Defending and resolving ERISA suits costs time and money. The average settlement is $994,000, average defense costs are $365,000 and 69 percent of substantive ERISA litigation is resolved in favor of the plaintiffs.

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.

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.

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.

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)

Available through the Wrap®, SelectOne® and Executive Choice® product suites.