

Solving the puzzle: Insuring employee benefit plan risks*

As a business owner, executive, and plan fiduciary, managing employee benefit plans can be complicated and leave you puzzled.

- Plan fiduciaries are responsible for making plan decisions such as hiring administrators, agreeing to plan fees, and selecting plan investment options.
- Business owners, executives, or board members may be plan fiduciaries without realizing it.
- Breach of fiduciary duty suits can be costly to defend and resolve and can result in personal liability.

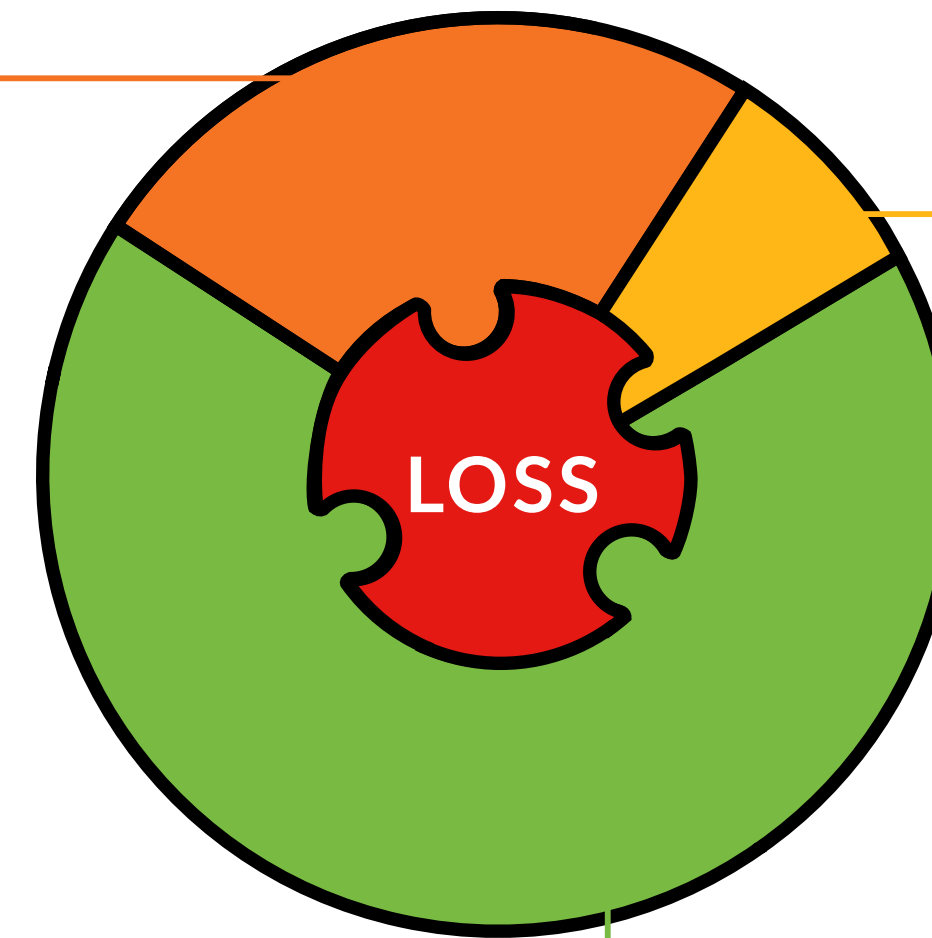
Fiduciary liability insurance is the only insurance that provides protection against breach of fiduciary duty suits.

* Employee benefit plans can include a variety of plans, including retirement plans, medical plans, dental plans, vision plans, and disability plans. Employee benefit plans will be referred to simply as "plans" herein.

Three different coverages complement each other to complete the puzzle of insurance protection.

ERISA BOND:

Provides plans with insurance for crime losses due to fraudulent or dishonest acts by a plan official. *Can be included in Chubb's crime policies.*



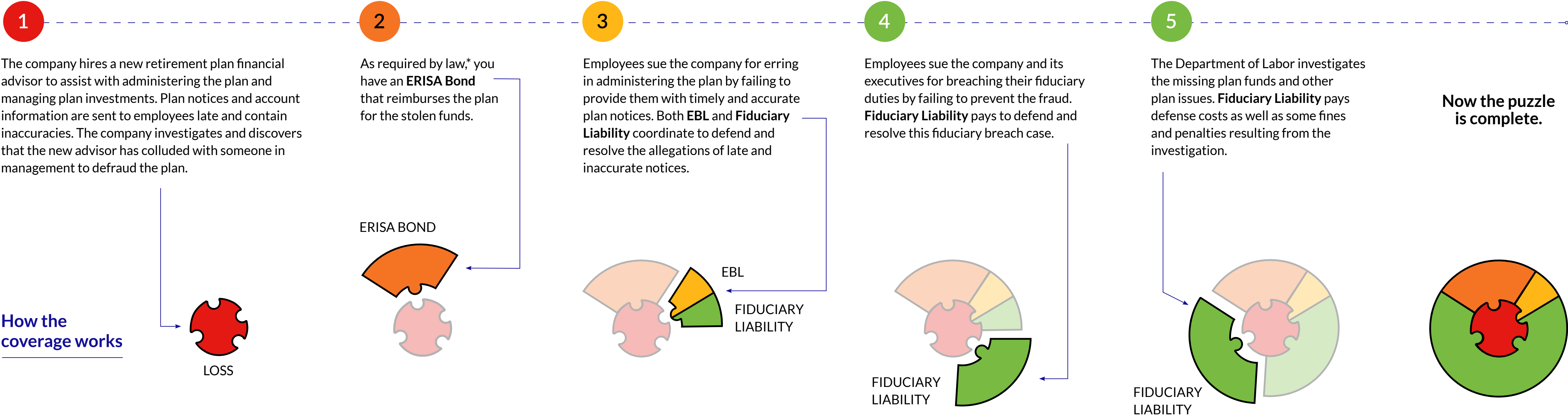
EMPLOYEE BENEFIT LIABILITY (EBL):

Insures companies, executives, and authorized employees against allegations that they made mistakes in administering a plan, but not against breach of fiduciary duty allegations. Also usually only insures against suits brought by employees and not against suits brought by the Department of Labor. *Can be included in Chubb's package policy.*

FIDUCIARY LIABILITY:

In addition to insuring companies, executives, and employees against allegations that they made mistakes in administering a plan, also insures them against allegations of breach of fiduciary duty (e.g., they were careless in making plan decisions or handling plan assets). Also insures against suits brought by the Department of Labor. *Can be purchased monoline or as a part of Chubb's management liability solutions.*

Here’s an example of how **ERISA bonds**, **Employee Benefit Liability**, and **Fiduciary Liability** come together to complete the risk management puzzle for companies that sponsor employee benefit plans.



* See 29 U.S. Code § 1112 - Bonding

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