

EMPLOYEE BENEFITS LIABILITY COVERAGE

The Employee Benefits Liability Coverage form provides liability coverage for sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured or of any other person for whose acts the insured is legally liable if negligently committed in the “administration” of the insured’s “employee benefits program”.

Examples include:

1. Failure to advise employees of available benefits.
2. Failure to enroll an employee.
3. An error in handling records.
4. Incorrect interpretation of coverage in a benefit program.

Coverage is on an occurrence basis.

Coverage is not provided for:

1. Employment-related practices.
2. Liability imposed on a fiduciary by ERISA.
3. Insufficiency of funds to meet obligations.

Underwriting requirements:

1. Coverage can only be added to General Liability coverage on a CPP.
2. The Limit of Liability must be the same as the General Liability limit.
3. Prior loss history must be favorable.
4. Excellent management practices apply to the administration of the Employee Benefits Program, including:
 - a. A plan administrator who is knowledgeable about federal regulations and stays current with any changes.
 - b. A record keeping system with safeguards ensuring employees and qualified beneficiaries are informed of their benefit rights and are enrolled in programs they elect.
 - c. A signed waiver of coverage is obtained whenever benefits are rejected.
5. The applicant must be in sound financial condition.

Ineligible risks:

1. Any applicant who has had Employee Benefits Liability Coverage cancelled or non-renewed.
2. Any applicant who has a claim pending against their Employee Benefits Liability Coverage.

PREMIUMS

Number of Employees	Limit of Liability	Premium
1 – 50	300,000 / 600,000	\$233
51 – 100	300,000 / 600,000	\$290
1 – 50	500,000 / 1,000,000	\$261
51 – 100	500,000 / 1,000,000	\$328
1 – 50	1,000,000 / 2,000,000	\$309
51 – 100	1,000,000 / 2,000,000	\$387

A \$1,000 deductible applies per “employee”, including the “employee’s” dependents and beneficiaries.

- The premium is not subject to modification for Package Modification, IRPM’s, etc. Use Form CG FM 90, Employee Benefits Liability Coverage