

Protect your Directors and Officers personal assets


Fiduciary Liability Coverage for Organizations and **Private-Independent Schools**



 #ISMINCinsurance Join the conversation.

PHONE 302-656-4944
FAX 302-656-0647

EMAIL ism@isminc.com
WEB isminc.com/insurance

 [ismfanpage](https://www.facebook.com/ismfanpage)
 [@isminc](https://twitter.com/isminc)

ism[®]
Insurance Inc.

Fiduciary Liability Coverage for Organizations and Private-Independent Schools

ISM's Financial Liability Policy provides the broadest, state-of-the-art fiduciary liability coverage and the expertise nonprofits need to meet the new regulations.

What Types of Claims Are Covered?

The Fiduciary Liability Coverage Endorsement provides claims made coverage for claims alleging:

- Breach of Fiduciary duty in the operation of a plan of the organization. Breach of Fiduciary Duty involves violation of duties and responsibilities established by ERISA.
- A wrongful act in the administration of any of the organization's Employee Welfare Benefit Plans. Administration of a plan includes:
 1. Counseling employees,
 2. Interpreting and handling records, and
 3. Effecting enrollment or cancellation of employees.

Who Does the Endorsement Cover?

- Plan: any Employee Pension Benefit Plan identified in the proposal, except for multi-employer Plans or Trust as defined by ERISA.
- Welfare Benefit Plans:
 1. A government-mandated insurance program for workers' compensation, unemployment, Social Security, and disability benefits; or
 2. An employee welfare benefit plan as defined by ERISA that provides benefits or services to Insured Persons.
- Past, present, and future Directors, Trustees, Officers, Employees, Volunteers, and Staff Members of the Organization who are Trustees of the Plan or Welfare Benefits Plans.
- All other natural persons who serve as a Trustee of the plan or Welfare Benefit Plans identified in the endorsement.
- Any subsequently created or acquired plan or Welfare Benefit Plans upon written notice to the Insurer.

What Loss Is Covered?

- Compensatory damages, settlements, and defense costs.
- IRS penalties related to prohibited transactions, such as paying certain expenses out of plan assets and minor delinquent contributions.

What Loss Isn't Covered?

- Taxes
- Criminal or civil fines or penalties (other than the IRS penalties noted above)
- Matter uninsurable
- Claims involving failure to collect contributions owed to the Plan or for return of contributions chargeable to the Plan
- Benefits payments
- Failure to comply with any law concerning government mandated employee programs-workers' compensation, unemployment, Social Security, disability

What Claims Are Excluded?

- Intentional misconduct
- Wrongful Acts involving any plan or Welfare Benefit Plan after it is sold or spun off
- Prior Wrongful Acts committed before any plan or welfare benefit plan is acquired or sponsored by the Organization
- Contractually assumed liabilities
- Prior or pending proceedings