

EUCLID SPECIALTY

Product Overview

Quick Reference Guide

Euclid Specialty is an underwriting company built on expertise. We are a team of experts and thought leaders who have decades of experience in complex fiduciary liability underwriting and claims. Find out why America's best employee benefit plans continue to *Switch to Euclid Specialty*.

FIDUCIARY LIABILITY INSURANCE

NICHE

- Multiemployer plans
- Governmental plans including Public Employee & State Retirement Systems, Fire/Police Pension Systems, State/County/City plans and others
- Non-Profit Employee Benefit plans including VEBA's, Endowments, Church plans, Foundations, 457 and 403(b)
- For-Profit plan sponsors including defined benefit, cash balance, health, 401(k), SEP plans and profit-sharing plans

OVERVIEW

The Euclid Vanguard policy is a market leading fiduciary program for Employee Benefit plans.

HIGHLIGHTS

- Duty to defend with choice of counsel provision
- No hammer clause
- Penalty coverages: EPCRS; IRS CAP; VCRS; 502(i) and 502(l); PPACA; Section 4975 of the Internal Revenue Code; and Section 203 – Death Master File Penalties for civil penalties
- Voluntary compliance programs
- 502(c)/Pension Protection Act – loss in the form of civil penalties or any excise tax imposed pursuant to 502(c) of ERISA and the Pension Protection Act of 2006.
- Full statutory limits for HIPAA/HITECH



- Vanguard Elite coverage – full settlor coverage, pre-claim investigation costs at policy limit, managed care services, and interview coverage for regulatory investigations. Enforcement unit includes but not limited to DOL, HHS, IRS, PBGC, DOJ, SEC and attorney general.
- Trustee Claim Expenses/Non-fiduciary coverage
- Miscellaneous/Other Penalties – Euclid was the first market to provide a penalty safety net for other fines, taxes or penalties imposed by the DOL, IRS or similar regulatory body
- Penalty Box – optional coverage expands penalty coverage when underlying sublimit is exhausted
- First party cyber coverage – content restoration and crisis notification expenditures for information breaches
- Benefit Overpayment Coverage for overpayments due to miscalculation
- Section 301 of the LMRA
- Independent fiduciary expenses
- ERISA 502(a)(3) equitable relief and surcharges
- Renewal guarantee endorsement available
- Side A coverage for individual trustees also available
- Reinstatement of Sublimit Endorsement for Voluntary Compliance Program Expenditures coverage available
- Claims expertise – our professionals have legal and fiduciary expertise with the authority to act to resolve complex claims

GOVERNMENTAL BENEFIT PLANS

Euclid has a better approach for fiduciary insurance for governmental plans. We provide transparency and choice based on the level of indemnification available to fiduciaries as many plans unsuspectingly purchase insurance that does not provide full coverage.

Euclid offers **indemnifiable and non-indemnifiable options** for governmental plans, including **Side A-only** coverage:

- **Option 1 – Full coverage approach:** this approach provides full coverage irrespective of whether governmental indemnification or sovereign immunity applies. We can also offer full settlor coverage, as well as a defense limit for non-fiduciary claims, for qualified plans.
- **Option 2 – Non-Indemnifiable approach:** a more limited and less expensive approach is also offered that matches typical coverage offered by most carriers. This policy responds only if the loss is non-indemnifiable, thus a less expensive option for the Plan.
- **Option 3 – We also offer “A side” coverage** which covers only the individual Trustees when sued for breach of fiduciary duty. Typically available only for D&O insurance, Euclid has introduced this valuable concept to the fiduciary liability insurance market.
- D&O, EPL and Crime available for governmental benefit plan accounts

CARRIER

Hudson Insurance Company rated “A” Excellent, Financial Size Category XV by A.M. Best. Admitted program.

CAPACITY

\$25 million on primary or excess basis.



ERISA FIDELITY BONDS/CRIME POLICIES

NICHE

- Multiemployer plans
- Governmental plans (crime policies)
- Non-Profit Employee Benefit plans including VEBA's, Endowments, Church plans, Foundations, 457 and 403(b) plans
- For-Profit plan sponsors including defined benefit, cash balance, health, 401(k), SEP plans and profit-sharing plans

OVERVIEW

Euclid has the best ERISA fidelity bond on the market to protect employee benefit plans that meets and exceeds ERISA requirements.

HIGHLIGHTS

- Meets Employee Retirement Income Security Act (ERISA) standards. Many industry-standard bonds do not meet the ERISA fraud and dishonesty standard and fail to satisfy ERISA Section 412(a) and (b).
- Whereas many crime policies only cover employees for employee theft, "employee" is broadly defined in the Euclid policy to include "any other natural person who handles Employee Benefit Plan assets, **whether or not required to be bonded** . . ." This is the broadest scope of coverage available.
- Coverage is provided beyond standard "employee theft" language to cover "fraud or dishonesty" that meets the ERISA standard.
- **No retention** for ERISA plans for Employee Theft.
- **Cyber Deception/Payment Instruction Fraud coverage** is available. This valuable option provides coverage for "the intentional misleading or deception of an **Employee** through social engineering, pretexting, phishing or any other confidence trick communicated by email, text, instant message, telephone or other electronic means."
- Additional third-party crime coverages available beyond the typical fidelity bond for:
 - Depositors Forgery or Alteration
 - Inside and Outside the Premises
 - Money, Securities and Other Property
 - Computer and Funds Transfer Fraud
 - Money Orders and Counterfeit Currency
- Investigative Expenses sublimit included covers expenses paid by Insured in establishing existence and amount of direct loss.
- Three-year policies are available with annual installment or pre-pay options.

CARRIER

Hudson Insurance Company rated "A" Excellent, Financial Size Category XV by A.M. Best. Admitted program. Treasury listed.

CAPACITY

\$10 million on a primary or excess basis.



LABOR PROFESSIONAL LIABILITY INSURANCE

NICHE

- Labor non-profits including International Unions, District Councils, Local Unions, JATC's, LMCC's FOP's, PBA's, Guild's and other non-profits

OVERVIEW

Our Labor Professional Liability policy is customized for 501(c)(5) labor entities, providing defense and indemnity, including wrongful acts such as breach of duty of fair representation, employment practices and personal injury. Includes optional Individual Labor Leader coverage to cover individual liability that cannot be indemnified by a Labor Union under federal law.

HIGHLIGHTS

- Covers union exposures, including collective bargaining, duty of fair representation, and handling grievances
- Financial management exposures in running a union
- Employment practices liability, including discrimination, harassment and constructive termination; and
- Personal injury, including libel, slander and invasion of privacy.
- Two important benefits – **defense and indemnity**:
 - cost of defending a union or entity, officer or director accused of violating any of four areas above; and
 - indemnity to the union/entity, officer or director for their alleged breach of duty and negligent error or omission in the event of a settlement or judgement of liability. Defense fees and costs can be significant, even with a valid defense.
- EPLI third party available by endorsement
- Educators liability available for JATC's and Boards.
- Claims are managed by Euclid staff with expertise and unique knowledge of labor unions and related non-profits.
- **Individual Labor Leader** coverage available for union officials facing allegations of personal profit, fraud or conflict of interest.

CARRIER

Hudson Insurance Company rated “A” Excellent, Financial Size Category XV by A.M. Best. Admitted program.

CAPACITY

\$5 million on primary or excess basis.



CYBER LIABILITY COVERAGE

NICHE

- Multiemployer plans
- Governmental plans
- Non-Profit Employee Benefit plans including VEBA's, Endowments, Church plans, Foundations, 457 and 403(b) plans
- For-Profit plan sponsors including defined benefit, cash balance, health, 401(k), SEP plans and profit-sharing plans
- Labor non-profits including International Unions, District Councils, Local Unions, JATC's, LMCC's FOP's, PBA's, Guild's and other non-profits

OVERVIEW

Euclid Specialty offers a Cyber liability program with Axis Insurance Company on an admitted basis. The program includes extensive first and third-party coverages. This breakdown of the policy form can help you understand the policy coverage and highlights:

HIGHLIGHTS

- Prior Acts Coverage included
- AXIS preferred breach response coach - Breach Coach Hot-Line
- Risk Management and Loss Control Resources available via www.stoplosshub.com
- **Enterprise Security Event Liability Coverage:** insured sued because of data theft, loss, disclosure, viruses or malware, and unauthorized access or denied access to systems. Covers protected data in the care, custody, control of service contractors.
- **Privacy Regulation Liability Coverage:** regulatory action defense, fines and penalties coverage – actions from a federal, state, local or foreign (GDPR) body; Explicit coverage for General Data Protection Regulation (GDPR).
- **Computer System Extortion Expense and Loss Coverage:** if someone makes a credible threat to leak or disseminate your data unless you are willing to pay, this will pay for the evaluation and pays for threat or loss.
- **Crisis Management/Voluntary Notification Coverage:** notifying people, including any you are not legally obligated to notify, to inform their personally identifiable and protected data may have been lost, stolen or accessed. Includes call center services and website support.
- **Fraud Response:** credit monitoring, identity theft insurance.
- **Public Relations:** PR Firm, Crisis Management, Ads, Website, Legal crisis management, other communications needed to respond to breach.
- **Forensic and Legal:** computer investigation of breach, legal consultation associated with violation of privacy law.
- **Business Interruption Coverages:** Service Disruption; Service Failure; System Disruption; System Failure (coverage for outages, not just cyber attacks); Data Recovery Expense (costs to recover data lost, stolen, damaged, destroyed, disrupted or corrupted.)
- **PCI Fines:** Coverage for PCI-DSS Fines and Recertification.



- **Ransomware Loss Coverage:** extends extortion coverage to cover Ransomware cyber breach. Investigation, mitigation and potentially ransom, when needed.
- **Website Media Coverage:** copyright infringement, libel, slander, other media coverages that occur on website.
- **Social Engineering Fraud Loss Coverage:** monetary loss associated with fraudulent transfer of funds by an employee acting in good faith, tricked into paying for good or services. \$250,000 sublimit.
- **Telecommunication Theft Loss Coverage:** pays for loss where the telecom services (phone, fax, etc.) are used fraudulently by a third party. \$250,000 sublimit.
- **Bricking Coverage:** covers the hardware replacement cost associated with a device that is rendered useless after a cyber incident, \$250,000 sublimit
- **Invoice Manipulation Coverage:** pays for money lost if prior to receipt of payment, the invoice is manipulated or intercepted to cause the payee to be tricked into paying someone else, \$250,000 sublimit.
- **Extortion Threat Reward Reimbursement Expenses.** \$250,000 sublimit
- One retention for all coverage sections

CARRIER

AXIS Insurance Company, a subsidiary of AXIS Capital Holdings Ltd. Rated “A+” Superior Financial Size Category XV by A.M. Best. Admitted program.

CAPACITY:

Up to \$3 million without application. Higher limits available with applications.

Make the Prudent Choice.

Contact Euclid Specialty for Fiduciary Liability Insurance.



571.730.4810
euclidspecialty.com
mail@euclidspecialty.com

Euclid Specialty Managers specializes in fiduciary and other management liability insurance for multiemployer, governmental and other non-profit employee benefit plans, with over 10,000 policies issued in this niche. Known for our expertise and thought leadership in protecting Insureds from complex liability, we also offer Directors & Officers Liability, Employment Practices Liability, Cyber Liability and Crime Insurance Coverages to employee benefit plans and plan officials.

Please note: This brochure provides 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. In CA, DBA Euclid Insurance Agency, LLC, license number 0106317.

ESM Product Overview – Quick Reference 12/19