

Miscellaneous Professional Liability

COVERAGE HIGHLIGHTS

Every day, you create exposures to costly liability claims just by doing business.

Why you need protection

As a professional operating in today's increasingly litigious environment, you could easily be subject to allegations by unhappy clients who may feel they've been harmed by your actions or inactions. Or, you could also be sued by a third party that suffers as a result of the acts of your professional service. The defense costs alone could be financially devastating if you are not protected.

Regardless of the size of your business, you have potential exposures as client expectations are increasing and lawsuits are becoming more common. Consider the auctioneer sued for poor promotion when his client claimed inadequate advertising caused the auction to be much less profitable than anticipated. Or the advertising agency sued for copyright infringement by a musician who alleged the music they used in a commercial was his and not that of the freelance musician the agency hired.¹

Coverage highlights

To address these growing exposures, Travelers Miscellaneous Professional Liability (MPL) is designed to protect a wide range of professionals — consultants, executive recruiters, graphic designers, translators, travel agents and many others. Miscellaneous Professional Liability insurance provides coverage for economic damages that are typically not included in a general liability policy including a variety of errors and omissions (E&O) exposures and coverage for negligence in the performance of services where a reasonable standard of care is expected.

As part of the coverage, Travelers offers a risk management helpline that provides up to one hour of consultative services through Litchfield Cavo, a premier professional liability defense law firm. This helpline has been structured to provide confidential, knowledgeable, expert resources on a wide range of risk management topics, including:

- Risk management system and procedures
- Ethics and professionalism
- Malpractice avoidance
- Client relationships and conflicts
- Firm management, policies and procedures



Claim scenarios

Marketing consultant – \$94,000

A women's clothing store retains a marketing consultant to assist them in creating a new website and advertising to be completed by a particular date for their upcoming annual sale. The marketing consultant completes the materials on time but fails to send out, in a timely fashion, the email announcing the new website and the sale.

The owner of the clothing store sends a demand letter for lost business due to the consultant's negligence. Defense expenses total \$30,000 and the case settles for \$64,000.

Executive recruiter – \$110,000

An executive recruitment agency is retained to find an experienced CFO for their client's business and to conduct a background check. After three years of employment with the client, the CFO is terminated after misuse of corporate credit cards. In their investigation, the client discovers the CFO was previously sued by an employer for embezzlement and this was not disclosed in the insured's background check.

The client demands repayment of salary and bonuses paid to the CFO during his employment, as well as the amounts he stole. Defense expenses total \$35,000 and the case ultimately settles for \$75,000.

¹ Coverage in these examples is extended only for certain classes of business and may not be available in every instance.

² Assistance from Litchfield Cavo attorneys is not intended to replace your firm's need to hire counsel to assist in making risk management decisions.

Risk management service included at no additional cost

As part of your coverage, membership is included to Risk Management Plus+ Online[®], an online resource that provides a useful set of tools to help protect your organization from costly litigation. To learn more visit rmplonline.com.

Why Travelers?

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices in every U.S. state, we possess national strength and local presence.
- Our dedicated underwriters, risk control specialists and claim professionals offer extensive industry and product knowledge.



Travelers knows Miscellaneous Professional Liability Coverage.

To learn more, talk to your independent agent or visit travelersbond.com.



Available through the Travelers Wrap+[®] and Executive Choice+SM suite of products.

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