

Fiduciary Liability Coverage

TOP 5 REASONS YOUR ORGANIZATION NEEDS COVERAGE

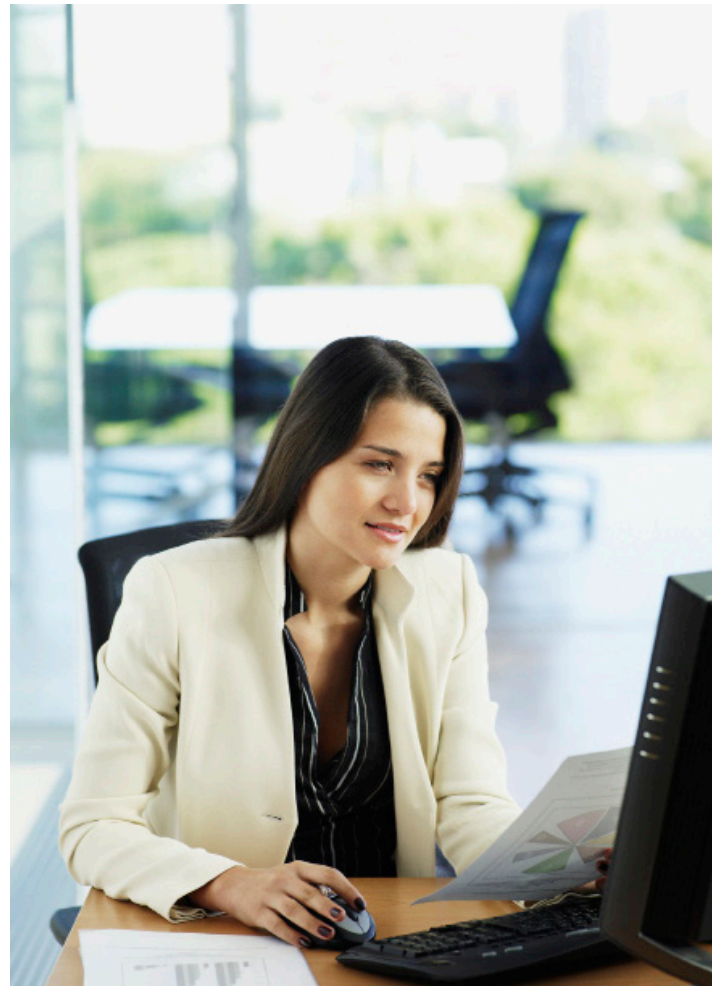
1 A fiduciary – any individual involved in the management of a retirement or health plan – can be at risk if they breach their duties and be **personally required to make the plan whole for any losses they caused.**

2 **Defending and resolving ERISA suits costs time and money.** The average settlement is \$994,000¹, average defense costs are \$365,000² and 69 percent of substantive ERISA litigation is resolved in favor of the plaintiffs.³

3 **You cannot avoid liability solely by blaming plan participants for their investment decisions.** Fiduciaries are responsible for providing a broad range of investment alternatives and minimizing the expenses associated with those investments. Since 2006, the plaintiff's bar has recovered more than \$170 million for excess expenses.⁴

4 **A fiduciary can be sued for not following the plan documents** and plan participants regularly sue claiming denial of benefits in violation of plan documents. More than 9,000 ERISA lawsuits are filed each year on average.⁵

5 **A fiduciary cannot escape responsibility by blaming a service provider.** According to the Department of Labor, it is the responsibility of the fiduciary to vet and monitor any outside vendor.



Wrap+[®], Select One+[®] and Executive Choice+[®] Fiduciary Liability coverage is specifically designed to cover defense costs and personal liability of fiduciaries. This coverage is critical to the well-being of any company – particularly given the growing exposures in today's volatile climate. It covers a company's benefit plans and helps protect its directors, natural person trustees, officers and employees from costly litigation.

¹ Towers Perrin Tillinghast Survey

² Towers Perrin Tillinghast Survey

³ Pension Litigation Data – ERISA Litigation Study, April 2009

⁴ Reuters: How 401k lawsuits are bolstering your retirement plan, November 2013

⁵ USCourts.gov (2007-2011)

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