

▶ *Hanover Private Company Advantage*

Real Example—Could this happen to you?

Claiming they met early retirement requirements and were therefore eligible to participate in a company's sponsored employee benefit plan, a group of independent contractors sued the company when denied benefits. The company's plan documents were found to be ambiguous and the suit was settled for \$150,000.

Fiduciary Liability Coverage

You offer benefit plans. That means you're at risk. Anyone employed by your company to design, administer, and manage pension, health, welfare, employee stock ownership, and employee benefit plans—including you as a trustee—could be held liable to your employees and their beneficiaries for any breach of fiduciary duties. The Employee Retirement Income Security Act of 1974 (ERISA) substantially increased the exposure of the companies and individuals responsible for administering such plans. In addition to the appointed fiduciaries of these plans, the employer can be named in a lawsuit claiming breach of duties. In today's litigious society, fiduciaries are extremely vulnerable given the amount of money involved in employee retirement plans. One lawsuit could cost millions of dollars in damages, legal fees, and civil penalties.

Such claims may come from a multitude of sources including:

- Plan Participants
- Participant's Legal Representatives
- Estates or Spouses
- Department of Labor
- Pension Benefit Guaranty Corporation

Hanover Fiduciary Liability Insurance is the answer. Fiduciary Liability is designed to protect your benefit plan fiduciaries against legal liability arising out of their role as plan administrators, 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
- Any breach of responsibilities or fiduciary duties imposed by ERISA
- Irresponsible investments
- Broad definition of Insured Benefit Plan including any
 - ERISA sponsored plan
 - Employee Welfare Pension Plan
 - Employee Pension Benefit Plan
 - Employee Benefit Plan not subject to ERISA
 - Government-mandated insurance program for workers' compensation, unemployment, Social Security or disability

Coverage highlights:

- A broad definition of Insured includes the company, its fiduciaries, and the benefit plans
- Up to \$150,000 optional sub-limit for voluntary compliance resolution program settlement fees coverage
- Broad wrongful acts coverage for errors and omissions and breaches of fiduciary duty
- Coverage for penalties and fees imposed under ERISA section 502(i) and (ii)
- Wrongful acts coverage for errors and omissions and breaches of fiduciary duty
- Coverage for terminated plans continues for acts committed prior to their termination
- Low to no retention for most risks



Get the protection you need today.

You owe it to your business and everyone who depends on your business to protect yourself and your company from Fiduciary Liability threats. Your Hanover Agent, working in tandem with The Hanover, is ready to help you take advantage of this important coverage and craft a plan that makes the most sense for your unique situation. Contact your local Hanover Agent today.



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.

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