



Over 50% of D&O claims are employment practices related.

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Employees and customers in nearly every type of business steal over a billion dollars a week from unknown business owners just like you.



An employer that provides employee benefit plans has a liability exposure arising out of mistakes in the administration of those plans.



Insurance *focus*

CONSUMERS OFTEN CONFUSE DIRECTORS AND OFFICERS LIABILITY WITH ERRORS AND OMISSIONS LIABILITY

Directors and Officers Insurance is often confused with Errors and Omissions Liability. The two are not synonymous; Errors and Omissions is concerned with performance failures and negligence with respect to your products and services, not the performance and duties of management. Generally, it is a good idea to carry both Directors and Officers Liability Insurance and Errors and Omissions Liability Insurance.



What is D&O Liability?

Directors and officers of corporations and other organizations face personal liability exposures that the usual liability policies (business auto and general liability) do not address. These directors and officers are **responsible for managing the financial affairs of and establishing policies for the organization**. Such activities may result in claims by others that decisions made by the directors and officers, either individually or collectively, resulted in some harm to the organization itself or to the individual making the claim. For example, a stockholder of a corporation

or a member of an organization **might allege financial loss to the organization** arising out of a directors or officers breach of the duty of care or loyalty to the organization. In addition, employees, governmental entities, competitors, or creditors **may allege negligence or other breach of duty** by the director or officer. The business auto and commercial general liability policies include coverage for directors and officers **but only within the limited scope of those policies for claims arising out of bodily injury, personal injury, and property damage**. Today most D & O markets will

package your Directors and Officers Liability coverage with Employment Practices Liability, Fiduciary Liability, Crime, Kidnap Ransom and Extortion Insurance and more. It's no surprise that many smaller corporations and organizations are attracted to these competitive priced packages since employment practices suites constitute the single largest area of claim activity under the Directors and Officers Liability policies. Over 50% of D&O claims are employment practices related.



EMPLOYMENT PRACTICES LIABILITY DEFINITION

It is generally defined as the results of actual or alleged wrongful termination, sexual harassment or discrimination against an employee or applicant. Employment Practices Liability **Insurance** is a relatively new form of liability insurance. It provides protection for an employer against claims made by employees, former employees, or potential employees. It covers discrimination (age, sex, race, disability, etc.), wrongful termination of employment, sexual harassment, and other employment-related allegations. It covers your firm, including its Directors and Officers.



BATTLING EMPLOYEE CRIMES

Having controls in place can help minimize employee crime.

All business owners rely on their employees to be loyal, trustworthy, honest, and dedicated. Unfortunately, temptation, greed, social and financial pressures can drive some to dishonesty. Many experts believe that most workplace crimes are not committed by evil people seeking to destroy their employers or place of employment. In fact, many employees who have been caught committing crimes at work convinced themselves they were not really stealing – they were only borrowing and intended to pay it back or they had an “everybody does it”

mentality. Business owners who want to minimize employee crime are implementing strong internal controls (changing locks periodically, changing passwords, separating job duties, etc.) and performing internal audits. Many are screening job applicants including background, life-style, and spending habit checks. The use of a closed circuit television is a highly effective tool for deterring and detecting employee crime and is being utilized by many business owners. As the use of technology by employees committing crimes has increased so has business owners utilizing technology to minimize crime. There will always be dishonest people and it is probably not possible to eliminate all employee

crimes. Many business owners are not carrying crime or employee dishonesty insurance or what they carry may not be adequate. Most insurance carriers are providing the new simplified crime policy. Using the simplified crime form an employer can combine several coverages, such as employee dishonesty, forgery or alteration; theft, disappearance and destruction of money or securities; and computer fraud on one policy. No business owner can totally eliminate the risks associated with employee dishonesty, but *maintaining proper insurance and a good loss prevention program, the risks can be minimized and the chances for serious financial loss can be greatly reduced.*

EBL LIABILITY POLICY



One type of policy available to cover an employer's liability arising out of employee benefit plan administration is called employee benefits liability (EBL). The policy form obligates the insurer to pay damages caused by any negligent act, error, or omission in the management of an employee benefit plan, including workers compensation, Social Security and private disability plans, group life and health programs, and profit-sharing and retirement plans. If you administer your employees benefits plans please check with your agent and make sure you have EBL coverage.



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Outstanding Customer Service

United Group has over 55 years of insurance and real estate background and is one of the larger mid-sized privately owned independent insurance and real estate agencies servicing Southwest Iowa. **One philosophy has carried through the years, “Outstanding Customer Service.”**

We believe the following are key to providing you with “Outstanding Customer Service:”

- Comprehensive Insurance Products
- Annual Reviews
- Scheduled Price Comparisons
- Professional Communications
- Efficient Claim Service
- Flexible Payment Plans
- Loss Control Services
- Quick Responses
- Speedy Policy Delivery

Innovative Markets

Our solid portfolio of insurance companies provides us with the flexibility to anticipate and respond to your insurance needs. Our markets have been around for many years and maintain solid performance records in the insurance industry. Their experience, stability, innovation and professionalism are essential in **insuring your success.**

We can place personal, farm, crop, life, health and commercial exposures including those difficult to place.

Professional Staff

United Group's mission has always been to establish successful relationships with our clients by providing them with quality insurance coverage and professional services. We believe the experience and enthusiasm of our professional staff allows us to provide the “Outstanding Customer Service” you deserve.

United Group's entire staff is eager to assist you with your insurance and real estate needs. Please contact any of our professionals in our Red Oak or Shenandoah offices and start receiving the “**Outstanding Customer Service**” you deserve.

Thank You!

Everyone at United Group would like to **thank you for your business or the opportunity to quote your business.** We appreciate the confidence and trust you have placed in our Agency.

Our goal is to provide you with the professionalism and outstanding service you deserve.

Please let us know if we can assist with any questions or inquiries regarding your insurance program.

Sincerely,

Your friends at

United Group, Inc.