



EUCLID SPECIALTY

The Prudent Choice

THE EUCLID VANGUARD FIDUCIARY LIABILITY INSURANCE POLICY

The Prudent Choice for Employee Benefit Funds



Trustees of benefit plans must comply with the highest standard of care known to the law – the fiduciary standard of care. A fiduciary must make prudent choices in every decision, including the purchase of fiduciary insurance using plan assets. The Euclid Vanguard Fiduciary Liability Insurance Policy is the prudent choice for benefit fund trustees because it provides the best combination of scope of coverage, financial security and expert claims handling for competitive premiums, all critical factors to consider. Trustees can confidently – and prudently – choose the Euclid Vanguard Policy to meet their fiduciary responsibility obligations.

THE EUCLID VANGUARD PROVIDES A COMPREHENSIVE SCOPE OF COVERAGE

Euclid Specialty has reinvented the conventional fiduciary liability insurance policy to meet the needs of today's trustee. Like no policy before it, the **Euclid Vanguard Fiduciary Liability Insurance Policy** has created new coverages to prevent potential individual liability from emerging liability exposures. From cyber risks to new liabilities in the landmark *Amara v. CIGNA* Supreme Court decision, the Euclid Vanguard Policy is the most comprehensive fiduciary liability policy available to protect trustees.

NEW FEATURES OF THE EUCLID VANGUARD FIDUCIARY LIABILITY INSURANCE POLICY INCLUDE:

- **The addition of CyberEssentials** coverage, providing first-party content restoration and crisis notification expenditures for information breaches as part of the base policy. CyberEssentials reimburses a benefit plan for certain expenses in responding to an information breach. This innovation reduces or eliminates the need to purchase an additional and often expensive and redundant stand-alone cyber liability policy.
- **Coverage for Amara Surcharges:** The Euclid Vanguard is the first fiduciary policy form to provide affirmative coverage for surcharges and other equitable relief under ERISA Section 502(a)(3) stemming from the 2011 *Amara v. CIGNA* Supreme Court decision.
- **Expanded Penalty Coverage**, including full statutory limits for HIPAA/HITECH violations, and new coverage for penalties under the Patient Protection and Affordable Care Act and Internal Revenue Code Section 4975 are all in the base policy form instead of an endorsement like many policy forms.
- **Coverage for benefit miscalculations** by the Plan that result in overpayments. Many fiduciary insurers will deny claims for benefit miscalculations. The Euclid Vanguard policy provides coverage for benefit overpayments that cannot be paid out of trust assets or recovered from beneficiaries.
- **Coverage for Section 301 of the Labor Management Relations Act** relating to alleged violations of collectively bargained contracts in connection with the Plan.
- **Coverage for retainer fees and expenses of an Independent Fiduciary** when necessary to meet fiduciary obligations.
- **And introduction of Euclid's Penalty Box**, an **Umbrella** of penalty coverage to expand protection when the underlying sublimit of penalty coverage is exhausted. The Penalty Box endorsement provides additional penalty coverage to expand policy sublimits for: Voluntary Compliance Program Expenditures, ERISA 502 (c) Civil Penalties, PPACA Fines and Penalties, ERISA Section 4975 Penalties, ERISA Section 502 (a)(3) Relief, Benefit Overpayments and CyberEssentials coverage.

TRADITIONAL FEATURES OF THE EUCLID VANGUARD POLICY:

- **Comprehensive Definition of “Insured”** including the plan itself, and former, current and future trustees and employees, as well as others designated by endorsement.
- **Comprehensive Definition of “Claim,”** triggering coverage for civil, criminal and regulatory proceedings as defined in the policy.
- **Comprehensive Coverage** for alleged breaches of employee benefits laws and negligent acts in the administration of the plan.
- **Choose your own Attorney.** We offer the rare combination of a duty to defend policy with the policyholder’s right to select defense counsel. We do not impose an HMO-style panel of lawyers.
- **Defense Coverage for Settlor and other non-fiduciary functions** when sued in the capacity of a Trustee.
- **Voluntary Compliance Program Coverage for IRS and DOL penalties.** Coverage for a broad range of regulatory correction programs at the Internal Revenue Service and the Department of Labor, allowing trustees to address potential problems proactively before they become claims.
- **ERISA Penalty Coverage** for Sections 502(c), (i), (l) and the Pension Protection Act.

THE EUCLID VANGUARD PROVIDES FINANCIAL SECURITY

Euclid is the prudent choice for benefit plan trustees because our policies are backed by the financial security of Hudson Insurance Company. Hudson has an A.M. Best rating of A (Excellent), financial size category XV (\$2.0 billion or greater) – the highest category offered by A.M. Best. Hudson shareholder equity is \$3.5 billion as of 7/13/12. Having issued nearly 10,000 fiduciary and labor professional policies to multiemployer and governmental funds and labor unions, Hudson demonstrates its commitment by offering policy limits on an admitted basis of up to \$25 million limits in all 50 states on a primary or excess basis.

SUPERIOR CLAIMS EXPERTISE

The true differentiator of Euclid Specialty’s fiduciary liability insurance program is how we handle claims. We are responsive and proactive. We respond immediately to every claim and proactively work with fund counsel. Policyholders have the ability to reach Euclid decision-makers directly – professionals with legal and fiduciary expertise, experience and authority to act.

SEND US YOUR SUBMISSIONS

Our producers recognize that our unrivaled knowledge and expertise in fiduciary liability for multiemployer and governmental plans, combined with our efficient and professional service, give them a unique advantage. We are committed to maintaining the excellent relationships we have built with our brokers and continually look to develop new relationships to expand our broker network. **If you are interested in becoming a broker with Euclid Specialty, please contact John O’Brien.**

ABOUT EUCLID SPECIALTY MANAGERS, LLC.

Euclid Specialty Managers, LLC is an insurance program administration company that specializes in fiduciary liability insurance for multiemployer, governmental and other non-profit benefit plans. The Euclid Specialty management team brings over 75 years combined experience serving the labor affinity niche with professional liability and commercial insurance products. In CA. DBA Euclid Insurance Agency, LLC, license number 0I06317.

Please note: *This brochure provides only an overview of coverages available. It does not replace or change the policy. Coverage will be dictated by your policy’s specific terms and conditions. Products may not be available in all states.*



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