



Management Liability Policy

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Berkley Financial Specialists is a leader in providing insurance coverage to financial institutions. Our team of experts delivers industry-leading products based upon an average of over 20 years of experience. The following descriptions provide an overview summary of insuring agreements within our Management Liability Policy, which may be helpful in gaining a high-level understanding of the benefits of coverage.

The Management Liability Policy is written on claims-made basis, and defense is within the limits of liability.

Coverages:

A. Directors and Officers Liability:

Provides coverage for directors and officers against loss when not indemnified by the company for claims arising from a covered management practices act.

B. Company Indemnification:

Extends coverage to a director or officer against loss arising from a covered management practices act for which the directors and officers are indemnified by the company.

Outside Position Liability:

Provides an extension of coverage to directors or officers serving in an outside directorship position with the knowledge of the bank. Coverage is specifically excess of any other available limit of insurance, and subject to provisions outlined within coverage and definitions.

C. Company Professional and Depository Services Liability:

Provides coverage for the company and employees for actions arising from a covered professional and depository services act. An extension for **Cost of Corrections Coverage** is included within this insuring agreement.

D. Company Securities Liability:

Coverage is provided for loss that the company or employees become legally obligated to pay as a result of a securities act. The insuring agreement includes an extension for **Investigative Costs Coverage** that provides a sublimit for reasonable expenses in the course of investigation or evaluation of any securities act.

E. Company Lender Liability:

This insuring agreement extends coverage for claims against the bank for lending activities, which may include extending or refusing to extend credit or grant a loan, servicing loans, collections or repossessions and foreclosures of loans.

F. Fiduciary Liability:

Contemplates coverage for welfare and benefit plan administration by the bank provided to employees. Coverage extends to protect the bank against claims arising from a fiduciary act, and includes coverage for trustees of plans, employees and the company.

Voluntary Compliance Program:

Fiduciary Liability includes an extension of coverage for a voluntary compliance program administered by the IRS or other governmental body.

Health Insurance Portability and Accountability Penalties:

An extension of Fiduciary Liability, coverage is provided for civil money penalties imposed for violation of the privacy provisions of HIPAA.



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G. IRA/Keogh/Health Savings Account Liability:

Protects from claims of errors, omissions, misstatements, misleading statements, neglect or breach of duty while serving in the capacity of a trustee for such plans.

H. Employment Practices Liability:

Provides a broad insuring agreement to protect against claims arising from hiring, terminating and other employment circumstances against the company. These include things like sexual harassment, wrongful termination, bullying and discrimination allegations.

I. Third Party Harassment Liability:

Unlike other providers, our third party harassment liability is a separate limit, not a part of employment practices liability. This allows a broad insuring agreement to cover actual or alleged harassment, defamation, libel, bullying, common law or civil law violations of discrimination and false arrest or false imprisonment.

J. Electronic Banking Liability:

Coverage provides “cyber” protection for third-party claims arising from actual or alleged errors, misstatements, misleading statements, acts, omissions, neglect or breach of duty that allows unauthorized access to or use of a covered electronic system; the release of a computer virus that causes damage; the unintentional transmission of any malicious code to another party from the system; or an unintentional act or error by company personnel with regard to creation or development of instructions that direct the operations or functions of the company’s covered electronic system.

K. Electronic Publishing Liability:

This insuring agreement is designed to address exposures from any actual or allegedly committed libel or slander published by the company, or any plagiarism or false advertising from electronic publishing activities. Coverage is also provided from violation of a right to privacy, infringement of a copyright, title, trademark, service mark or slogan via electronic publishing or the unauthorized use of titles, formats, styles, characters, plots or other protected material via electronic publishing activities.

L. Trust Liability:

Coverage for administration of trust accounts when the company serves in the capacity of an administrator, conservator, guardian or representative of an individual or their estate, including a decedent’s estate. This coverage also extends to situations where the company acts as an interest or dividend disbursing agent, transfer or paying agent, fiscal agent, registrar of securities, warrant agent, depositor or agent for a committee of holders of securities, sinking fund agent, escrow agent, tax withhold agent, exchange agent, redemption or subscription agent or a trustee or trustee agent under a corporate bond indenture, or a trustee exercising any other trust or fiduciary powers permitted by law.

Cost of Corrections:

This sublimit provides coverage for the cost to mitigate or correct direct monetary damages to a customer of the company arising from a trust liability loss.

M. Security Breach –Privacy Liability:

Covers defense associated with a breach of private or confidential information of any customer, director, officer or employee when the information is in the care, custody or control of the company. Sometimes called “dumpster diving” or perhaps associated with the stealing of information, this insuring agreement is often thought about in the current context of “cyber” coverage.

N. Security Breach Expenses:

Provides coverage for expenses associated with a security breach, and includes expenses like notification of customers, cost to change account numbers, expenses in reissuance of debit or credit cards, and credit monitoring expenses, along with other expenses that may arise, such as forensic auditing and breach response.

O. Public Relations Expenses:

This insuring agreement provides coverage for expenses arising from negative publicity, and specifically where costs are incurred in retaining a public relations firm or consultant to protect or restore the business reputation. It considers the costs in planning, implementing, executing and managing a public relations campaign under the direction of a consultant.

P. Rewards:

Addresses the amount paid by the company for information that leads to the arrest and conviction of any individual committing or trying to commit an illegal act related to an electronic banking act or security breach.

Optional Endorsements:

Entity Liability:

An endorsed insuring agreement that provides coverage for loss from an error, misstatement, misleading statement, act, omission, neglect or breach of duty against the company that is not covered under another insuring agreement within the policy, subject to exclusions noted in the endorsement and all other terms and conditions of the policy.

Electronic and Security Breach Penalties and Regulatory Defense:

This endorsed insuring agreement affirms coverage for any civil fine or monetary penalty imposed by a regulatory proceeding by the Federal Trade Commission, Federal Communications Commission or any other federal, state, local or foreign governmental entity alleging violation of law or regulation caused by an electronic banking act, electronic publishing act or security breach; or where the insured is legally responsible to establish a fund for the equitable relief of payment of consumer claims due to adverse judgement or settlement (i.e. consumer redress fund). Coverage remains subject to terms and conditions of the policy, the insuring agreement, and exclusions where such coverage is uninsurable by law.

EPL Carry-Thru:

Access to counsel through Jackson Lewis for common questions regarding employment matters and best practices for our policyholders.

Cyber Carry-Thru:

An online service that provides access to risk management, self-assessments, breach cost projections, business interruption and breach planning templates, and risk advisory. It also provides post-breach services.

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