



Segal Select Insurance

State of the Fiduciary Liability Market

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February 12, 2026



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Agenda

Fiduciary Liability Insurance Basics

Market Trends

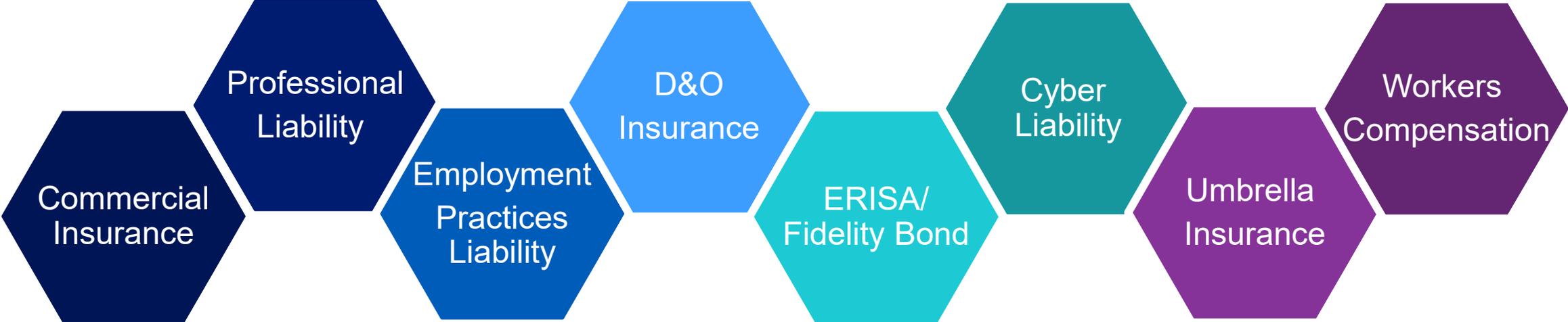
Trending Claims

Key Takeaways

Q&A

Fiduciary Liability Insurance Basics

What Fiduciary Liability Insurance is Not



Understanding your risks

Fiduciary Liability Insurance

Fiduciary Liability Insurance designed to provide coverage for the plans and/or trustees, committees and employees against lawsuits alleging breaches of fiduciary duty and negligence in the administration of the plan

Basic benefits

- Defense Costs for defending the fiduciaries on a duty to defend basis or reimbursement
- Providing legal support, some carriers define which law firms to utilize, by state, type of action and may invoke set rates
- Indemnification payments for alleged violations under the policy for duty or negligent administrative actions or omissions. Subject to the terms and conditions of the policy.

Basic coverages

- Claims Made Policy
- Designed to respond for allegations of breach of fiduciary duty by employees, beneficiaries, spouses, heirs and third parties
- Administrative errors and omissions
- Voluntary Compliance programs
- Regulatory fines & penalties
- Exclusions

Fiduciary Liability: Who May Be Covered?

Named Insured	The Plan and Plan Sponsor	Past, present and futures Trustees	Executives (Directors, Officers, General Counsel) of the Organization and the Plan
Board of Trustees of any Plan or any committee established by the Plan	Employees	Any others designated by endorsement	Not intended to cover 3 rd party service providers

*Subject to policy terms and conditions

Fiduciary Liability: **What** May Be Covered?

Losses covered include Damages, judgments and settlements

Investigatory/ Pre-Claim/Interview Coverage

Fines, Penalties, and Taxes

Final Adjudication

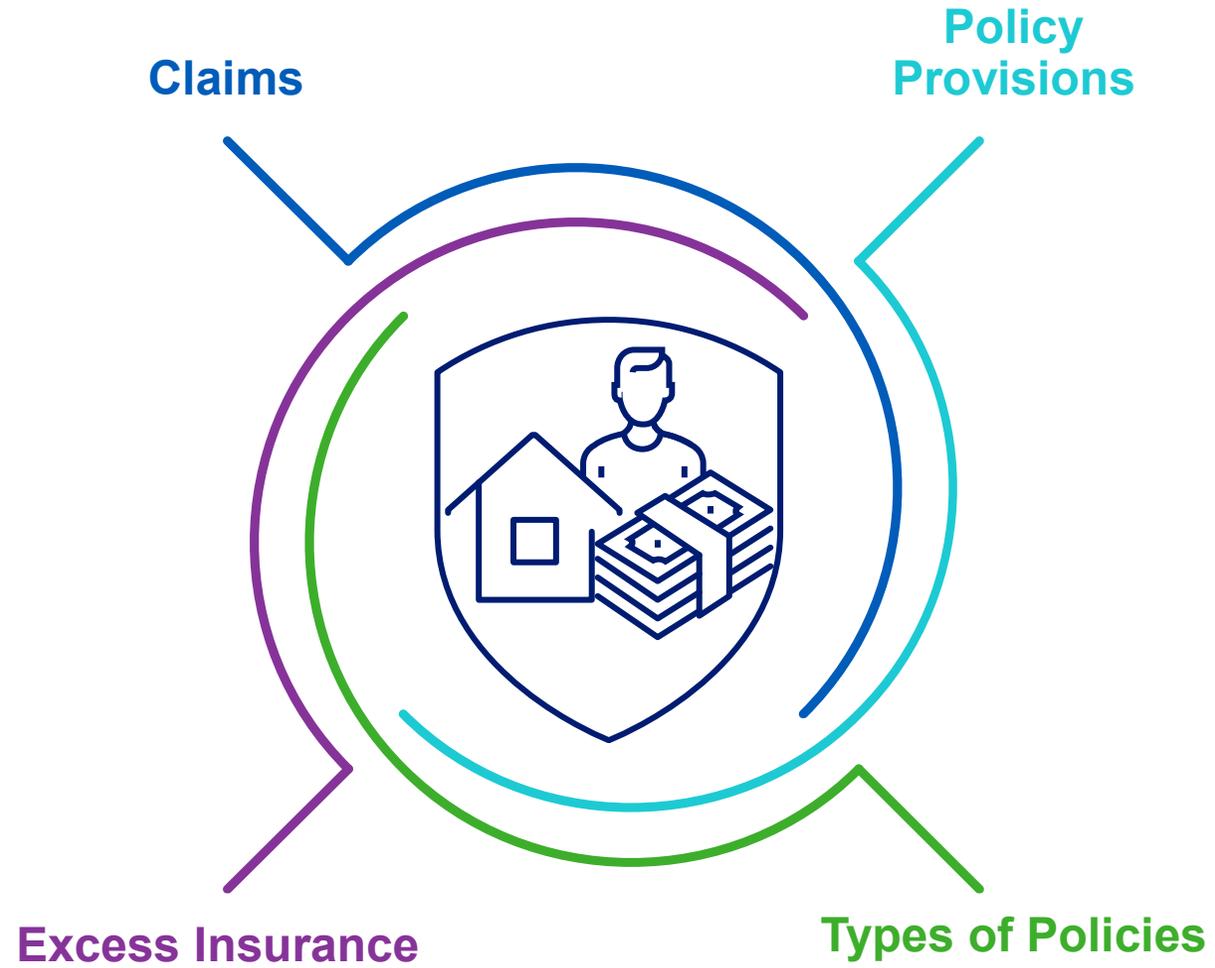
Voluntary Settlement Program

IRS penalties

Benefit overpayment

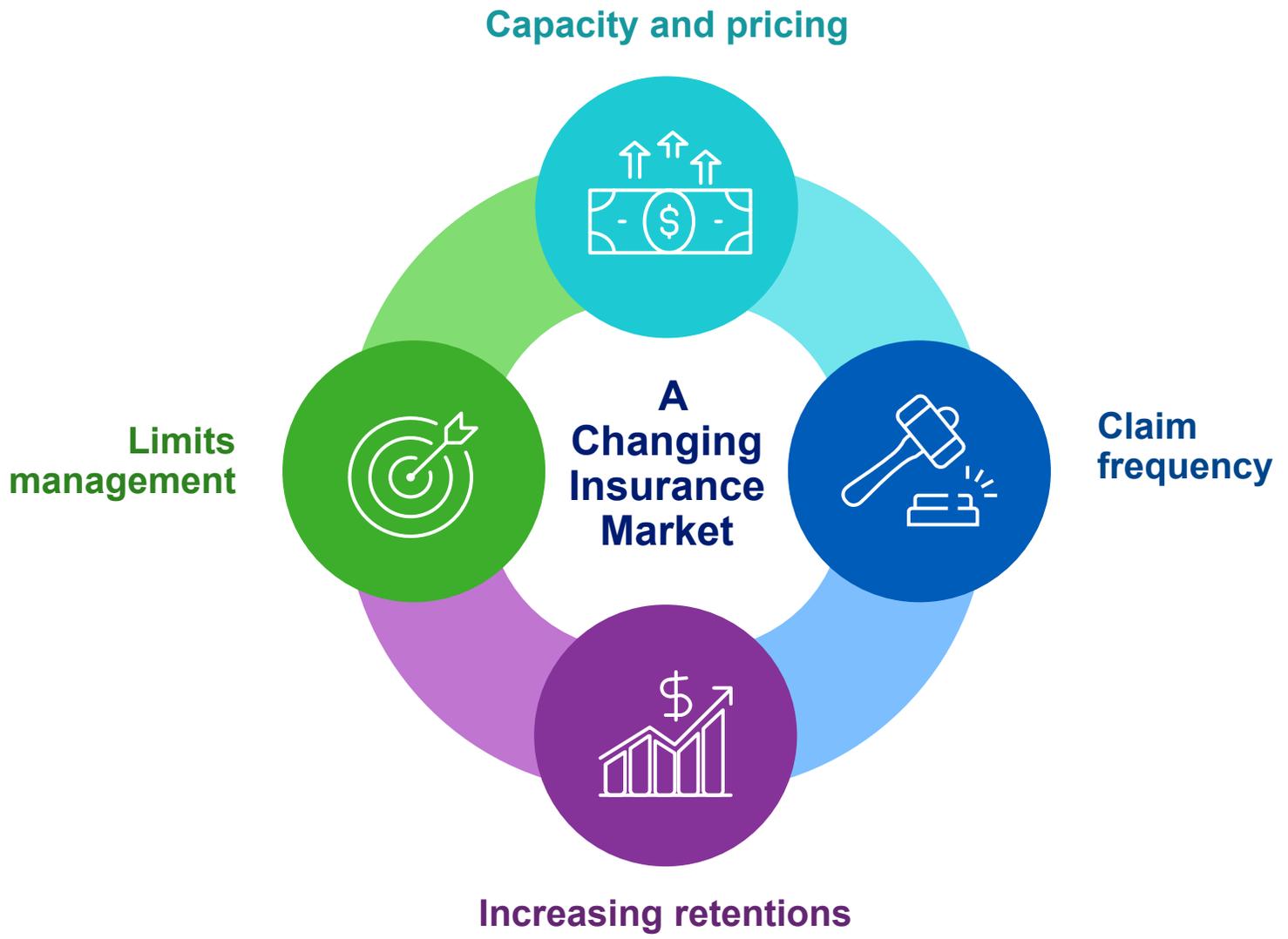
Waiver/Elimination of Recourse (Form Specific)

*Subject to policy terms and conditions



Market Trends

Fiduciary Insurance Market Trends

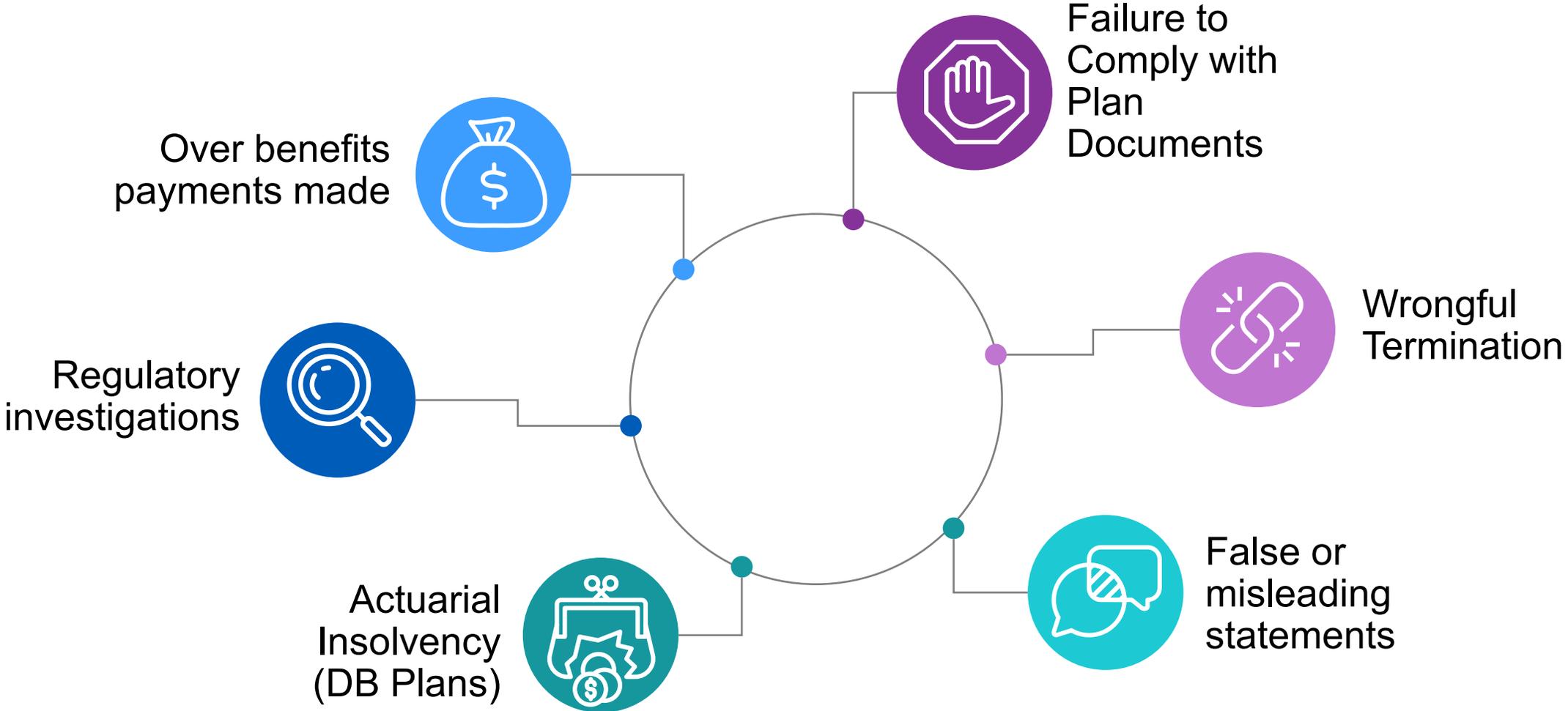


Trending Claims

Typical ERISA Claims



Typical ERISA Claims

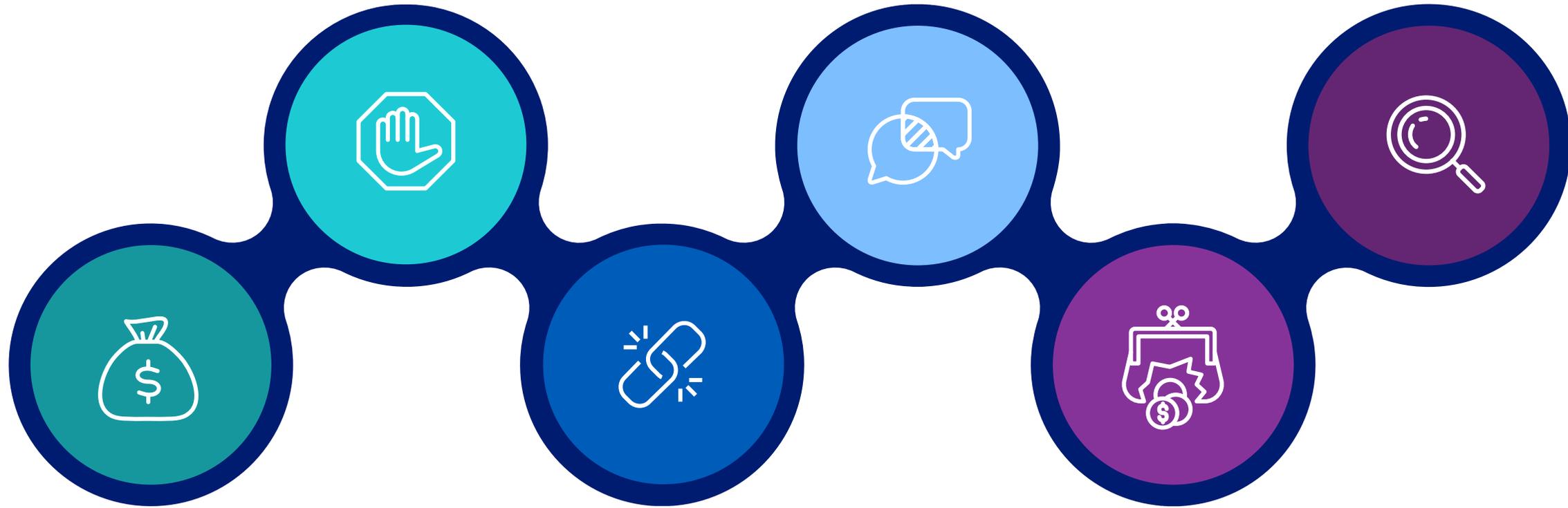


On the Horizon

Voluntary Benefits & Health Plans

PBM cases

Forfeiture cases



Excessive fee cases

Cyber events

Actuarial Insolvency (DB Plans)

Key Takeaways



Fiduciary Liability Insurance

Key Points

- Trustees are personally liable, policy protects personal assets
- Scope of coverage — Broad and stable
- Limits — Stable capacity
 - Carriers' capacity remains with limits management
 - Excess capacity availability
- Premiums — A few reductions, increases depend on carriers
- Claim frequency and severity is increasing and costly to resolve
 - Litigation increasing
 - Increased underwriting scrutiny on benefits plans
 - Future unknowns with newly arising fiduciary litigation

Working with Your Insurance Professionals

Differentiating Segal, we:

- Serve our clients by staying ahead of market conditions and providing customized insurance policies
- Design and make available information necessary for our clients to understand, evaluate and make prudent decisions in their purchases
- Innovate and/or embrace new products to ensure our clients remain properly insured
- Deliver our services accurately and in a timely fashion
- Select insurers with A.M. Best ratings of “A” or better



Questions

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presentation**



Complimentary Policy Review

- **Review existing coverage**
- **Explore options that could benefit your plan**
- **Search for possible competitive insurance terms**



**Scan for
complimentary
policy review**