

Multiemployer Plan Fiduciary Liability Policy



For almost 50 years, Chubb has protected trustees and employees from personal liability exposures they face as fiduciaries of Taft-Hartley Trust Funds. Trustees of multiemployer health, welfare, defined contribution, pension, and other benefit plans hold a significant and often complex role in managing these plans for the exclusive purpose of providing benefits to participants, dependents, and beneficiaries. The Employee Retirement Income Security Act of 1974 (ERISA) imposes extraordinary responsibilities on these individuals, including personal liability for losses resulting from their breach of duties or for illegal personal profits attained through the misuse of plan assets. Moreover, numerous amendments and other laws governing fiduciary conduct now create an even greater breadth of challenges.

Why Are Trustees Targets for Claims Alleging Fiduciary Breach or Administration Failure?

Trustees must execute their obligations with both prudence and loyalty. In other words, they must act with the care, skill, and diligence that a prudent person would exercise in a similar situation. Additionally, they must carry out their duty with respect to a benefit plan solely in the interest of its participants.

Lawsuits are brought against trustees subjecting them to expensive and time-consuming legal proceedings with a wide spectrum of allegations:

- Denial or change of benefits
- Administrative error
- Incorrect benefit calculation
- Improper advice or counsel
- Misleading disclosures
- Conflicts of interest and self-dealing
- Imprudent investment of plan assets resulting in funding deficiencies
- Violation of plan documents
- Benefit payment to ineligible individuals
- Disputes regarding tax qualification of a plan
- Improper response to an employer's withdrawal from a plan or default on its obligation to contribute to a plan

What does the Chubb Multiemployer Plan Fiduciary Liability Policy cover?

In such a rapidly evolving legal landscape, the responsibilities that trustees carry can be daunting. As a leading provider of specialized fiduciary liability insurance, the **Multiemployer Plan Fiduciary Liability Policy** can be customized to fit the unique needs of our insured plans. Key policy elements include:

- Streamlined coverage with Insuring Clauses for Fiduciary Liability, Voluntary Compliance, and Interview Coverage.
- Expanded definition of Wrongful acts includes acts, errors, or omissions in an Insured's settlor capacity with respect to establishing, amending, terminating, funding, merging, or consolidating plans, in addition to breach of duty imposed by ERISA upon fiduciaries and errors in plan administration.
- Expanded definition of Claim includes:
 - Pre-Claim Investigations (Insured's option to report)
 - Benefit Claim Denials (Insured's option to report)
 - Regulatory proceedings against an Insured Persons by an Enforcement Unit (SEC, DOJ, HHS)
 - Subpoena requests upon Insured Persons
- Expanded definition of Loss includes:
 - Civil penalties where insurable by law:
 - Health Insurance Portability and Accountability Act
 - Health Information Technology for Economic and Clinical Health Act

- Patient Protection and Affordable Care Act
- Employee Retirement Income Security Act Section 502(c)
- Section 4975 of the Internal Revenue Code
- Section 203 of the Bipartisan Budget Act
- Compensatory damages
- Punitive, exemplary, and multiplied damages where insurable by law
- Claimant attorney fees awarded by a court pursuant to Section 502(g) of ERISA
- Pre-judgment and post-judgment interest
- Reasonable fees and expenses of an independent fiduciary retained to review a proposed settlement of a covered claim
- Duty to Defend policy includes built-in flexibility for Insured to select defense counsel on a majority of claims
- No Hammer Clause
- Non-cancellable
- Non-rescindable
- Enhanced Claim Reporting

Why Chubb?

As the world's largest publicly traded property and casualty insurer, Chubb carefully crafts coverage to protect trustees and employees of multiemployer plans from personal liability exposures they face in fulfilling their duties. We have earned our leadership position as a provider of fiduciary liability insurance by our unflinching commitment in providing:

- Broad fiduciary liability protection
- Superior service
- Outstanding underwriting expertise
- Unmatched claims handling
- Continued financial stability as one of A.M. Best Company's elite highest ranking insurers

Contact us

To learn more about the Chubb **Multiemployer Plan Fiduciary Liability Policy** for multiemployer plans, contact your local underwriter or visit www.chubb.com/us/fiduciaryliability.

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