

PRIVATE CHOICE PREMIER<sup>SM</sup> – FIDUCIARY LIABILITY CLAIMS SCENARIOS

Learn about the types of fiduciary liability claims you may face.



### SEE HOW THE RIGHT INSURANCE CAN HELP PROTECT YOU AND YOUR BUSINESS

The following fiduciary liability claims scenarios are designed to:

- Illustrate the types of situations and subsequent costs associated with alleged breach of fiduciary duty under ERISA
- Emphasize the importance of having adequate management liability coverage, specifically The Hartford's Private Choice Premier, that can help address fiduciary liability exposures

#### CLAIM 1

<b>Type of insured</b>	Beverage wholesale
<b>Total plan assets</b>	Approximately \$21 million
<b>Situation</b>	Class action on behalf of 200 plan participants alleging that the trustees of the pension and profit sharing plan breached their fiduciary duties under ERISA by failing to diversify investments and changing the valuation rules prior to a number of employees retiring.
<b>Resolution</b>	Approximately \$1 million was incurred in connection with this matter.

#### CLAIM 2

<b>Type of insured</b>	News distribution
<b>Total plan assets</b>	Approximately \$141 million
<b>Situation</b>	Plaintiff alleged he was misinformed as to his rights and obligations under the plan for securing disability benefits and that his disability benefits were improperly denied.
<b>Resolution</b>	Defense expenses of approximately \$223,500 were incurred.

#### CLAIM 3

<b>Type of insured</b>	Union plan
<b>Total plan assets</b>	Approximately \$48 million
<b>Situation</b>	A participant of the medical benefits plan brought suit against a fund manager for allegedly failing to pay medical benefits under the plan.
<b>Resolution</b>	Defense expenses of approximately \$70,000 were incurred.

### CLAIM 4

<b>Type of insured</b>	Commercial construction
<b>Total plan assets</b>	Approximately \$281 million
<b>Situation</b>	A participant and beneficiary of the pension plan alleged that approximately \$180,000 in pension benefits was wrongfully suspended. The trustees contended that certain pension benefits were suspended because they had erroneously overpaid the plaintiff.
<b>Resolution</b>	Defense expenses of \$75,000 were incurred.

### CLAIM 5

<b>Type of insured</b>	Architectural services
<b>Total plan assets</b>	Approximately \$10 million
<b>Situation</b>	Insured allegedly failed to reallocate investments in a participant's 401(k) plan to 80% money market and 20% max conservative as directed by the participant.
<b>Resolution</b>	Approximately \$12,000 was incurred in connection with this matter.

### CLAIM 6

<b>Type of insured</b>	Manufacturing company
<b>Total plan assets</b>	Approximately \$11.5 million
<b>Situation</b>	Twenty-seven hourly workers alleged they were eligible for retirement in 2006 and were deceived into remaining employees until 2007, when it was announced the plant was closing. The workers claim that by not retiring in 2006 they lost their lifetime health benefits. They also alleged a violation under the state's age discrimination statute.
<b>Resolution</b>	Approximately \$400,000 was incurred in connection with this matter.

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The scenarios summarized herein are offered only as examples. Coverage discussed herein is summary only. Coverage depends on the actual facts of each case and the terms, conditions, and exclusions of the issued policy. Please refer to the issued policy to determine all terms, conditions, exclusions and limitations of coverage. Coverage is provided by the property and casualty companies of The Hartford Financial Services Group, Inc. and may not be available to all businesses in all states. All information and representations herein are as of July 2017.

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