

Management Liability Insurance

Product Highlights

Standard Coverage

Common Terms

- Continuity of coverage considered when previous coverage was maintained
- Full prior acts coverage
- Bilateral discovery
- Side A pollution coverage
- Duty to defend policy language
- 75%/25% settlement clause
- Full severability of the proposal form
- Worldwide coverage

Directors, Officers and Corporate Liability Coverage

- Covers the insured entity and insured persons including any director or officer, foreign equivalent positions, members of the board of managers and management committee members
- Damages include pre- and post-judgment interest, punitive, exemplary, liquidated and multiplied damages up to the limit of liability, where insurable; most favorable jurisdiction language applies
- Spousal coverage
- Definition of insured(s) expanded to include debtor in possession in the event of bankruptcy
- Automatic outside directorship coverage for directors and officers serving as directors, officers and/or trustees for 501(c)(3), (c)(4), (c)(6) or (c)(7) nonprofit organizations
- Final adjudication language applies to the fraud, personal profit and remuneration exclusions
- Coverage for security holder suits
- Severability of all exclusions

- Automatic coverage for subsidiaries created or acquired during the policy period whose assets are less than 25% consolidated assets of the insured entity
- Automatic coverage for private placements
- Guarantee to quote initial public offering (IPO)
- Coverage for pre-IPO activity
- Priority of payments for insured persons
- Additional \$500,000 excess aggregate limit of liability for insured persons non-indemnifiable acts²

Coverage Enhancements³

- Co-defendant liability
- Costs of defense in addition to limit of liability
- Claims brought by insured persons who have not served in that capacity for at least four years
- Waiver of deductible (if a ruling of no liability is obtained)
- Whistleblower coverage
- Debtor in possession wording with carve-out for examiner or trustee in bankruptcy proceeding
- For-profit outside directorship liability coverage
- Nonrescindable policy options
- For medical facilities —
 - Members of the organization's peer review committee are covered as insureds
 - All insured persons are covered for alleged violations of Title II of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
 - Coverage for accreditation, certification, credentialing, professional assessment or peer review

¹Please note that this is not part of an insurance contract and does not supersede the policy. Please read the policy forms for complete terms, conditions and exclusions.

²Available solely for loss resulting from a subsequent claim that is covered under the Insuring Agreement I.A. of the policy.

³Available to selected risks at the discretion of the underwriter. Additional information may be required and additional premium charges may apply.

Employment Practices Liability Coverage

- Covers the insured entity and all employees including leased, seasonal and temporary individuals as well as indemnified volunteers, interns and independent contractors
- Broad definition of claim includes written demand for monetary or non-monetary relief or administrative or regulatory investigations (including EEOC charges)
- Damages include pre- and post-judgment interest, punitive, exemplary, liquidated and multiplied damages up to the limit of liability, where insurable; most favorable jurisdiction language applies
- Spousal coverage
- Broad definition of wrongful act(s) includes but is not limited to discrimination, harassment, wrongful demotion, failure to hire or promote, hostile or offensive work environment that interferes with work performance, termination and retaliation
- Bodily injury exclusion includes carve-out for emotional distress, mental anguish, defamation, invasion of privacy or humiliation
- No intentional acts or downsizing exclusion
- Automatic coverage for subsidiaries created or acquired during the policy period whose assets are less than 25% of the consolidated assets of the insured entity

Coverage Enhancements³

- Co-defendant liability
- Costs of defense in addition to limit of liability
- Third party liability
- Waiver of deductible (if a ruling of no liability is obtained)
- Partnership coverage including failure to make partner language
- Sublimit for costs of defense for claims alleging violation(s) of the Fair Labor Standards Act
- Sublimit for franchisor if named in a claim along with the named insured (franchisee)
- Sublimit for costs of defense for criminal investigations brought by any government agency for alleged hiring or harboring of illegal aliens

Fiduciary Liability Coverage

- Automatic coverage for all employee benefit plans (as defined by ERISA)
- Broad definition of claim includes written demand for monetary or non-monetary relief (including civil or criminal proceedings), formal administrative or regulatory proceedings and formal investigations (including Pension Board Guaranty Corporation)
- Damages include pre- and post-judgment interest, punitive, exemplary and multiplied damages up to the limit of liability, where insurable; most favorable jurisdiction language applies
- Damages also include up to 5% of the civil penalties imposed under section 502(i) or up to 20% of the civil penalties imposed under section 502(l) of ERISA
- Severability of all exclusions
- Automatic coverage for newly created or acquired plans totaling less than 10% of the total consolidated assets of the insured entity
- Includes coverage for sold or terminated plans
- Includes coverage for violations of HIPAA

Coverage Enhancements³

- Compliance Resolution Penalties Coverage, including Closing Agreement Program (CAP) Penalties
- Delinquent Filer Voluntary Compliance Penalties

Limits

Limits of liability up to \$5 million

Deductibles

- As low as \$0 for Directors, Officers and Corporate Liability when Employment Practices Liability is purchased
- As low as \$2,500 for Employment Practices Liability
- As low as \$0 for Fiduciary Liability

Additional Information

Target Market

Monitor will consider any size account and most types of companies; however, its target market can best be described as follows:

- Privately held companies employing up to 2,000 employees
- Privately held companies with total assets of less than \$100 million

Coverage is not currently available to risks in the following industries:⁴

- Credit reporting or collection agencies
- Employment agencies/Professional employer organizations
- Financial institutions
- Governmental entities
- Hospitals, HMOs or PPOs
- Insurance companies
- Labor organizations
- Political organizations
- Schools/Universities
- Temporary employment agencies
- Tobacco companies

Insurers Available

The following insurers are member companies of the W. R. Berkley Corporation:

- Admiral Insurance Company
(A nonadmitted carrier rated "A+" (Superior) by A.M. Best Company)
- Carolina Casualty Insurance Company⁵
(An admitted carrier rated "A+" (Superior) by A.M. Best Company)

Risk Management Services

- Unlimited access to a toll-free Employment Practices Liability Loss Prevention Helpline that provides expert EPL advice
- An interactive CD, "Guidelines for Reducing Exposure to Employment Lawsuits," provided to each policyholder

⁴While these types of accounts are not currently eligible, they may be considered in the future.

⁵May not be available in all states. Please contact your underwriter for details.

Strength and Stability

Monitor Liability Managers, LLC underwrites executive and professional liability insurance on behalf of W. R. Berkley Corporation member companies. A Fortune 500 company, Berkley has annualized revenues of \$4.7 billion, total assets of \$16.1 billion and stockholders' equity of \$3 billion.

Claims Expertise

With over 100 years of combined experience, Monitor's claims professionals and attorneys are prepared to respond and manage claims effectively. Our experts know how to handle the wide range of claims that can occur with the most sophisticated risks in the market.

Additional Products

- ▶ Accountants Professional Liability Insurance
- ▶ Directors and Officers Liability Insurance
- ▶ Employment Practices Liability Insurance
- ▶ Independent Director Liability Insurance
- ▶ Lawyers Professional Liability Insurance
- ▶ Nonprofit Management Liability Insurance

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We invite you to let us know other ways that we can serve you.

Management Liability Insurance coverage is offered through Monitor Liability Managers, LLC. Monitor is a member company of the W. R. Berkley Corporation (NYSE: WRB), operating nationally as an underwriting management company specializing in executive and professional liability. Monitor issues policies through W. R. Berkley Corporation member companies, including Admiral Insurance Company and Carolina Casualty Insurance Company. Both are rated "A+" (Superior) by A.M. Best Company.



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