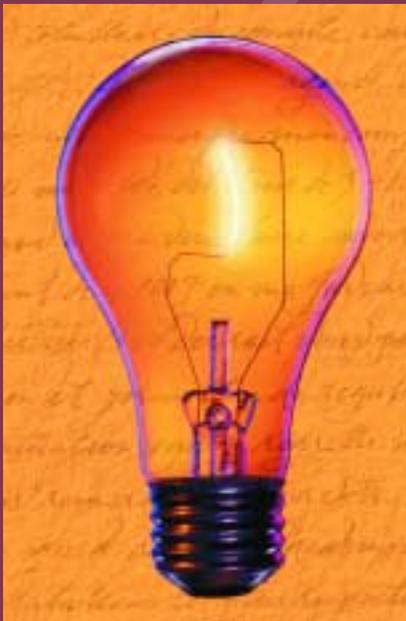




Power SourceSM

Fiduciary Liability Insurance

From Chubb



COMBIB

A plan participant sues the company and its managers alleging an error in the calculation of the company's benefits. How will the company's insurance protection respond?

Under the Employee Retirement Income Security Act of 1974 (ERISA), fiduciaries can be held personally liable for losses to a benefit plan incurred as a result of their alleged errors, omissions, or breach of their fiduciary duties. By accessing the advice of experts and choosing quality, diverse investments, fiduciaries can mitigate their exposures to personal liability, but not eliminate them.

Lawsuits against a privately owned company, its fiduciaries, and its plans can be brought by a host of parties, including plan participants (employees) and their legal estates, as well as the Department of Labor and the Pension Benefit Guarantee Corporation.

In order to help protect private companies, their fiduciaries, and their benefit plans, Chubb offers **Power SourceSM Fiduciary Liability Insurance**.

Key Coverage Features

Broad definition of insured persons, including fiduciaries or trustees of an employee benefit plan; directors and officers; members of the board of managers or management committee members; in-house general counsel; part-time, seasonal, leased, and temporary employees; volunteers; and any fiduciary of a multi-employer plan, if the position or this individual protection is added by endorsement. Insureds' spouses who are named as co-defendants are also covered.

Broad definition of covered plans, including employee benefit plans sponsored by the company for its employees, such as defined benefit plans, defined contribution plans, health and welfare plans, excess benefit plans, employee stock ownership plans, government-mandated plans, and insurance for workers compensation, unemployment, social security, or disability benefits for employees.

Broad coverage for wrongful acts. Power Source Fiduciary Liability Insurance responds to breaches of fiduciary duty, negligent acts, errors, or omissions in the administration of advice to employees with respect to any part of an employee benefit plan, plan interpretations, handling plan records, effecting enrollment or terminations, cancellations of any employees under any employee benefit plan or government-mandated plans, and any other matter claimed against the fiduciary as a result of performing their duties for the benefit plan.

Broad definition of claim, including written demands for monetary damages or injunctive relief; civil, criminal, formal administrative, or regulatory proceedings; investigations by the Department of Labor or the Pension Benefit Guaranty Corporation; and written requests to toll or waive a statute of limitations.

Automatic coverage for 502(i) and 502(l) penalties. Protection is provided for the civil penalties individual fiduciaries may face, including penalties of up to 5% imposed under ERISA Section 502(i) for inadvertent violations of ERISA Section 406, and up to 20% imposed under ERISA Section 502(l) for breaches of fiduciary duty.

Optional coverage for defense outside the limits.* Power Source Fiduciary Liability Insurance allows customers to request defense costs be paid outside the available limit of liability. As defense costs are often a significant portion of any claim, this option provides additional protection while preserving the policy limit for other claims or indemnity payments.

Optional \$100,000 sublimit for voluntary settlement fines.* Chubb provides a \$100,000 optional sublimit for settlement fees as a result of voluntary compliance with settlement programs such as the Internal Revenue Service's closed-agreement program. This feature responds to the fines and penalties that a company might incur for proactively complying with voluntary settlement programs.

Duty to defend. Chubb spares businesses the worry of selecting qualified legal counsel and helps manage a strong defense by assigning expert, seasoned counsel, dedicated to helping secure a positive outcome. And since our goal is to help privately held companies proactively mount the most effective defense possible, they can report circumstances of potential claims to us during the policy period. For actual claims, notify us as soon as practicable and a Chubb claims professional will endeavor to contact the insured within 24 hours of receiving notice.

100% of defense costs paid. Chubb advances payment for defense costs and pays 100% of the defense costs within the available limits and after payment of any applicable deductible, even if only part of the claim is actually covered.

Generous 70/30 settlement provision. If an insured withholds consent to a proposed settlement, we will pay 100% of the covered loss incurred up to the time of the proposed settlement, plus 70% of any loss in excess of the proposed settlement, within the policy limits and after the payment of the deductible. This gives customers increased flexibility to decide when to settle.

Coverage for punitive or exemplary damages is provided under the law most favorable to the insurability of these damages in any jurisdiction that has a substantial relationship to the insured, to Chubb, to the policy, or to the claim.

In many cases, we may waive the deductible if it is determined that the insured has no liability.

Guaranteed quote for new employee stock ownership plans (ESOPs). Chubb guarantees to quote any ESOP created or acquired during the policy period, if the appropriate information is received 30 days prior to its creation or acquisition and the insured pays any required additional premium.

Automatic coverage for acquisitions that do not exceed 25% of the insured organization's assets for acts that occur after the acquisition.

Coverage for sold subsidiaries, whether sold before or during the policy period, continues for prior acts.

Coverage for terminated plans, whether terminated before or during the policy period, continues for acts committed prior to or after the plan was terminated.

Coverage for the parent corporation acquired during the policy period automatically continues until the end of the policy period for acts committed prior to the acquisition.

Broad extended reporting period.* If the company is acquired, or if its policy is terminated or non-renewed for any reason other than nonpayment of premium, an extended reporting period (ERP) for added long-term protection may be purchased. In many cases, three ERP options are available and insured individuals or entities can purchase the ERP up to 60 days after the policy's expiration. Under the ERP, new claims may be reported for acts committed prior to the end of the policy period or the acquisition date, whichever is earlier.

Broad definition of insured organization, including the parent corporation and its subsidiaries, which may include any majority-owned entities, such as limited liability companies or controlled joint ventures, and controlled foundations, charitable trusts, or political action committees; and debtors in possession status.

Option for combined or separate liability limits.* Customers can select either a combined limit of liability for all their Power Source liability coverage sections, or a separate limit of liability for each liability coverage section.

Noncancelable by Chubb, except for nonpayment of premium.

Worldwide coverage.

* Optional coverage features, if selected, may result in additional premium.

Take Action Today

Power Source is available exclusively through Chubb-appointed wholesale producers. Contact your agent or broker for more information or to obtain access to Power Source.



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Chubb refers to the insurers of the Chubb Group of Insurance Companies: Executive Risk Indemnity Inc. and Executive Risk Specialty Insurance Company. Not all insurers do business in all jurisdictions.

This literature is descriptive only. Actual coverage is subject to the language of the policies as issued.

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