Better protection for a riskier business environment
Private companies can no longer hide from very public risks

The stakes are higher. Private business owners place their personal assets and livelihoods on the line. The risks of a major financial liability lawsuit are huge, and the damages from one can be catastrophic. Unfortunately, many private business owners often do not comprehend this risk. Failing to protect the company adequately can be devastating not only to the business, but to its directors, officers, managers, employees, and families.

This is where you and The Hanover can protect businesses while expanding your portfolio and building client trust. Hanover Private Company Advantage is exclusively designed to help protect the assets of private companies and the personal assets of its directors, management, and employees from a myriad of potential liability exposures and the resulting financial consequences.

Comprehensive protection with choice and flexibility

Hanover Private Company Advantage offers you the power to choose the right mix of executive and business liability coverage for each client’s needs. With a wide array of options and limits, you can quickly and effectively respond to changing risk profiles, including multiple coverage parts, limits of liability, retentions, and an array of enhancements.

- Directors and officers liability insurance
- Employment practices liability insurance
- Fiduciary liability insurance
- Fidelity and crime insurance
- Cyber privacy and security insurance
- Kidnap/ransom and extortion insurance
The risks are everywhere. And relentless.

Even with a skilled management team, a company can encounter unanticipated and complex risks that management is unprepared or ill-equipped to resolve. How prepared is your Private Company client or prospect to manage these risks inherent in today’s litigious environment?

- A gender, race, or age discrimination lawsuit from an employee
- An accusation of unfair competition from a competitor
- The discovery of an embezzlement scheme spanning years
- A lawsuit from a disenfranchised family member
- An allegation of mismanagement from a disgruntled investor
- The unauthorized disclosure of customers confidential information
- An allegation of potential mismanagement of employees’ pension or 401K plans

And the list goes on. Business leaders face a multitude of liability exposures that may not only result in costly litigation, but also divert important resources away from day-to-day operations, threatening the very existence of the business.

Hanover Private Company Advantage—products overview

DIRECTORS AND OFFICERS LIABILITY COVERAGE

As leaders of companies, directors and officers (D&O) may be held personally liable for their management decisions. D&O coverage protects those directors and officers and the company they run from lawsuits by shareholders, employees, customers, suppliers, competitors, and the government.

Allegations can include (but not be limited to):

- Breach of fiduciary duties
- Conflicts of interest
- Overstating or misrepresenting financial value
- Failed initial public offering
- Failing to act in good faith or conduct
EMPLOYMENT PRACTICES LIABILITY COVERAGE

Employment practices liability claims are on the rise. Even employees who are treated like family can file employment practices liability (EPL) claims. EPL protects against the financial damage of a claim or lawsuit companies thought would never happen to them.

Allegations can include (but not be limited to):

- Claims of discrimination by a terminated employee based upon gender, race, age, or religious affiliation
- Hostile work environment
- Emotional distress, humiliation, or defamation as a result of a wrongful employment act

FIDUCIARY LIABILITY COVERAGE

Persons employed by the company to design, administer, and manage pension, health, and welfare, employee stock ownership, and employee benefit plans could be held liable to the plan beneficiaries for any breach of their fiduciary duties. The Employee Retirement Income Security Act of 1974 (ERISA) has substantially increased the exposure of the companies and individuals responsible for administering employee benefit plans such as administrators, human resource professionals, and appointed fiduciaries. Fiduciary liability is designed to protect them against legal liability arising out of their role as fiduciaries, including the cost of defending those claims.

Claims could include:

- Negligence in plan creation and administration
- Lack of investment diversification
- Conflicts of interest with investment options
- Negligence in the selection of third-party advisors or plan service providers
- Improper disclosure
- Lack of advice
- Reduction in benefits

CYBER PRIVACY AND SECURITY COVERAGE

Many companies need to obtain and use confidential information of customers and employees in the course of providing products and services. The exposure to financial loss arising from the unauthorized disclosure or misuse of this information can result in substantial legal liability and other expenses related to reporting and remediating for a breach of confidential information.

Claims could include:

- Negligence in failing to protect personally identifiable information
- Libel or slander in electronic publications
- Expenses incurred to notify individuals of lost or stolen information
- Costs to remediate or restore lost data or programs
- Expenses related to responding to regulatory investigations
- Business Interruption or Extra Expense losses incurred from attacks on systems
- Extortion related to the threatened release of confidential customer information
**Target market**

The Hanover will consider privately owned companies of any size and in most industries.

Coverage is not currently available in the following classes:

- Financial institutions
- Governmental entities
- Insurance companies
- Public companies
- Schools/universities
- Long-term care facilities
- Hospitals
Policy Highlights

- Duty to Defend
- Covers the Insured entity and any past, present, or future directors and officers of the company
- Additional limit in excess of policy dedicated to Executives for Side A claims
- Damages include punitive or exemplary damages up to the Limit of Liability, where insurable
- 100% defense costs for covered claims
- Coverage for allegations of discrimination, harassment, retaliation, termination, and other employment acts
- Automatic coverage for qualified subsidiaries created or acquired during the policy period
- Private placement coverage
- Sub-limit for investigation of securities derivative demand
- Crime coverage includes executive personal accounts protection
- Broad Fiduciary coverage includes a sub-limit for voluntary compliance resolution program settlement fees
- 80%/20% settlement provision
- Comprehensive Cyber Privacy and Security coverage with multiple insuring agreements for first and third party exposures

Many Coverage Enhancements Available Including:

- Defense Expenses in addition to Limit of Liability
- Nonrescindable Coverage
- Third-Party Liability
- Wage & Hour (FLSA) sub-limit
- Illegal Alien Investigation sub-limit
- Crisis Management Expense Supplemental Coverage
- Workplace Violence Counseling Supplemental Coverage
- Waiver of Deductible if no liability ruling obtained

Risk management services

Private Company Advantage policyholders can access expert risk management services designed to help them manage challenging situations that could turn into claims. Many of these services are available at no additional charge to our customers—we see risk management as an essential component of an effective Management Liability insurance solution.

- **Access to cyber privacy and security**—The eRisk Hub, powered by NetDiligence, provides essential complimentary resources to help Hanover Private Company Advantage customers prevent and prepare for a potential cyber breach, including Breach Coach® services, risk self-assessments, news, recovery planning tools, a directory of pre-screened security expert service providers, and much more.

- **Employee background screening services provided by Intelicorp**—Discounted background checks and preferred pricing on a host of employment verification services, including Criminal SuperSearch, nationwide sex offender registry searches, OFAC Terrorist Searches, and more.

- **Employment Practices Hotline from Jackson Lewis**—Hanover EPL policyholders can contact Jackson Lewis, the #1 employment law firm, according to Best Lawyers®, for free legal advice on employment practices anytime—even before a claim occurs.

- **Access to WorldAware®**—WorldAware® offers international security risk management training in addition to free kidnap crisis management services for policyholders.
Let’s address your private company needs today

The Hanover team is ready to help you market this important coverage to your existing and potential private company clients, large and small. The need is great and we have the tools and expertise to help you capture your share of this considerable market. Contact your local Hanover Representative or visit us online at hanover.com/agentsolutions.

Why The Hanover?

The Hanover is a leading property and casualty insurance company dedicated to achieving world-class performance. Our commitment is to deliver the products, services, and technology offered by the best national companies with the responsiveness, market focus, and local decision making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and all insurance company subsidiaries are rated “A” (Excellent) by A.M. Best Company.