



FINANCIAL AND PROFESSIONAL SERVICES MANAGEMENT LIABILITY

Wrap+ MISCELLANEOUS PROFESSIONAL LIABILITY

EVEN PROFESSIONALS CAN HAVE A BAD DAY

Wrap⁺ **Miscellaneous Professional Liability**

Miscellaneous Professional Liability (MPL) insurance is essential to cover the errors and omissions exposures of a variety of professionals. In today's increasingly litigious environment professionals are often subject to allegations brought by unhappy clients or other parties who feel that they have been harmed by the professionals' actions – or inactions. Even when such claims are frivolous, the cost to defend these claims can devastate uninsured professionals. Additionally, many potential clients require that a professional services firm carry errors and omissions insurance before they will agree to hire the firm.

Travelers offers Miscellaneous Professional Liability coverage for a wide variety of professionals, including the following:

| | | |
|-----------------------|------------------------|--------------------------|
| Arbitrators/Mediators | Court Reporters | Non-Profit Organizations |
| Auctioneers | Data Processors | Personal Counsellors |
| Bookkeepers | Employment Agencies | Resume Services |
| Business Associations | Executive Search Firms | Title Searchers |
| Claims Adjusters | Management Accountants | Translators |
| Consultants | Market Researchers | Travel Agents |

Not all miscellaneous professional liability policies are the same, and policy comparisons can be misleading. Do your own analysis.

Check and see how their policy stacks up... there is a difference!

| | Wrap ⁺ | Their Policy | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------|-----------------------------|
| Defence Coverage for Disciplinary Proceedings – coverage up to \$10,000 available. There is no retention that applies to this coverage. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Broad Definition of Claim Includes: | | | |
| • Written demand for damages or non monetary relief | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Formal administrative or regulatory proceeding | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • A civil proceeding | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Written request to toll or waive statute of limitations | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Arbitration or mediation or similar alternative dispute resolution proceeding | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Broad Definition of Subsidiary – definition of Subsidiary includes majority owned corporations and limited liability corporations | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Spousal and Domestic Partner Liability Coverage | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Definition of Loss Includes: | | | |
| • Punitive Damages (Most Favourable Venue) | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Prejudgment and post judgment interest | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| No Absolute Bodily Injury or Property Damage Exclusion – policy language uses “for wording” as opposed to “based on arising out of” language | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Severability of Exclusions – No conduct of any Insured Person will be imputed to any other Insured Person | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Flexible Limit Options: | | | |
| • Choice of individual or shared Limits of Liability | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Option to select Annual Reinstatement of Limit of Liability (Multi-year) | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |



| | Wrap+ | Their Policy | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Additional Defence Coverage: <ul style="list-style-type: none"> Option to select additional defence Limit of Liability | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Acquisitions – automatic coverage for majority owned Subsidiaries formed or acquired during the Policy Period with assets that do not exceed 25 percent of the total assets of the Insured Organization | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Defence: <ul style="list-style-type: none"> For allegations against the Insured for gaining a profit that the Insured is not legally entitled to until proven by final adjudication Full coverage for allegations of fraudulent, criminal or willful misconduct if the Insured was neither the author of nor an accomplice to the act | <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes <input type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> No |
| Extended Reporting Period: <ul style="list-style-type: none"> Bi-lateral Extended Reporting Period option – available if Insurer or Named Insured cancels or fails to renew Run-Off Extended Reporting Period option – available for a pre-determined premium upon Change of Control of Named Insured Ability to report Potential Claims during Extended Reporting Period or Run-Off Extended Reporting Period | <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No |
| Worldwide Coverage – applies to Claims made and Wrongful Acts occurring anywhere in the world | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Notice of Non-Renewal - 30 days | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Non-Cancelable by Insurer – except for non-payment of premium | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Retentions: <ul style="list-style-type: none"> Only one retention must be satisfied when one Claim triggers coverage under two or more Liability Coverages No retention applies with determination of No Liability | <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes <input type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> No |
| Representations: <ul style="list-style-type: none"> Severability of Insured Persons with respect to the representations made in the Application Only knowledge and representations of signer of Application are imputed to the Insured Organization | <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Yes <input type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> No |

MISCELLANEOUS PROFESSIONAL LIABILITY CLAIMS EXAMPLES

A bookkeeper was retained by ABC Company to prepare GST and Provincial tax statements for its client, a small manufacturer. Subsequently, the Canada Revenue Agency ("CRA") issued a notice to ABC Company for certain tax discrepancies over many years, totaling \$250,000, based upon certain misinterpretations of the Income Tax Act regarding foreign sales. ABC Company commenced an action against the bookkeeper claiming that as a result of the bookkeeper's negligence, it sustained damages in the form of interest owed to the CRA as a result of the tax discrepancies.

An auctioneer was hired to auction off a large estate containing several unique pieces. When the auction failed to bring what the heirs of the estate had hoped for, they sued the auctioneer claiming that he had inadequately advertised the auction by not listing some of the key pieces in promotional brochures for the auction. If compensatory damages are found owing by the auctioneer, such damages may also be covered under the policy.

The Insured is a management consultant for a trade association. The services provided to the trade association included event management related to an international seminar hosted by the trade association. During the course of the event preparation, errors were made in the advertising documentation sent to the participants relating to the scheduling and topics to be addressed by the seminar's speakers. Consequently, all the advertising documentation had to be reprinted and resent, which generated substantial additional costs. The trade association sought to hold the Insured liable for the errors and commenced a lawsuit for damages consisting of the cost of reprinting the advertising documentation.



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