

Management & Professional Liability Coverage: Part 2



Please take time to review this overview of management and professional liability coverage by OneBeacon Financial Services. Because of the length of this article, the first part of this story appeared in last month's issue of South Dakota Banker.



Insuring Agreement E: Fiduciary Liability

Insuring Agreement E provides coverage for claims brought against the financial institution and its insured persons by employees of the financial institution for violations of ERISA or wrongful acts in the administration of employee benefit plans.

- **Insuring Agreement E1, Voluntary Correction Program:** Provides \$100,000 in coverage for fees, fines or penalties assessed by the government for inadvertent noncompliance by an employee benefit plan with any statute, rule or regulation, when the financial institution enters into a voluntary compliance resolution program.

Insuring Agreement F: Lender Liability

Insuring Agreement F provides coverage for claims brought by a borrower or guarantor of the financial institution for wrongful acts related to an extension of credit, including the provision or credit life or disability insurance incidental to the issuance of a loan.

- **Insuring Agreement F1, Expanded Lender Liability:** Provides coverage for claims brought by any third party, not necessarily a borrower or guarantor, against the financial institution or insured persons for wrongful acts related to an extension of credit.

Insuring Agreement G: Bankers Professional Liability

Insuring Agreement G provides coverage for claims against the financial institution or insured persons for wrongful acts related to the provision of, or failure to provide, fee-based services to our customers. The claim must be brought by or on behalf of a customer of the financial institution. Certain fee-based services are not covered, including but not limited to health care, real estate appraisal, architect/engineer, law, actuarial or trust services.

- **Insuring Agreement G1, Expanded Bankers Professional Liability:** Provides coverage for claims against the financial institution or insured persons for wrongful acts related to the provision

of, or failure to provide, fee-based services to customers. The claim may be brought by or on behalf of any third-party.

- **Insuring Agreement G2, Insurance Services:** Provides coverage for claims against the financial institution or insured persons for wrongful acts related to the provision of insurance services.
- **Insuring Agreement G3, Broker/Dealer Services:** Provides coverage for claims against the financial institution or insured persons for wrongful acts related to the provision of broker/dealer services transacted through a registered representative of the financial institution or a third-party service provider.

Insuring Agreement H: Trust Errors and Omissions

Insuring Agreement H provides coverage for claims against the financial institution or insured persons for wrongful acts related to the rendering or failure to render trust department services. ■

The summaries contained in this document are for informational purposes only. Please refer to the actual policy for exact coverage descriptions and limits; exclusions and deductibles apply. Coverages are subject to policy terms and conditions. Some of the words used in this document are defined terms within the policy. Refer to the actual policy for the definitions. To learn more, visit onebeaconpro.com.

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