



ForeFront Portfolio 3.0SM Fiduciary Liability Insurance

If your officers and fiduciaries just spoke about a possible conflict of interest, *stop talking.*



The Employee Retirement Income Security Act of 1974 (ERISA) established strict standards of fiduciary conduct. As such, any fiduciary who breaches any of the responsibilities, obligations, or duties imposed by ERISA may be *personally liable* to compensate the plan for any resulting losses.

Furthermore, in today's evolving legal environment, employers and plan fiduciaries are *increasingly* being held accountable for their actions in administering the benefit plans they offer employees. Not to mention that recent settlements have made this complex area of litigation more attractive to the plaintiffs' bar.

That's why Chubb created *ForeFront Portfolio 3.0SM Fiduciary Liability Insurance* specifically for private companies like yours.

Why your company needs fiduciary liability insurance:

- Participants and beneficiaries can sue a plan's fiduciaries to enforce or clarify their rights under ERISA and the plan.
- The Department of Labor (DOL) may bring a claim against plan fiduciaries to enforce the provisions of ERISA and fiduciary standards of conduct.
- Even if a judgment is obtained in your favor, defending yourself from any alleged breach of fiduciary obligations could result in losses of hundreds of thousands or even millions of dollars in defense costs.
- Delegation of fiduciary responsibility to an outside service provider requires prudent selection and monitoring by your company's fiduciaries. Failure to do so could expose them to personal liability.
- Even if your company wishes to indemnify its fiduciaries, it may not be able to do so, or it may be prohibited from doing so by law. Relying on corporate indemnification as your sole protection as a fiduciary may be placing your personal assets at risk.

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If your company ever reduces or eliminates some employee benefits, it increases its fiduciary liability risk.

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ForeFront Portfolio 3.0 Fiduciary Liability Insurance highlights:

When Chubb has the duty to defend for covered claims, we provide you with access to expert counsel.

100% defense costs coverage is available in most circumstances for covered claims.

Voluntary settlement program coverage of \$150,000.

Sublimits of \$150,000 for HIPAA civil penalties and \$50,000 for 502(c) civil penalties.

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Responds to allegations including:

- Wrongful denial or improper change in benefits.
- Error or omission in plan administration.
- Improper advice or counsel.
- Fiduciaries engaging in a prohibited transaction.
- Failure to administer the plan according to plan documents.
- Conflict of interest.
- Imprudent investment of assets or lack of investment diversity.
- Imprudent selection and failure to monitor third-party service providers.

And insures:

- The company.
- The company's executives and employees.
- The company's employee benefit plans.

With additional advantages:

- Our private company underwriters are positioned throughout the United States and are experienced in a broad spectrum of industries.
- *Fiduciary Liability Loss Prevention* booklet.
- A Chubb special report: *Who May Sue You and Why: How to Reduce Your ERISA Risks, and the Role of Fiduciary Liability Insurance.*

Why ForeFront Portfolio 3.0?

A long-time leader in providing insurance to private companies, Chubb created *ForeFront Portfolio 3.0 Fiduciary Liability Insurance* as one of a suite of nine insurance solutions under *ForeFront Portfolio 3.0*.

The coverage parts in *ForeFront Portfolio 3.0* work as standalone policies or seamlessly together in order to minimize gaps and reduce overlaps in insurance coverage.

For more information, contact your insurance agent or broker or visit us online at www.chubb.com.

Key Features

Chubb's *ForeFront Portfolio 3.0 Fiduciary Liability Insurance* policy offers some of the broadest coverage available in the marketplace, including the following:

Enhanced reporting provision when renewed with Chubb.

When Chubb has the duty to defend, we provide you with access to expert law firms and counsel experienced in ERISA law.

Voluntary settlement program coverage of \$150,000 for programs administered by the IRS, DOL, or any similar program administered by a governmental authority located outside the United States.

Coverage of \$50,000 for 502(c) civil penalties and of \$150,000 Health Insurance Portability and Accountability Act (HIPAA) civil penalties, where allowed.

Why Chubb?

Since 1975, we've devoted ourselves to helping to protect private companies like yours. We were a pioneer in providing privately owned companies with an integrated insurance solution to address their professional and management liability exposures.

We cultivate a deep understanding of private company needs through the biannual *Chubb Private Company Risk Survey*, the only survey of its kind in the industry.

Our reputation for fair claims handling and superior service offers you additional peace of mind.

Our financial stability and ability to pay claims rate among the best in the insurance industry.



Chubb Group of Insurance Companies | www.chubb.com

Chubb refers to the insurers of the Chubb Group of Insurance Companies. Not all insurers do business in all jurisdictions. This literature is descriptive only. Actual coverage is subject to the language of the policy as issued. Chubb, Box 1615, Warren, NJ 07061-1615.

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