurance policy a company carries.

Wrongful Act: a violation of any of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA with respect to a Covered Plan solely by reason of his, her or its status and duties as Fiduciary of a Covered Plan.

Wrongful Act: as respects an Administrator: any act, error, or omission solely in the performances of the Administration of a Covered Plan and solely by reason of his, her or its status and duties as an Administrator of a Covered Plan.



WHO'S COVERED:

Entity, its Directors, Officers and employees

Entity's employee benefit plans

Non-employee Administrators of plans (by endorsement)

ALLEGATIONS INCLUDE:

- Wrongful denial or improper change in benefits
- Error or omission in plan administration
- Improper advice or counsel
- Fiduciaries engaging in a prohibited transaction
- Failure to administer the plan according to plan documents
- Conflict of interest
- Exorbitant management fees paid to 401(k) managers

WHAT IS COVERED

- Legal defense costs
 - Investigation defense costs
- Fines and Penalties (HIPAA, HITECH, COBRA, ERISA 502©)
 - EPCRS Coverage (IRS resolution channel)
 - Settlements/Judgement costs
 - Imprudent investment of assets or lack of investment diversity
- Imprudent selection and failure to monitor third-party service providers

KEY POLICY TERMS

- Average Premium under \$3,000 **including** Broker Fees (plans under \$25M in Assets)
- Typical Policy Limit \$1M to \$2M, available with \$0 Deductible
- Admitted Paper
- Non-rescindable coverage for non-indemnified loss
- Full Severability all exclusions
- Settlor coverage (for non-employee administrators) included

REQUIRED FOR QUOTING/BINDING:

1. Completed, signed and dated Fiduciary Liability application (should include Plan name(s), asset value, number of participants)
2. Form 5500 (if available)