



Munich Re Specialty

# E&S Management Liability

Protection for  
private companies and  
nonprofit organizations

Through its A+ rated carriers, Munich Re Specialty provides our select wholesale brokers with best-in-class E&S Management Liability solutions that deliver critical, closely tailored coverage to help meet clients' toughest challenges, regardless of size of risk.





# Overview

## Comprehensive coverage

**Directors & Officers Liability with Entity:** Protects the company and insured persons from management and corporate decisions related to the business.

**Employment Practices Liability:** Protects the company and insured persons from claims for employment-related offenses such as wrongful termination, harassment, discrimination, whistleblower retaliation, and other offenses.

**Fiduciary Liability:** Protects the entity, its benefit plans, and insured persons from losses arising from ERISA or ERISA-related type claims, or mismanagement of the benefit plans.










**Crime:** Protects the organization's money, securities, and property from theft and other dishonest acts by employees or third parties.

## Powerful advantages for your clients

- Highly customized coverage
- Best-in-class underwriting
- Superior claims service
- Strengths of our A+ carriers



# Target classes

-  Consulting
-  Hospitality
-  Manufacturing
-  Nonprofit
-  Real Estate
-  Retail
-  Service Industry
-  Technology
-  Wholesale

# Coverage details

Management Liability coverage details		
Up to \$10,000,000 limit		
Directors & Officers with Entity	Automatic coverage for subsidiaries	
Employment Practices	Defense cost allocation 100%	
Fiduciary	Automatic acquisition threshold 100%	
Crime	Liberal reporting requirements	
Excess coverage	A+, XV (Superior) AM Best financial strength rating	
A-Side coverage		
Duty to defend		
Punitive damages (where insurable by law)		

# Claims scenarios

## **Scenario 1: D&O – A disputed company valuation**

A retail company's minority shareholders wanted to sell their shares, which the company offered to buy out based on a valuation of \$10,000,000 that was done two years prior. The next year, the company agreed to an acquisition offer at a \$50,000,000 valuation. The minority shareholders filed a lawsuit alleging that the company's value was misrepresented due to the outdated valuation and that it had already fielded acquisition offers over \$10,000,000.

## **Scenario 2: Employment Practices Liability – Accusation of wrongful termination**

A company in the service industry received a complaint from one of its customers, alleging that its executive vice president of sales (EVP) made unwarranted sexual advances toward one of its employees and threatened to terminate the business relationship unless the EVP was fired. The company's CEO fired the EVP for gross misconduct as per the EVP's employment contract. The EVP filed suit against the company and the CEO for wrongful termination and breach of employment contract, alleging that the company did not follow an internal employment policy to investigate allegations before termination, and that the CEO had an ulterior motive for terminating his employment, given the EVP had a large bonus coming up. The EVP demanded over \$3,000,000 in damages for lost wages/bonus and reputational injury.

## **Scenario 3: D&O – Price-fixing investigation**

A manufacturing company received an investigative order from the state attorney general's office centered around whether the company conspired with its competitor to control product pricing. After an 18-month investigation, there was no finding of price fixing by the company or its competitor. However, the manufacturing company incurred \$750,000 in defense expenses to respond to the investigation.

## Contact us



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Learn more at [munichrespecialty.com](https://munichrespecialty.com).

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