



Group Personal Excess Liability Insurance From Chubb

The added protection high-net-worth individuals
need in the event of a lawsuit

• Desk Reference for Agents and Brokers •

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*I*t's raining, and a high-ranking corporate executive stops one bumper beyond the mark. The driver of the car that is hit has a neck injury.... **W**hen a new plasma television is delivered to the home of an affluent client, the deliveryman slips and falls on the icy steps of the home and breaks his leg.... **A** company CEO donates time to a homeowners association board. The pool installed by the board has a faulty diving board, and a neighbor's child is hurt.... **N**ow there is a multi-million dollar lawsuit.

Accidents happen. And lawsuits are all too common in today's litigious society. If a high-net-worth individual is involved in an accident and then sued for an amount greater than his existing personal liability coverage, assets such as his home, belongings, investments and future earnings could all be at risk.

The fact is a million dollars isn't what it used to be.

Lawsuits naming high-level executives or other affluent individuals as defendants are typically in the multi-million dollar range. Personal liability insurance is often not enough for these individuals. That's why Chubb offers **Group Personal Excess Liability Insurance**, a coverage solution with limits **up to \$50 million**.

In a **mandatory** participation program, the policy provides each participating member with excess liability insurance up to the limit on the group policy when required primary coverage has been exhausted. In a **voluntary** program, participants have a range of limits to choose from and are charged the corresponding premium. The policy covers damages for which a participating member or a covered household member may be legally responsible in the event of a personal liability lawsuit. Defense costs for a covered loss are at Chubb's expense and in addition to the policy limit for both programs.



How to sell

To maintain a competitive edge, public and private organizations must continually attract and retain the best leaders in the business. Group Personal Excess Liability Insurance is the perfect solution for organizations that want to incorporate high-value benefits at a low cost into an executive benefits portfolio.

- **For employers.** Offering this policy to high-level executives shows an organization's commitment to the financial well-being of its top employees and their families.
- **For partnerships and limited liability corporations.** The policy appeals to partners or principals of a privately held entity who generally have an appreciation for higher limits of personal liability protection that may not be readily available.
- **For family offices.** The policy addresses the concerns of wealthy family members to preserve and transfer wealth to future generations.

Target market

The underwriting appetite for Group Personal Excess Liability Insurance includes:

- Privately held companies
- Financial services
- Public corporations
- Family-owned businesses
- Partnerships (such as law firms)
- Family offices

Competitive advantages

- **Worldwide coverage.** Excess liability coverage up to \$50 million is available. Subject to underwriting criteria, limits up to \$10 million may be available for excess Uninsured/Underinsured Motorist Protection (UM/UIM).
- **No annual aggregate.** Limits apply to *each* individual group member on an occurrence basis.
- **Flexibility.** Minimum underlying limits may vary by group. Underlying insurance requirements may be increased or decreased.
- **Automatic coverage.** For all who meet the criteria used to establish the defined group in a *mandatory* participation program, coverage is automatic. In a *voluntary* program, individuals must choose to participate.
- **Continuity of benefits.** For a *mandatory* participation program, coverage is automatic for any new partners or executive board members added during the policy year.
- **Simplified underwriting.** No mid-term notification of changes is required in the schedule of homes, autos and watercraft.
- **No confusion.** Chubb can issue a *separate* errors and omissions policy for the sponsoring organization rather than one policy with two insuring agreements, two sets of exclusions, and different policy conditions.
- **Ease of administration.** Chubb offers one effective date, one premium payment, a hard copy master policy for the sponsoring organization, and paperless certificate issuance for all members of the defined group.

Policy highlights

- **Unlimited defense costs** are paid in addition to the limit of liability for any suit seeking covered damages that is either not covered by the underlying liability insurance or covered by the underlying insurance, the limits of which have been exhausted.
- **Loss of Earnings** coverage up to \$25,000 is included, with no per-day limit, when a covered person is asked to participate in a court proceeding.
- Liability coverage for **Property Damage** and **Personal Injury**, which includes bodily injury as well as shock, mental anguish, mental injury, sickness or disease including death; injury because of false arrest, false imprisonment or wrongful detention; malicious prosecution or humiliation; wrongful entry or eviction; and libel, slander, defamation of character, or invasion of privacy, is automatic.
- Automatic coverage for non-compensated **directors** and **officers** of not-for-profit boards applies for losses covered under this policy if a group participant is found personally liable for personal injury or property damage resulting from his or her volunteer participation on a non-profit board. A group participant's defense costs are also covered for allegations of a covered loss arising from such participation.
- Liability coverage is included for incidental **business** and **farming pursuits** related to volunteer, charitable and at-home or away-from-home business.
- **Kidnap Expenses**, **Shadow Defense** and **Reputational Injury** coverages are automatically included.
- **Identity Fraud** coverage is automatically included. Complimentary **Identity Theft Resolution Services** are available from Identity Theft 911[®], a premier identity management provider. Identify Theft 911 can offer resources to proactively protect identity and also provide assistance with resolving identity theft should a participating member fall victim to this growing crime. In addition, Identity Theft 911 can assist with disaster recovery, replacing sensitive personal identification and financial documents that are lost or destroyed in a natural disaster, home fire or flood. Visit www.chubbidtheft.com for more information.
- First dollar coverage is included for **large watercraft** and **personal watercraft** if rented or furnished for 60 days or less. If the watercraft is rented or furnished more than 60 days, Chubb provides coverage in excess of the required underlying limits.
- There is no **pollution liability** exclusion, except as related to **incidental farming**.
- **Employment Practices Liability** coverage is available by endorsement for an additional premium. There are several coverage limits available.

How it works

Chubb will issue one master policy for the defined group to the sponsoring organization. Additions and deletions of participants will be provided, and the premium will be adjusted on a negotiated basis with the sponsoring organization. Certificates of insurance will include the individual participant name and a certificate number on each coverage summary certificate. Certificates will be issued on a compact disc, with the sponsoring organization and the agent/broker each receiving a copy for record-keeping purposes.

For more information

To learn more about Group Personal Excess Liability Insurance from Chubb and the availability of coverage for particular types of groups in your jurisdiction, contact:

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This literature is descriptive only. Actual coverage is subject to the language of the policies as issued. Coverage is not available in all jurisdictions. In some jurisdictions, state law prohibits the issuance of a group personal excess policy to certain types of groups.

Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the actual coverage of the policy as issued.

Form 02-01-0451 (Rev. 1/09)



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• Frequently Asked Questions •



Q: What is the underwriting appetite/target market for the group policy?

A: Financial services, family-owned businesses, family offices, privately held companies, public corporations, and partnerships such as law firms may be eligible for Group Personal Excess Liability Insurance. Eligibility varies by state.

Q: Who needs higher limits of liability coverage?

A: Employees, family office members, and affluent members of a defined group who typically have significant insurable assets and unique or highly sophisticated insurance needs could benefit from Group Personal Excess Liability Insurance.

Q: What underwriting information is required?

A: Policy issuance will require the name and address of the sponsoring organization, title of the defined group, eligibility criteria used to establish the defined group, and the total number of participants within that group. The full name, mailing address, and for a **voluntary** participation program, the limit of liability for each participant are also required.

Q: Who is covered within the group policy?

A: The term “covered person” includes the person shown on the participant list and that person’s spouse or domestic partner, any relative, or any other person under 25 who is in the insured’s or the relative’s custody, all of whom are residents of the same household.

Q: What is the limit of coverage provided for each participant?

A: In a **mandatory** participation program, each participant is covered for the limit selected, up to \$50 million. In a **voluntary** program, participants have a range of limits to choose from and are charged the corresponding premium. Defense costs for a covered loss are at Chubb’s expense and in addition to the policy limit for both programs.

Q: How does the automatic coverage feature work?

A: Coverage is automatic for all individuals who meet the criteria used to establish the defined group in a **mandatory** participation program. In a **voluntary** program, individuals must choose to participate. For example, assuming the defined group is “all partners,” and the limit is \$5 million, the policy would extend to each partner up to \$5 million, effective on the day each individual becomes a partner until the policy expiration.

Q: Does a group member have personal excess liability coverage for a rental home that is leased for income?

A: The group policy will provide excess liability coverage if a rental property is covered by the participant’s personal liability policy and meets the definition of “incidental business property” under the group policy.

Q: What types of offenses are included in the Personal Injury coverage?

A: “Personal Injury” means:

- (a) Bodily injury, shock, mental anguish, mental injury, sickness or disease, including death;
- (b) Injury because of false arrest or imprisonment, malicious prosecution, wrongful entry or eviction, humiliation, libel, slander, defamation of character, or invasion of privacy.

Q: Is coverage included for a director or officer?

A: Coverage applies if a group participant is found personally liable for personal injury or property damage resulting from activities as a non-compensated director or officer of a not-for-profit board. A group participant’s defense costs are also covered for allegations of a covered loss arising from such participation.

Q: Are professional and business activities included?

A: Professional activities are not included in the coverage, but incidental business and farming activities are covered by the group liability policy from Chubb, subject to the limitations stated in the policy under “business pursuits.”

You Want The Best? Go With Chubb.



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