

## Employee Benefit Liability Coverage

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages on account of any claim made against the insured by:

1. an employee;
2. a former employee;
3. the beneficiaries of legal representatives thereof;

for injury caused by any negligent act, error or omission in the administration of employee benefit programs.

The company shall have the right and duty to defend any suit against the insured alleging such negligent act, error or omission and seeking damages on account thereof, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim of suit as it deems expedient but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

The company, under this insurance, shall not be liable for more than the limit of liability specified as applicable to "each claim" for all damages incurred on account of any claim or suit covered hereunder; the limit of liability for all damages incurred on account of all claims or suits covered hereunder and occurring during each consecutive annual period. This insurance applies separately to each insured against which claim is made or suit brought, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

### Limits of Liability

for each claim

the aggregate for all claims

Deductible applies to each

### Employee Benefit Programs Liability Insurance

The company will pay in addition to the limits of liability:

1. all expenses incurred by the company, all cost taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;
2. premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability and the cost of bail bonds required of the insured because of a claim to which this insurance applies, not to exceed \$250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;
3. reasonable expenses incurred by the insured at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss or earnings not to exceed \$25 per day.

### Exclusions:

This insurance does not apply:

1. to any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation;
2. to bodily injury, to sickness, disease or death, of any person, or to injury to or destruction of any tangible property, including loss of use thereof;
3. to any claim for failure of performance of contract by any insurer;
4. to any claim based upon the insurer's failure to comply with any law concerning workers compensation, unemployment insurance, social security or disability benefits, or any similar legislation that may be enacted.
5. to any claim based upon:
  - a. failure of any investment plan to perform as represented by an insured;
  - b. advice given by an insured to an employee to participate or not to participate in investment subscription plans;
6. to any damages arising out of the inability of employee benefit programs to meet their obligation due to insolvency.

### Who is Insured:

The word "insured" includes not only the named insured, but also any partner, executive officer, director, stockholder, or any person for whose acts the named insured is legally liable, provided such person is authorized to act in the administration of the insurer's employee benefit programs.

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### When Insured:

Coverage provided under this insurance applies only to:

1. claims brought against the insured while this insurance is in effect for acts that occurred before the effective date of this insurance provided that the insured at the effective date of this insurance had no knowledge of or could not have reasonably foreseen any circumstances which might result in a claim or suit;
2. such negligent acts, errors or omissions which occur after the effective date of this insurance and prior to its termination and concerning which the insured has given written notice to the Company prior to termination of this insurance.

### What to do When Notice of Claim is Received:

In the event of claim, notice shall be given by or on behalf of the insured as to the company or any of its authorized agents the insured shall upon receiving information as to his alleged negligent act, error or omission, give notice to the company of the allegations as to his negligent act, error or omission as soon as practicable. If suit is brought the insured must immediately forward to the company every summons or other process received by him.