



# Liability protection for professional service providers

FINANCIAL AND PROFESSIONAL SERVICES | ERRORS AND OMISSIONS INSURANCE

When professional service providers are accused of negligence, the cost to defend even the most frivolous of claims can be financially devastating for uninsured individuals.

## The following examples demonstrate the claims professionals may face when things go wrong:

- A management consulting firm was hired by a large retailer to improve the profitability of the retailer's catalogue sales division. The consulting firm recommended that the retailer outsource much of its call centre operations, assisted the retailer in selecting a vendor and advised on the terms of the contract. After considerable expense, the retailer reported that catalogue sales were down while customer complaints had increased. Additionally, the retailer found that the new call centre actually cost the company more to operate than when they had managed the service in-house. The retailer sued the consulting firm for its lost income and the cost of the transition to the new call centre.
- Tenants of a building alleged the exterior of their building was negligently maintained, such that doors and windows leaked, causing damage to their property as well as causing them great inconvenience. The tenants sued the owners of the building; and the building owner sued the property manager for contribution and indemnity, alleging the property manager was negligent in maintaining the building.

**Travelers Wrap<sup>®</sup> Miscellaneous Professional Liability Insurance (MPL) covers errors and omissions in the performance of services where a reasonable standard of care is expected.**

### Key features of Travelers MPL coverage

- Enhanced definition of "claim," providing for both monetary and non-monetary relief
- Broad definition of "insured"
- "Pay on behalf of" language
- Automatic reporting period of 30 days following the expiration of the policy period
- Travelers' MPL policy includes "duty to defend"
- Worldwide coverage

### Limit of liability

\$25 million limit of liability available in Canadian or U.S. currency

### Ideal E&O coverage for most professionals

While Travelers' MPL policy is ideal for a wide range of professionals, we do not provide insurance for: actuaries, architects, engineers, general contractors, pharmacists, physicians, nurses, alternative medicine providers or chartered accountants performing audits on public companies.

## **Wrap+ – A comprehensive solution for private companies and non-profit organizations**

Travelers *Wrap+* MPL is part of our *Wrap+* product, which is a modular product designed specifically for private companies and non-profit organizations. Other insuring agreements that can be purchased in the *Wrap+* product include:

- Directors & Officers Liability
- Employment Practices Liability
- Fiduciary Liability
- Fidelity/Crime
- Kidnap and Ransom
- Identity Fraud Expense Reimbursement

In addition to our *Wrap+* product, our Business Office Package (BOP) is a property and liability policy available to private and non-profit organizations with small-office exposures.

## **Submission checklist**

- Completed and signed MPL or BOP application and supplemental application (if applicable)
- Resumes of key personnel (i.e. principals, partners, officers and professional employees)
- Standard written contracts used for all professional services (including indemnity agreements) or engagement/proposal letters
- Marketing material (e.g. website address and brochures)

## **About Travelers**

At Travelers, we do things right because things can go wrong. We are committed to keeping pace with the ever-changing needs of our customers, and anticipating their needs for the future. In Canada, Travelers Insurance Company of Canada and St. Paul Fire and Marine Insurance Company are the Canadian licensed insurers known as Travelers Canada.

---

To learn more about Travelers *Wrap+* MPL and our other professional and financial solutions, contact your local Travelers office.

### **Montreal**

514.875.0600  
800.361.9427

### **Toronto**

416.366.8301  
800.268.8481

### **Calgary**

403.265.6252  
800.479.3887

### **Vancouver**

604.684.6574  
866.684.6574



[travelerscanada.ca](http://travelerscanada.ca)

This document is provided for informational purposes only. It does not, and it is not intended to, provide legal, technical or other professional advice, nor does it amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by St. Paul Fire and Marine Insurance Company and Travelers Insurance Company of Canada and their subsidiaries and affiliates (collectively "Travelers Canada"). Travelers Canada disclaims all warranties whatsoever.

© 2012 The Travelers Indemnity Company. All rights reserved. Travelers and the Travelers Umbrella logo are registered trademarks of The Travelers Indemnity Company in the U.S. and other countries. CP-7796 Rev. 8-12