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ACE Financial Lines

*The Guide to Understanding
Professional & Financial
Lines Products*



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Foreword



The Guide to Understanding Professional and Financial Lines products highlights the key insurance coverage tailored to protect against the risks many small, midsize and large businesses face.

In these times of increasing litigation, the need for protection of the individual and corporate body has never been greater. Today's decisions made by the board of privately owned companies are not free from public scrutiny.

Private companies face significant exposure to litigation brought by parties other than security holders.

Any company that employs one or more individuals or deals with customers, clients, competitors, the government, or other third parties, has a D&O and Employment Practice exposure. For instance, regulatory exposures have significantly increased in the recent years.

There are so many kinds of business protection needs and products that Ace Insurance Company can offer at very competitive terms. This reference is intended as an objective source of information about a broad range of commercial and financial insurance.



Company executives may be personally liable for the decisions they make, potentially resulting in devastating damages and expenses. When a costly D&O liability claim does occur, these executives' personal assets, as well as the company's financial stability, may be put at risk.

Directors & Officers for Private Institution

▲ **WHAT IT PROTECTS AGAINST** Claims from shareholder, employees, competitors, regulators, creditors and even clients against the company. Typical allegations include errors in judgment, breaches of duty and wrongful acts in connection with company business. **Directors and Officers** may be liable if they:

- Misappropriate a corporate asset for personal use or use elsewhere
- Breach their legal duty to the company.
- Mismanagement of the business and operations
- Unfair trade practice
- Violation of local and federal laws
- Failure to deliver service

▲ **WHO NEEDS IT** Companies with a Board of Directors and also serve to attract quality board members and top executives.

Practically all companies doing business are at risk.

▲ **WHAT YOU NEED TO KNOW**
Products Highlights

- Policy limits up to \$25 million are available.
- Claims made coverage: We write our policy on "claims made" basis.
- Worldwide coverage: ACE policy reimburses covered losses that occur anywhere in the world.

▲ **Business Submissions**

- Duly signed and completed ACE D&O applications
- Updated list of Directors and Officers
- Most recent financial statements



Employment Practices Liability



Employment-related lawsuits have skyrocketed in recent years, and there are no signs of this trend slowing down. Some estimates suggest that three out of five employers will be sued by a former, current or prospective employee. The cost to an employer can be crippling.

▲ **WHAT IT PROTECTS AGAINST** The financial costs of lawsuits brought by employees, former employees or potential employees. It covers the costs of lawsuits brought for:

▲ **ACE Employment Practices Liability Policy** offers coverage for Employment-related claims as a result of lawsuits for.

- Sexual Harassment
- Wrongful Termination
- Discrimination based on race, age, gender, etc.
- Failure to Employ
- Negligent Evaluation
- Failure to Promote

It also can cover failure to hire or promote, wrongful discipline, wrongful infliction of emotional distress and deprivation of career opportunity. Policies usually cover both the company and its directors and officers.

▲ **WHO NEEDS IT** New and fast-growing companies are considered most vulnerable because they may not have developed clear guidelines for hiring, firing or disciplining employees. New technology firms are considered especially vulnerable.

▲ **WHAT YOU NEED TO KNOW**

Cases against employers are reportedly on the rise and can result from the pre-hiring process to the exit interview, or even from people who were not hired or who worked for only a few days. Businesses can incur expenses even if an allegation is groundless.

Coverage costs may depend on the number of employees, type of business and risk factors such as whether the company has a history of being sued by employees.

▲ **Limits**
Up to 25MM in limits.

▲ **Target Markets**

- Wholesalers
- Manufacturers
- Fruit and beverages companies
- Service providers
- Financial institutions
- Transportation companies
- and others ...

▲ **Business Submissions**

- ACE Employment Practice Liability Application
- Most recent company's financial statements
- Employment handbook

Commercial Crime



No company not matter big or small is immune to crime losses.

Doing business in today's economic environment can create significant amount of risks. As companies try to find ways to keep their doors open, the mergers, acquisitions, downsizing, restructuring, and globalization have increased the challenges of maintaining the right internal controls. Workplace theft is a significant threat to employers and its impact can be devastating.

As a result, employee theft is on the rise. The cost of fraud comes right off a company's bottom line. Purchasing schemes involving kickbacks, accounts payable fraud involving ghost vendors payroll and check fraud, or inventory theft can reduce corporate profits by millions of dollars.

▲ **WHAT IT PROTECTS AGAINST** Loss of money, securities and other property because of a variety of criminal acts. Crime insurance also covers money and securities against damage or destruction by almost any cause of loss, not just crimes.

▲ **WHO NEEDS IT** Almost all firms because they are exposed to employee theft. Retailers and wholesalers are especially ex-posed to theft of inventory and money.

▲ **WHAT YOU NEED TO KNOW** Business owners policies and commercial property policies may cover theft of business personal property, but they typically exclude money and securities, employee theft and several other key crime perils. Commercial crime insurance can fill these gaps.



▲ **Products Highlights**
ACE Insurance offers **ACE Fraud Protector** which allows customers to choose their level of protection for the following coverage.

- Employee Theft Coverage
- Transit Coverage
- Premises Coverage
- Forgery Coverage
- Computer Fraud
- Fund Transfer Fraud
- Money Order Coverage
- Counterfeit Currency Coverage
- Credit Card Fraud
- Broad Definition of employee
- Legal Expenses

▲ **Limits**
ACE provides a maximum capacity of \$25MM



Fiduciary Liability

▲ **DID YOU KNOW...**

WHAT IT PROTECTS AGAINST Under ERISA, fiduciaries can be held personally liable for any losses or negligence to a benefit plan incurred as a result of any Errors & Omission, or breach of fiduciaries duties. This is applicable to public, private, and non-for-profit organizations.

▲ **WHO NEEDS IT** Any company that establishes a pension plan, 401(k) plan, profit-sharing plan, employee stock ownership plan, or other type of employee benefit plan (e.g., health, dental, disability, etc.) can be sued for alleged violations of the Employee Retirement Income Security Act of 1974 (ERISA) and other laws



▲ **WHAT YOU NEED TO KNOW**

WHAT CAN FIDUCIARY insurance policies cover?

- Breach of fiduciary duties
- Negligent errors and omissions
- Improper disclosures to plan participants
- Remiss investment advice
- Imprudent choice of outside service provider (OSP)
- Faulty advice of counsel
- Improper amendments to plan documents

▲ **Limits**
Up to \$15MM in limits

▲ **Target Markets**
All private companies who manage employee benefit plans 401k, profit sharing plan and others.