

Fiduciary Liability Coverage

COVERAGE CHECKLIST

Why your clients need our protection

Fiduciary liability coverage from *Travelers Wrap+SM*, *Select One+SM* and *Executive Choice+SM* is critical to the well-being of any company and is designed to cover the defence costs and personal liability of fiduciaries. The following checklist illustrates key coverages and features every insured should have as part of their fiduciary insurance program.

Coverage	Travelers policy	Their policy
Omnibus pension and employee benefit plan coverage – Includes coverage for a wide range of benefit plans	✓	
Automatic coverage for errors, acts, omissions, or breaches of duty in the Administration of Employee Stock Ownership Plans (ESOPs)	✓	
Coverage for errors and breaches in administration of multi-employer plan benefits	✓	
Benefit determination appeal coverage	✓	
Definition of wrongful act includes breaches of duty as settlor	✓	
Broadened definition of insured – Includes insured organization as well as trustees, management committee members, members of any benefit plan committee and any employees of the company or the plans, past executive officers or employees retained as advisors or consultants	✓	
Insured organization includes such entity while under Companies’ Creditors Arrangement Act of Canada protection or as debtor- in-possession	✓	
Broadened definition of subsidiary – Definition of subsidiary includes majority-owned corporations, partnerships, limited liability companies and 50 percent-owned joint ventures under the named insured’s sole management control, non-profit entities over which the named insured has the ability to exercise management control	✓	
Definition of loss – Includes multiplied damages, punitive damages and exemplary damages if insurable under the law of a jurisdiction that (i) is most favourable to the insurability of such damages and (ii) has a substantial relationship to the insured, claim, insurer or the fiduciary coverage section.	✓	
Coverage for civil fines and penalties imposed on an insured pursuant to a Benefit Law applicable to pension, retirement or savings in Canada, under sections 502(i) and 502(l) of the Employee Retirement Income Security Act (ERISA), and other equivalent foreign laws	✓	
Broadened definition of claim includes: <ul style="list-style-type: none"> • A request for extradition • Investigation of insured • Service of subpoena pursuant to a formal investigation order issued by any government enforcement body 	✓	
Coverage for Wrongful Acts in relation to merged, terminated and sold plans committed prior to such merger, termination or sale	✓	
No exclusions for failure to maintain insurance, failure to collect contributions, libel, slander or defamation	✓	
Foreign parent corporation coverage extension	✓	
Spousal and domestic partner liability coverage	✓	
Carveback to the pollution exclusion for diminution in value of securities other than securities of the insured organization, non-indemnifiable claims	✓	

Coverage	Travelers policy	Their policy
Defence option – Option to select duty to defend or reimbursement coverage at policy inception	✓	
Duty to defend – 100 percent pre-determined allocation of defence expenses for claims against any Insured consisting of loss that is and is not covered by policy	✓	
Additional defence coverage: <ul style="list-style-type: none"> Option to select additional defence limit of liability Survives exhaustion of base limit of liability 	✓	
Flexible limit options: <ul style="list-style-type: none"> Choice of individual or shared limits of liability Option to select annual reinstatement of limit of liability 	✓	
Worldwide coverage – Applies to claims made and Wrongful Acts occurring anywhere in the world, where legally permissible. Includes option to pay Loss in mutually acceptable jurisdictions where permissible or payment of loss to the named insured on account of its financial interest in an insured organization.	✓	
Extended reporting period: <ul style="list-style-type: none"> Bi-lateral optional extended reporting period – Available if insurer or named insured cancels or fails to renew Run-off extended reporting period option – Available for a pre-determined premium upon change of control of named insured Ability to report potential claims during optional extended reporting period or run-off extended reporting period 	✓	
Duties in the event of claim – Triggered upon knowledge of an executive officer	✓	
Retention – Only one retention must be satisfied when one claim triggers coverage under two or more liability coverage sections	✓	
Representations – Only knowledge and representations of executive officers are imputed to the insured organization	✓	
No “hammer” clause	✓	
Non-cancelable by insurer except for non-payment of premium	✓	
Non-rescindable for insured persons	✓	
Severability of cooperation of insureds	✓	
Material prejudice requirement for late notice	✓	

Travelers Canada knows fiduciary liability coverage.

To learn more, talk to your Travelers Canada underwriter or visit travelerscanada.ca



Available through the *Travelers Wrap+SM*, *Select One+SM* and *Executive Choice+SM* product suites.

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