



# PRIVATE COMPANY PROTECTION PLUS

**Private Company Directors & Officers Liability (D&O), Employment Practices Liability (EPL) and  
Fiduciary Liability Insurance with Private Company Enhancement Endorsement - PI-PRD-126 (08/23)**

## WHY PHLIY?

- 20+ years of operating experience in the Management and Professional Liability market with superior service and coverage
- Modernized policy terms and conditions with new suite of endorsements
- Superior financial strength from AM Best (A++ XV) and Standard & Poor's (A+)
- Dedicated team with over 100 underwriters & claims professionals located across 13 Regional Offices
- A multi-line policy designed for private companies of all sizes providing risk transfer solutions
- Available coverages include Directors & Officers, Employment Practices Liability, and Fiduciary Liability

## TARGET CLASSES

- Manufacturer
- Construction/Contractors/Trades
- Hospitality
- Retail Business
- Service Company
- Wholesaler
- Many more!

### Directors & Officers Liability

- Definition of Individual Insured broadened to include Advisory Board Members, Foreign Equivalents, Board Observers, De Facto Directors and Lawful Spouses/Domestic Partners
- Securityholder Derivative Demand Evaluation Coverage included at \$500,000 limit
- Side-A Excess (Individual Insureds Liability) Coverage included at \$1,000,000 limit

### Fiduciary Liability

- Definition of Fiduciary Liability Act to include status provision and settler extension
- Omnibus Welfare Plan Coverage
- Broad definition of Loss includes: civil fines or penalties imposed under Section 502 (i), HIPAA, PPA, PPACA, and the 15% or less tax penalty imposed under Section 4975 included at a limit of \$250,000 (*higher limits available with additional underwriting*)
- Coverage for IRS voluntary settlement program claims included at a limit of \$250,000 (*higher limits available with additional underwriting*)
- Defense Coverage for Managed Care claims included at a limit of \$250,000 (*higher limits available with additional underwriting*).

## PROHIBITED CLASSES

- Airline/Aviation Entity
- Automobile Dealership
- Casino
- Financial Institution
- Government Entity
- Law Firm
- Nursing Home

### Employment Practices Liability

- Comprehensive 24-point definition of Employment Practices Act which includes: violation of employment discrimination laws, retaliation, wrongful discipline, constructive discharge, sexual or workplace harassment of any kind, and more
- Extends coverage for harassment, discrimination, and other employment-related claims by employees on social media/internet (on or off the job)
- Definition of employee can include full-time, part-time, seasonal, leased, temporary, interns, volunteers and independent contractors
- Broad definition of Third Party Liability Coverage
- Other Insurance Clause – Primary Language
- "For" wording applied to Bodily Injury/Property Damage exclusion, with employment claim carveback
- Additional EPL Coverages available by separate endorsement and additional underwriting:
  - Wage and Hour Defense Sublimit
  - Workplace Violence Defense Sublimit
  - Immigration Claim Expense Coverage



## CLAIM SCENARIOS

### **\$500,000 Failure of Due Diligence - D&O**

An investment firm purchased a hotel from a privately held company. The investment firm resold the hotel quickly for a much higher price; shareholders of the private company sued, alleging that the board of directors did not do their due diligence in the original sale.

### **\$450,000 Competitor Dispute - D&O**

A firm hired the employee of a competitor. The competitor sued alleging misappropriation of trade secrets and unfair competition.

### **\$150,000 Retaliation - EPL**

An assistant to the CFO was terminated for divulging information about impending layoffs at the company. The assistant brought suit for retaliation and sexual harassment claiming the CFO always made suggestive comments to her.

### **\$540,000 Age Discrimination - EPL**

A 62-year-old sales representative was terminated for failing to meet his sales quota. Despite layoffs and cutbacks, there was no documentation showing the plaintiff was a poor performer. The sales rep. sued alleging he was fired because of his age.

### **\$100,000 Failure to Enroll - Fiduciary**

An employee purchased Disability Coverage at work and the premium was deducted from his paycheck. When the employee became disabled, he was told by the Disability carrier that they had no record of his enrollment. He sued his employer for breach of fiduciary duty seeking the cash equivalent of past and future.

# PRIVATE COMPANY PROTECTION PLUS

## KEY FEATURES

- Limits available up to \$15M for select risks
- Available coverages include Directors & Officers, Employment Practices, and Fiduciary Liability
- Coverages are available on a stand-alone or shared limit basis
- Defense Costs in addition to the Limit of Liability available for eligible risks
- Most favorable venue wording for punitive, multiple or exemplary damages
- Worldwide coverage territory and valuation clause
- Availability of complementary coverages to provide broader risk management solutions including Employed Lawyers Liability, Crime, and Cyber Liability
- Quick turnaround times for proposals and policy issuance

## SUBMISSION REQUIREMENTS

- Completed application
- Most recent financial statement/audit, if Directors & Officers coverage sought or Employment Practices monoline with more than 200 employees
- Currently valued insurance company loss runs for the current policy period plus 4 prior years

## RISK MANAGEMENT SERVICES

Management and Professional Liability Risk Management Gateway (PHLYGateway)

- PHLY has partnered with The McCalmon Group to offer our web-enabled PHLYGateway, which includes:
  - An online training platform for employees and managers, providing training on preventing harassment, identifying discrimination, and more
  - A Best Practices Help Line, where insureds can schedule a consultation to discuss workplace risks
  - Access to sample forms and documents that can help draft employee handbooks, formal policies, written procedures, checklists, and more
  - An expansive library of weekly articles that cover a wide range of topics, including Employee Relations and Human Resources, Leadership and Ethics, Loss and Litigation, and much more

## ABOUT US

### Company Profile

Philadelphia Insurance Companies (PHLY) headquartered in Bala Cynwyd, PA, designs, markets, and underwrites commercial property/casualty and professional liability insurance products, incorporating value-added coverages and services for select industries. By maintaining a disciplined approach to business, we provide greater security for our policyholders and superior value for our shareholder. PHLY has field offices strategically located across the United States to provide superior service. Rated "A++" (Superior) by AM Best Company. Rated "A+" by Standard & Poor's. PHLY is a member of the Tokio Marine Group, Japan's oldest and leading property/casualty insurer.

PHLY has three underwriting divisions:

Commercial Lines | Management & Professional Liability | Personal Lines

### AM Best Rating

The Company's two insurance subsidiaries are pooled for risk assumption and accumulated surplus. AM Best Company has assigned the insurance subsidiaries an "A++" (Superior) rating.

### Standard & Poor's

Assigned "A+" for counterpart credit and financial strength.

### Ward's 50®

Nationally recognized as a member of Ward's 50 Benchmark Group of Property/Casualty insurance companies for outstanding achievement in the areas of financial strength, claims performance, and consistently favorable underwriting results.

## CONTACT US:

**RISK MANAGEMENT SERVICES: 800.873.4552**

**CLAIMS REPORTING: 800.765.9749**

800.685.9238 Fax | E-mail: [claimsreport@phly.com](mailto:claimsreport@phly.com)

Gather facts, mitigate loss, inventory damage

**PAYMENT OPTIONS: 877.438.7459**

E-mail: [service@phly.com](mailto:service@phly.com) | Direct billed |

MasterCard, Visa, Discover, American Express, electronic checks



**PHILADELPHIA**  
INSURANCE COMPANIES

A Member of the Tokio Marine Group

800.873.4552

**PHLY.com**

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**TOKIO MARINE**  
GROUP

*Inspiring Confidence.*  
*Accelerating Progress.*