

Coverage Insights

Brought to you by: Medical Society of Virginia Insurance Agency



Management Liability Coverage

While every business is unique, there are universal exposures that all businesses face. In addition to insuring your specific risks, you need to consider coverage that will protect you from common exposures generated by everyday business operations. For larger organizations, the diversity of risk combined with the increased probability of higher claim frequency means the use of a variety of insurance policies is often more effective. However, for smaller organizations that face similar risks on a reduced scale, a combination of such policies may be a better option. Many carriers have developed special combination policies to address the unique needs of management teams in small- to medium-sized businesses.

Management liability is a hybrid policy that combines several coverages essential to standard business operations that are normally sold individually. Policies commonly include:

- **Directors and Officers Liability:** Covers losses caused by a director or officer's alleged mismanagement or improper conduct.
- **Employment Practices Liability:** Covers losses resulting from employment practices disputes, such as claims filed for discrimination, sexual harassment and wrongful termination.
- **Fiduciary Liability:** Covers losses resulting from mismanagement of employee benefit and pension plans.
- **Professional Liability (also Errors and Omissions):** Covers losses resulting from negligent acts, omissions or errors.
- **Crime Insurance:** Covers losses resulting from employee or outsider criminal activity such as theft, fraud, forgery and employee dishonesty.

Benefits of a Combined Policy

Management liability policies can offer a level of protection not available through individual coverages. The combined nature of the policies allow for fewer gaps and broader coverage definitions. Because smaller organizations statistically have fewer of these types of claims, it may also come at a reduced cost when compared with buying all of the included coverages individually. While the exposures will always be there, smaller businesses are unlikely to need every form of coverage every year. Combined policies share coverage between exposures to reduce premium costs.

Coverage Comparison is Essential

There is no single standard policy for management liability insurance, making coverage comparison essential. At Medical Society of Virginia Insurance Agency we have the resources and expertise to analyze your unique needs to help you choose the policy that best fits your business. Don't just think you have the right coverage. Contact us today to be sure you're operating with the protection you need.

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