

# How Professional Liability Insurance Completes Your Business Insurance Puzzle

As many as 32% of business owners underrate their vendor risk and fall victim to professional liability (also known as errors and omissions or E&O) lawsuits.

Don't leave yourself or your company exposed. Professional liability insurance works hand-in-hand with other policies to protect you and your fellow employees from professional services-related risks.



## WHAT IS PROFESSIONAL LIABILITY INSURANCE?

Professional liability insurance (also known as errors and omissions or E&O) indemnifies directors and officers, employees and the greater company entity against claims of failure to provide services as stated. Services covered could include business advice, consulting, design and more.

### Directors and Officers Insurance (D&O) + Professional Liability Insurance

#### WHAT DOES DIRECTORS AND OFFICERS INSURANCE COVER?

D&O insurance covers leadership against claims of negligent oversight and decisions that could negatively affect financial performance.

#### WHERE'S THE FIT?

Professional liability policies are tailored to the unique professional services each business offers, and do not cover D&O liability. A separate D&O policy is therefore required to protect leaders from claims related to the management, operation or performance of your business.

#### WHAT YOU SHOULD KNOW

Experienced brokers can construct a D&O policy to ensure that any directors or officers who are sued for negligent oversight or decisions are protected.

### Employment Practices Liability (EPL) Insurance + Professional Liability Insurance

#### WHAT DOES EMPLOYMENT PRACTICES LIABILITY INSURANCE COVER?

EPL insurance protects you against claims of wrongful acts related to employment practices, such as discrimination, sexual harassment or wrongful termination.

#### WHERE'S THE FIT?

Professional liability policies cover directors, officers, employees and the greater organization only when a third party finds fault with a professional service rendered. In order to respond to an employment practices claim, a separate EPL policy is needed.

#### WHAT YOU SHOULD KNOW

Because professional liability coverage doesn't extend to claims related to employee practices, executives, employees and organizations that don't carry a separate EPL policy risk being denied coverage when an employment-related claim arises.





## Cyber Liability Insurance + Professional Liability Insurance

### WHAT DOES CYBER LIABILITY INSURANCE COVER?

Cyber liability insurance provides for crisis management following a data breach. It may cover, for example, the expense of forensic investigation, a privacy attorney, notification of affected individuals, credit monitoring and PR costs.

### WHERE'S THE FIT?

Professional liability policies do not offer cyber liability coverage. This means that a professional liability plan will not protect you from lawsuits that arise directly from a breach or cyber attack.

### WHAT YOU SHOULD KNOW

Firms that gather private information as part of their professional services could be liable when it comes to a data breach. HUB's coverage experts can coordinate protection to ensure you and your firm are covered in the event of a cyber attack.

## General Liability Insurance and Umbrella Policies + Professional Liability Insurance

### WHAT DO GENERAL LIABILITY INSURANCE AND UMBRELLA POLICIES COVER?

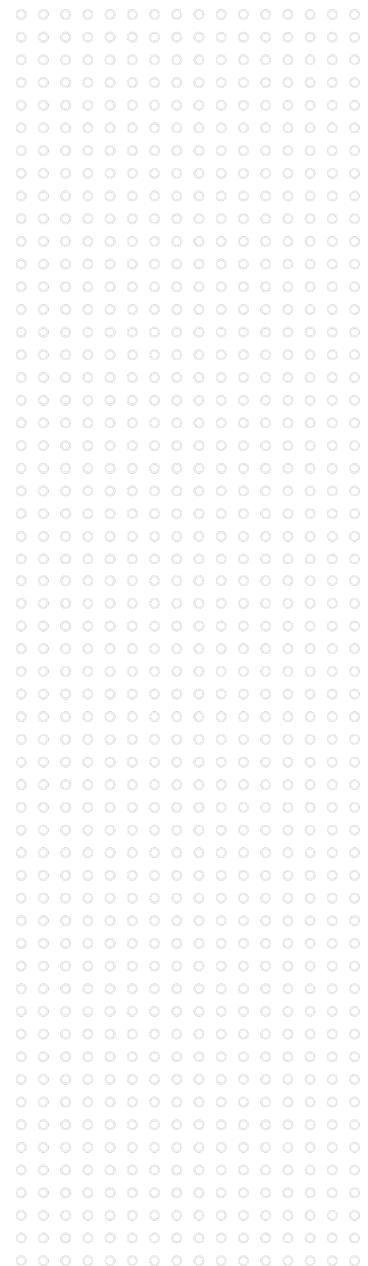
General liability insurance covers third-party bodily injuries, tangible property damage and advertising injuries. Umbrella policies augment other primary liability policies, expanding their limits and also broadening their coverage.

### WHERE'S THE FIT?

Professional liability coverage offers protection when a director, officer, employee or company entity is named in a lawsuit related to the delivery of professional services. However, when the company has had a physical or property damage loss not caused by an individual, a general liability policy is crucial to maintain protection.

### WHAT YOU SHOULD KNOW

If your company is named in a lawsuit directly resulting from physical or property damage, the claim will fall under your general liability policy.





## Business Crime Bond Coverage + Professional Liability Insurance

### WHAT DOES BUSINESS CRIME BOND INSURANCE COVER?

No business is safe from the crimes of fraud, theft, forgery and embezzlement, or from social-engineering cyber crimes. Business crime bond insurance provides financial protection from related losses.

### WHERE'S THE FIT?

Professional liability insurance backs the services you provide to third-party vendors or clients. However, it will not cover losses that result from employee or third-party theft and embezzlement.

### WHAT YOU SHOULD KNOW

Since professional liability policy will not cover crimes — whether committed by an employee or third party — and there is no way to predict when such acts may be committed, a standalone crime policy is a necessary complement to your professional liability coverage.

## Fiduciary Liability Insurance + Professional Liability Insurance

### WHAT DOES FIDUCIARY LIABILITY INSURANCE COVER?

Employers and individuals (fiduciaries) who manage benefit options provided to employees, such as pension, savings, profit-sharing and health/welfare plans, require fiduciary liability insurance to protect against claims of mismanagement or breaches of duty.

### WHERE'S THE FIT?

Professional liability policies carry an exclusion for violations of the Employee Retirement Income Security Act (ERISA) and similar laws. As a result, the professional liability policy will not cover claims originating from a regulatory body or those brought by individuals participating in a company's 401(k) plan, benefits or other employee welfare plans.

### WHAT YOU SHOULD KNOW

Because professional liability policies include exclusions for ERISA violations and similar laws, you need a separate fiduciary liability policy to complement your professional liability policy and protect your fiduciaries.



## We're HUB

We help you prepare for the unexpected. With HUB, you have peace of mind that what matters most to you will be protected — through unrelenting advocacy and tailored professional liability solutions that put you in control.

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