



Your clients need Fiduciary Liability Coverage from Beazley

If your clients don't have fiduciary liability coverage, the personal assets of their plan fiduciaries are exposed.

All companies that provide retirement plans or healthcare benefits to their employees have one thing in common: individual managers are subject to personal liability in the event there is a claim related to employee benefits. The Employee Retirement Income Security Act of 1974 (ERISA) imposes personal liability on those responsible for overseeing employee benefit plans. Many companies are either unaware of this exposure or think coverage exists elsewhere.

Some common misconceptions:

- ***If I have an ERISA bond, that's all I need...*** The bond required by ERISA protects the plan assets from theft by plan administrators; it does not protect plan administrators in the event of a claim brought by an employee or plan participant. Fiduciary liability coverage from Beazley responds to this exposure, covering claims alleging breach of fiduciary duty and negligence in the administration of a plan.
- ***I contract with a third party administrator, so I have transferred this risk...*** ERISA specifically prevents those responsible for running employee benefit plans from transferring their personal liability to a third party by contract. In the event of a claim, your client's plan administrators and fiduciaries may still be liable for errors made by a TPA -- ERISA holds plan fiduciaries responsible for the selection and monitoring of TPAs to ensure the plan's best interests are served. A Fiduciary Liability policy from Beazley covers the plan as well as its fiduciaries for ERISA claims. A Fiduciary Liability policy from Beazley is written to respond to allegations of mismanagement by a third party administrator.
- ***We have an employee benefits liability (EBL) extension to our general liability policy, so I'm covered...*** EBL extensions specifically exclude any claims alleging breach of fiduciary duty under ERISA, the claims with the highest potential for personal liability. The Beazley Fiduciary Liability policy is designed to respond to allegations of breach of fiduciary duty as well as errors or omissions in the administration of a plan.

Beazley's Fiduciary Liability insurance policy covers a wide range of exposures including breach of the duties imposed by ERISA. It is essential protection for those managing employee benefits plans. For more information, please contact your Beazley underwriter.

February 2007