Protect your Directors and Officers' personal assets

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

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ism® Insurance Inc.

Fiduciary Liability Coverage for Organizations and Private-Independent Schools

ISM's Financial Liability Policy provides broad fiduciary liability coverage and the expertise needed to meet new regulations.

What Types of Claims are Covered?

- **The Fiduciary Liability Coverage Endorsement provides coverage for claims alleging:**
  - Breach of fiduciary duty in 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 plan includes:
    - counseling employees;
    - interpreting and handling records; and
    - 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:**
  - A government-mandated insurance program for worker's compensation, unemployment, Social Security, and disability benefits; or
  - An employee welfare benefit plan 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 Trustees of the Plan or Welfare Benefits Plans.
- All other natural persons who serve as a Trustee of the plan or Welfare Benefits Plans identified in the endorsement
- Any subsequently created or acquired plan or Welfare Benefits Plans upon written notice to Insurer.

New Enhancements for the Most Comprehensive Policies

Most of these are found in our Eagle endorsement

- **EPCRS Coverage:** EPCRS allows for corrections of certain errors that happen during plan administration—included in the definition of "Voluntary Compliance Program" in the endorsement D3712(34).
- **Pension Protection Act of 2006 Amendments:** Added to the definition of ERISA which refers to legislation that established new funding requirements for defined benefits plans and requires those that are guilty of underfunding to pay higher premiums.
- **COBRA, HIPAA, and 502© Extensions:** Adds COBRA to the definition of ERISA or the continuation of health benefits for a period of time following a voluntary or involuntary job loss. HIPAA added to the definition of ERISA which refers to the federal law that protects sensitive patient health information from being disclosed without their knowledge. ERISA 502c refers to penalties when the plan administrator fails to provide plan documents to participants.
- **Enhanced Severability and Non- Recission Feature:** See endorsement D3713(8) attached.
- **LaRue v. DeWolff Amendments:** See updated definition of "Benefits" in the attached endorsement.
- **No hammer clause on selected accounts.**

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 payment.
- Failure to comply with any law concerning government mandated employee programs, including workers' compensation, unemployment, Social Security, or 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.

Coverage features described here are summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. Admitted coverage is underwritten by Great American Insurance Company, a licensed insurer in 50 states and DC. Great American Insurance Company is the owner of the following registered service marks: the Great American Insurance Group eagle logo, and the word marks Great American®, and Great American Insurance Group®.
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