

**Why should a
Private Company
Buy Directors &
Officers and
Employment
Practices
Liability
Insurance?**

“The Answer”

UNITED STATES LIABILITY INSURANCE GROUP
190 South Warner Road • Wayne, PA 19087-2191
800-523-5545 • www.usli.com

Questions to consider:

Did you realize your Board Member's personal assets are at risk?

If a qualified individual agrees to serve on your board, do you not owe them protection against personal liability for their decisions on your behalf?

Are you aware that 10% of all awards in cases involving Discrimination and Wrongful Termination exceed \$1,000,000?

Did you know statistics show an Employer is more likely to have an employment claim than a Property or General Liability claim?

Are you aware that a minority shareholder (including former employees) upset about the way the company is being run can put the company and its directors in danger of a devastating law suit?



Do your attorneys have the expertise to deal with Directors and Officers and Employment Claims?

Did you know Directors & Officers\Employment Practices Liability Insurance gives you

access to the insurer's specialized and experienced claims attorneys for these types of claims?

Did you know a Private Company can purchase One million dollars each of Directors & Officers and Employment Practices Liability for as low as \$2,500 for both coverages?

You purchase insurance to protect your property, your earnings, your automobiles and your general liability exposures. Why would you not protect the most valuable resource of your company –

YOUR DECISION MAKERS?

Free Human Resources Services are included too!



Most small privately held companies do not have extensive human resource departments or lawyers on staff to answer personnel issues.

Example:

If an employee came to you and asked for time off under the Family and Medical Leave Act to adopt a child from Romania, would you know the answer? You would probably have to pick up the phone, call your attorney and incur significant costs.

**The United States
Liability Insurance
Group's Directors &
Officers \ Employment
Practices Liability
Insurance Product
provides free of charge
PeopleSystem's
Helpline Service.**

Toll Free Consultation on a wide range of personnel issues...

- Wage & Hours regulations
- Human Rights
- Unemployment
- Personnel Policies & Practices
- Discrimination
- Sexual Harassment
- Many, many more



Toll Free Consultation on regulations that may affect your business...

- Americans with Disabilities Act
- Family and Medical Leave Act
- COBRA
- Fair Labor Standards Act
- Many other regulations in the employment area
- Toll Free Consultation on day-to-day issues of managing employees also included such as Job Performance, Corrective Discipline, Suspension and Termination

We offer a Directors & Officers and Employment Practices Liability policy with separate limits of liability for each coverage at a price which is competitive with the cost many insurance companies charge for either a standalone Directors & Officers Policy or a standalone Employment Practices Policy.

**Can you afford not to purchase this important coverage
for your Directors, Officers and your business?**

Recent Claims Against Private Companies:

By Employees:

Two weeks after being hired away from a competitor, a new employee was fired by the Company President who decided he had made a mistake in hiring this individual. The employee filed suit alleging the President had made statements misrepresenting the position. It took the jury less than 3 hours to find in favor of the employee and award \$300,000. Importantly, the jury also found THE COMPANY PRESIDENT PERSONALLY LIABLE FOR HIS OWN ACTS whether or not committed when acting for the corporation. The defense counsel noted "Given the ruling in this case, it will be difficult to find anyone to serve as a corporate officer in Connecticut in the absence of extraordinary guarantees of indemnity and insurance coverage".

By Shareholders:

The CEO and founder of a closely held corporation gave bonuses annually to each of two senior

managers in the form of stock shares. The individuals each accumulated 10% in holdings prior to the death of the CEO. The former CEO's interests in the firm were inherited by his spouse who assumed the position of CEO at the death of her husband. Relationships deteriorated and the two managers resigned. The firm lost a major customer and suffered reversals. Suits were filed by the two shareholders for mismanagement which resulted in the devaluation of their stock.

By Lenders:

The respected president of a locally prominent private company began "borrowing" money from the firm to cover personal losses. The President was successful in covering up the transactions for almost a year until the firm was finally forced to declare bankruptcy. A bank which had just renewed a large outstanding note sued the individual directors alleging breach of duty of care and misrepresentation of financial information.



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