WHAT IS THE BENEFIT OF A **FIDUCIARY POLICY?**

Employee Retirement Income Security Act (ERISA) holds Fiduciaries personally responsible for the management and administration of covered benefit plans. Fiduciaries have a duty to act solely in the interest of plan participants and beneficiaries - not the company - when making decisions regarding the plans. Furthermore, plan fiduciaries are typically prohibited from transferring liability to a third party administrator or outside fiduciary.

ARE YOUR PERSONAL ASSETS AT RISK?

At risk parties include those who have any discretion in administering or managing any of the plans.

- HEALTH & WELFARE
- PROFIT SHARING
- EMPLOYEE BENEFITS
- RETIREMENT SAVINGS
- PENSION

Fiduciary Liability policies can be purchased as:

STANDALONE CONTRACTS

— OR —

BLENDED WITH EXECUTIVE RISK OR MANAGEMENT LIABILITY POLICIES

WHAT ALLEGATIONS OF WRONGDOING CAN PLAN FIDUCIARIES FACE?

COMMON CLAIMS REVOLVE AROUND:

- Imprudent investing if a plan loses money or does not meet an employee's growth expectations
- Administrative errors or delays in responding to requests for investment changes, distributions and rollovers
- Paying excessive fees to fund managers
- Transactions not adhering to plan documents or that benefit the company to the detriment of the plan participant

Fiduciary Liability Insurance pays on behalf of the insured legal liability and defense costs - *including costs to defend claims seeking to establish liability.*

Insured can be variously defined depending on the policy. It is crucial that the definition of insured is broad so that it mirrors ERISA's functional definition of who is a fiduciary.

Successful claims are often catastrophic in nature as many times a breach of fiduciary duty towards one plan participant is a breach to ALL participants.