

Fiduciary Liability Insurance

Where the standard of care is high and the liability can get personal.

CHUBB®



In today's evolving legal environment, employers and plan fiduciaries are increasingly being held accountable and potentially personally liable for their actions in administering the benefit plans they offer employees. Furthermore, in Canada, under the Pension Benefits Standards Act or provincial statute, trustees can be held personally liable for breaches of their duties that result in loss or damages suffered by the beneficiaries. In the United States of America, the Employee Retirement Income Security Act of 1974 (ERISA) established strict standards of fiduciary conduct. As such, any fiduciary who breaches any of the responsibilities, obligations, or duties imposed by ERISA may be personally liable to compensate the plan for any resulting losses. That's why Chubb created ForeFront Portfolio Fiduciary Liability Insurance specifically for private companies like yours.

Why your company needs fiduciary liability insurance:

- Participants and beneficiaries can sue a plan's fiduciaries to enforce or clarify their rights under law and the plan.
- Even if a judgment is obtained in your favour, defending yourself from any alleged breach of fiduciary obligations could result in losses of hundreds of thousands or even millions of dollars in defence costs.
- Delegation of fiduciary responsibility to an outside service provider requires prudent selection and monitoring by your company's fiduciaries. Failure to do so could expose them to personal liability.
- Even if your company wishes to indemnify its fiduciaries, it may not be able to do so, or it may be prohibited from doing so by law. Relying on corporate indemnification as your sole protection as a fiduciary may be placing your personal assets at risk.
- If your company ever reduces or eliminates some employee benefits, or if it plans to be involved in a major acquisition or merger or to sell part of a business, it increases its fiduciary liability risk.

ForeFront Portfolio

ForeFront Portfolio Fiduciary Liability Insurance highlights:

- When Chubb has the duty to defend for covered claims, we provide you with access to expert counsel.
- Expanded definition of Wrongful Act to include acts, errors or omissions in an insured's settlor capacity with respect to establishing, amending, terminating or funding a trust or plan.
- 100% defence costs coverage is available in most circumstances for covered claims.
- Sublimits of \$250,000 for CDN Pension Benefits Standards Act civil penalties, \$250,000 for HIPAA civil penalties and \$250,000 for ERISA 502(c) civil penalties, where allowed.
- U.S. Voluntary settlement program coverage of \$150,000.

ForeFront Portfolio Fiduciary Liability Insurance Responds to Allegations Including:

- 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.
- Imprudent investment of assets or lack of investment diversity.
- Imprudent selection and failure to monitor third-party service providers.

And insures:

- The company.
- The company's executives and employees.
- The company's employee benefit plans.

With additional advantages:

- Our private company underwriters are positioned throughout Canada and are experienced in a broad spectrum of industries.

Key Features

Chubb's ForeFront Portfolio Fiduciary Liability Insurance policy offers some of the broadest coverage available in the marketplace, including the following:

- Enhanced reporting provision when renewed with Chubb.
- When Chubb has the duty to defend, we provide you with access to expert law firms and counsel experienced in complex pension law.
- Voluntary settlement program coverage in the United States, of \$150,000 for programs administered by the IRS, DOL, or any similar program administered by a governmental authority located outside the United States.

Why ForeFront Portfolio?

- A long-time leader in providing insurance to private companies, Chubb created ForeFront Portfolio Fiduciary Liability Insurance as one of a suite of nine insurance solutions under ForeFront Portfolio.
- The coverage parts in ForeFront Portfolio work as standalone policies or seamlessly together in order to minimize gaps and reduce overlaps in insurance coverage.

Why Chubb?

- For over 30 years, we've devoted ourselves to helping to protect private companies like yours. We were a pioneer in providing privately owned companies with an integrated insurance solution to address their professional and management liability exposures.
- We cultivate a deep understanding of private company needs through the biannual Chubb Private Company Risk Survey, the only survey of its kind in the industry.
- Our reputation for fair claims handling and superior service offers you additional peace of mind.
- Our financial stability and ability to pay claims rate among the best in the insurance industry.

Contact Us

For more information, contact your insurance broker or visit us online at Chubb.com/ca.

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