

# Private Choice Encore!<sup>®</sup> Takes Center Stage

*Important management liability protection for your privately held midsize business clients*

In today's complex legal environment, executives at privately held companies face significant exposures related to management liability – from the way they run their operations, to their methods for producing products and their practices for hiring and promoting employees.

To help address these risks, The Hartford offers Private Choice Encore! – a convenient package of some of the most sought-after coverage features in the insurance industry. In addition, Private Choice Encore! features groundbreaking claim management provisions and the flexibility to customize coverage parts and limits to meet your client needs – another example of how The Hartford is putting our strength to work for you.

## **Critically Important Coverage**

Designed especially for midsize privately held companies, Private Choice Encore! includes these six valuable coverages:

- Directors and Officers, and Entity Liability (D&O)
- Employment Practices Liability (EPL)
- Fiduciary Liability
- Miscellaneous Errors and Omissions (E&O)
- Crime
- Kidnap, Ransom and Extortion

## **Other Key Features**

In addition, Private Choice Encore! offers:

- Newly merged or acquired subsidiary coverage, subject to a 25% threshold
- Worldwide coverage
- Controlled joint ventures coverage
- Coverage for punitive and exemplary damages (with “most favorable venue” provision)
- No mandatory arbitration provision

## **A Spotlight on Flexibility**

To help your clients strike a balance between their risk appetite and the realities of their budget, Private Choice Encore! offers the flexibility to customize policies. For example, your clients may choose to:

- Elect between two and six coverage parts
- Purchase a separate limit for each coverage part or a single aggregate limit for all liability coverage parts
- Select the amount of limit for each coverage part

## **Groundbreaking Claim Management Provisions**

- Optional defense costs outside the limit for all coverage parts (50% of limit) or
- No “Hammer Clause” for the EPL, D&O and Fiduciary coverage parts

*(continued)*



## D&O Coverage

- Derivative demand investigation costs coverage (\$250,000 sublimit)
- \$500,000 Side A reinstated limit for claims against managers (other than original claim), at no additional premium
- Commitment to underwrite IPO exposure
- Optional entity coverage
- Extended definition of claim
- Generous carve-outs to the insured vs. insured exclusion
- Final adjudication standard preserved in the fraud exclusion
- Private placements of securities coverage with no reporting requirements
- Waiver of the deductible for any claim that is finally resolved with no liability to the insureds

## EPL Coverage

Definition of “Employment Practices Wrongful Act” includes:

- Wrongful dismissal, discharge or termination
- Failure or refusal to hire or promote
- Sexual or other workplace harassment
- Employment discrimination
- Invasion of privacy
- Employment-related defamation
- Retaliation

## Key Features

- Optional third-party discrimination coverage
- Audits by the Office of Federal Contract Compliance included in the definition of claim
- No fraud/conduct exclusion
- Waiver of the deductible for any class action that is finally resolved with no liability to the insureds
- Definition of “employee” includes temporary, seasonal or part-time; leased or loaned employees; and independent contractors (to the extent the company provides indemnification)

## Fiduciary Coverage

- Extended definition of “claim” (including fact-finding investigations by the Department of Labor or the Pension Benefit Guaranty Corporation)
- ERISA section 502 (i) and 502 (l) penalties coverage
- Waiver of the deductible for any claim that is finally resolved with no liability to the insureds
- IRS voluntary settlement program coverage available (\$100,000 sublimit)
- Definition of “Insured Plan” includes:
  - > Government-mandated programs (except workers’ compensation)

- > Welfare and pension benefit plans sponsored by the company (ESOP coverage available by endorsement)
- > Non-ERISA plans sponsored by the company (including excess benefit plans)

## Miscellaneous E&O Coverage

- Extended definition of claim (including written demands for monetary or non-monetary relief; civil proceedings; and written requests to toll or waive a statute of limitations)
- Professional services defined in schedule

## Crime Coverage

- Employee theft
- Premises and transit
- Forgery
- Computer fraud
- Money order and counterfeit currency

## Key Features

- Broad definition of “employee”; no partnership exclusion; automatic ERISA bond coverage; and no exclusion for precious metals

## Kidnap, Ransom and Extortion Coverage

- Crisis management is provided by Control Risks Group, an industry leader in crisis response and prevention.
- Coverage is provided in the event of a kidnapping or extortion threat, and expenses are covered in the event of a hijacking or detention.
- Persons covered can include employees, their relatives and guests.
- Covered expenses include security consultants, public relations advisors, communication equipment, travel and accommodations, and more.

## Strong, Stable Insurer

The Hartford is one of the largest financial services and insurance companies in the United States. Founded in 1810, The Hartford’s Property and Casualty Insurance Companies are recognized for their operational excellence, superior customer service, and financial strength and stability (with an A.M. Best rating of A+).

## To Learn More

For more information about our management liability protection and to obtain a policy form and application, visit Hartford Financial Products on the Web at [www.hfpinsurance.com/mm/](http://www.hfpinsurance.com/mm/).

Coverage is provided by The Hartford or an affiliated insurance company and may not be available in all states. For actual coverage wording, please see your policy. Hartford Financial Products is a department of The Hartford.