FIDUCIARY INSURANCE

Fiduciary Liability Insurance (FLIP) is Essential for Protecting Employee Benefit Plans

Fiduciary Liability Insurance (FLIP) is one of the most crucial yet often misunderstood insurance products. It provides essential coverage for individuals responsible for managing or administering employee benefit plans, from top corporate executives who hire investment managers to payroll clerks handling enrollment forms. As the frequency of costly litigation and regulatory scrutiny increases, employers and plan fiduciaries are being held more accountable than ever for their actions, or lack thereof, in managing these plans. FLIPs offer protection against potential liabilities in today's complex legal environment, making them a vital component of any comprehensive risk management strategy for businesses managing employee benefit plans.

Coverage Details

Negligent Administration / Management
Failing to appoint a trustee or manage the plan in a timely or appropriate manner.

Administrative Errors and Omissions
Not processing employees' requests correctly, such as failing to enroll or make changes to benefit elections.

Conflicts of Interest / Prohibited Transactions
Choosing an investment strategy that benefits a fiduciary or involves prohibited transactions that are not in the best interest of plan participants.

Imprudent Selection or Failure to Monitor Third-Party Service Providers
Selecting or failing to monitor third-party providers, like a plan operator, who fails to make timely contributions or performs poorly.

Poor Investment Decisions / Negligent Investment Practices
Making poor investment decisions, such as a lack of investment diversification, that negatively impact plan participants.

Improper Use of Retirement Funds
Using employee retirement funds for other purposes or investments not permitted under the plan rules, such as leveraging funds.

Charging Excessive Fees
Failing to disclose or address higher fees, which can negatively impact the financial performance of the plan.

Wrongful Denial / Improper Change in Benefits
Reducing benefits or wrongfully denying benefits to employees, such as changing their hours to avoid paying benefits.

Improper Advice or Counsel
Providing poor advice or counsel, such as missing important enrollment deadlines or giving incorrect guidance regarding plan options.

Professions We Insure

- Bookkeepers
- Lawyers
- Accountants
- Investment Advisors

Contact

Rob Ferrini
rferrini@mcgowanprofessional.com
508.656.1327