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To Our Valued Client:

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Management Liability Coverage

Employment Practices – Directors & Officers – Fiduciary Liability

When dealing with complex contractual insurance requirements, companies often overlook their management liability coverage needs. This could be a costly oversight.

Your General Liability policy invariably has exclusions for Employment Practices Liability (EPL) exposures, Directors & Officers (D&O) and Fiduciary Liability exposures. You can obtain these coverages individually on separate policies or combine them onto a single policy to help protect your firm from each of these exposures.

Employment Practices -Studies show an employer is more likely to have an Employment Practices Liability (EPL) claim than a General Liability (GL) claim or property loss. Today, almost 75% of all litigation against corporations involves employment disputes such as alleged discrimination, sexual harassment, wrongful termination, and wrongful discipline. One carrier's estimate is that the average cost of an EPL claim against a smaller company is approximately \$50,000 when payment is made to the plaintiff. Jury verdict research shows that the median payout when a discrimination case goes to trial is \$317,032. Even frivolous claims would cost you valuable time and money to defend.

Something as simple as a superintendent or foreman ignoring racist or sexually explicit graffiti on a job site could result in litigation. Employment Practices Liability (EPL) Insurance protects companies and individuals against loss from damages as well as defense costs arising out of employment practices disputes, such as:

- Discrimination based on gender, race, color, national origin, religion, disability or age.
- Sexual or other unlawful harassment in the workplace.
- Wrongful termination.
- Retaliation.
- Failure to employ or promote.
- Employment-related defamation or invasion of privacy.
- Wrongful discipline of an employee.
- Employment-related infliction of emotional distress

Directors & Officers –Senior leadership, even at a private company, can face personal liability for the decisions they make. They can be sued based upon their actions while leading the company, or named in a lawsuit simply because they are directors and officers. D&O Liability covers wide range of exposures such as:

- Breach of duty of care
- Breach of duty of loyalty
- Neglect
- Misrepresentations
- Defamation
- Omissions
- Misstatements
- Errors

Fiduciary Liability –When a company offers its employees a 401(k), or health plan, the company and fiduciaries are at risk of a lawsuit. Under ERISA law, directors, officers, trustees and other fiduciaries can be held personally liable for the decisions they make when managing plans or advising plan participants –even if it is an honest mistake. Fiduciary Liability coverage typically addresses exposures such as:

- Breach of fiduciary duties under ERISA
- Errors and omissions in plan administration
- Imprudent choice of insurance companies, investment options, or third-party service providers
- Remiss investment strategies
- Mishandling of records
- Faulty or negligent advice or counsel to plan participants
- Improper disclosure to plan participants
- Errors in providing interpretations with respect to any plan
- Errors in enrolling, terminating or canceling employees under any plan

You also gain added comfort in knowing, in the event of a claim, the carrier will match you with a defense attorney experienced in handling management liability claims. Please consider obtaining all three of these coverages so you can have the protection that your business needs in the event of a lawsuit. We've attached an EZ application to help get you started with a quick premium indication for these important coverages.

Very truly yours,
DeSanctis Insurance Agency, Inc.