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## **Uncover Fiduciary Risks**

(DESCRIPTION)

Text, Travelers, with a red umbrella at the end. Fiduciary Liability Coverage

(SPEECH)

[MELLOW ELECTRONIC MUSIC]

SPEAKER: Fiduciary-- it's hard to say. It's hard to understand. And you might be a fiduciary without even knowing it. So here's the deal. If you manage a health or retirement plan or have the authority to control the plan's asset, you're a fiduciary. You won't see that word on your business card, but it's your duty to select and monitor advisors and investments, minimize expenses, and follow plan documents. That's a lot of responsibility and liability.

A fiduciary can be held personally liable for a breach of duties under ERISA. And the risk is always out there. Your company could be sued, and you could be sued. Make the wrong choices, and it could be your money and your assets at risk.

Consider this. Independent contractors working for three seasons at a company believed they were eligible for the employer's retirement plan. When the company denied that the contractors were eligible, the contractors sued the company for retroactive matching contributions to the retirement plan and earnings on those contributions. Defense costs were approximately \$1 million.

Here's another case. Employees participating in their company's 401(k) plan sued the plan sponsor, the plan's investment fiduciary, and individual plan fiduciaries, alleging that they breached their fiduciary duties under ERISA. How? By allowing the plan to incur excessive recordkeeping and investment fees, by failing to eliminate underperforming investment options. The lawsuit was ultimately settled for \$14 million, but not before racking up over \$2 million in defense expenses.

Here's the bottom line. The average cost of an ERISA case tops \$1.2 million. What's more, government regulators are always watching for irregularities. In fact, in the 2019 fiscal year, the US Department of Labor recovered over \$2.5 billion in direct payment to plans, participants, and beneficiaries.

With risks like these and those not yet discovered, you need an insurance company who can help protect and prepare you for what may come your way. That's why fiduciary liability coverage isn't a maybe but a must have. Talk to your independent agent to make sure you have the right coverage in place to help protect your business.

(DESCRIPTION)

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Talk to your independent agent today.

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