

Labor unions need unique insurance coverage because their core mission of collective bargaining is typically excluded in standard not-for-profit professional liability insurance policies. To meet the needs of labor unions, Encore (Formerly Euclid) Fiduciary has crafted a Labor Professional Liability Insurance Policy for International, Regional, District Council and Local unions, as well as Joint Apprenticeship Training Committees and Funds, and other labor related associations to cover these exposures. Unions face lawsuits brought by employers, union members, union employees, or state and federal regulators, such as the National Labor Relations Board “NLRB” and the Equal Employment Opportunity Commission “EEOC.”

The Encore Labor Professional Liability policy is designed to protect the Union-related entity named in the policy, but also the officers, directors, board and committee members and other leaders of a labor union or labor non-profit entity and provides the following key coverages:

- Union exposures, including collective bargaining, duty of fair representation, recruitment or denial of membership, and handling grievances;
- Financial management exposures in running a union;
- Employment practices liability, including discrimination, harassment, retaliation, and constructive termination; and
- Personal injury, including libel, slander, defamation of character, infringement of copyright or trademark, and invasion of privacy.

The policy provides two important basic benefits, defense and indemnity:

- The cost of defending a union or entity, officer or director accused of violating any of the four areas referenced above; and
- Indemnity to the union/entity, officer or director for their alleged breach of duty and negligent error omissions in the event of a settlement or judgment of liability. Defense fees and costs can be significant for contested or litigated matters, even if the union has valid defenses.

Beware of policies from other carriers that often exclude the central mission of labor unions, namely coverage for a collective bargaining agreement (via breach of contract exclusion) and the National Labor Relations Act.

Labor Leaders Also Need Individual Labor Leader Coverage

While most other business leaders can stop at purchasing a professional liability insurance policy, labor leaders also need coverage designed just for themselves. The reason is that federal labor law treats union leaders differently. Under the Landrum-Griffin Act, a union cannot pay for the defense of union officials facing allegations of personal profit, fraud, or conflict of interest. This law also prevents a union from using union funds to pay for insurance against these types of claims — essentially rendering union leaders guilty until proven innocent.

Encore Fiduciary solves this critical gap by offering labor leaders Individual Labor Leader coverage specially designed to protect their individual liability. The Individual Labor Leader coverage provides reimbursement of defense costs for union leaders facing allegations for which their union cannot provide indemnification. This coverage protects the personal assets of a labor leader.

Who is Eligible For Coverage

Members of the union's board, employed directors or managers, business agents and any employees or volunteers who manage or handle funds or contractual decisions of the union can be scheduled onto the endorsement. At the time the policy is bound, the insurance broker should provide the schedule of leaders, including names and titles, electing coverage and the desired amount per leader.

Premium Cost

The Labor Leader premium, payable annually by each individual leader electing coverage, ranges from \$25 to \$150 per year for \$25,000 to \$250,000 of defense coverage, with a \$250,000-\$500,000 policy aggregate. Not all labor leaders need to purchase the coverage, but individuals that decide to purchase the coverage must select the same coverage level. The following individual coverage limits and policy aggregates are available.

ANNUAL PREMIUM PER LABOR LEADER	INDIVIDUAL COVERAGE LIMIT	POLICY AGGREGATE
\$25	\$25,000	\$250,000
\$50	\$50,000	\$250,000
\$75	\$75,000	\$250,000
\$100	\$100,000	\$250,000
\$125	\$200,000	\$500,000
\$150	\$250,000	\$500,000

Other Features

- Insured has the right to select defense counsel under the base policy and the Labor Leader coverage
- Employment Practices Liability — EPLI-first party coverage is built into policy; third party coverage is available by endorsement
- Educators liability coverage is available for JATC's and their Board of Directors
- Policy limits up to \$5 million (primary or excess) are available on an admitted basis
- Cyber Insurance and Crime Coverage available

Make the Prudent Choice

Encore Fiduciary specializes in insurance for labor non-profits employee benefit plans. Insurance brokers rely on Encore Fiduciary because we are experts with real-world experience in complex professional liability transactions. Claims are managed by staff with expertise and unique knowledge of labor unions, joint apprenticeship training facilities and related non-profit entities. We are responsive and proactive and understand the complex nature of Labor Professional claims.

Policy offered on Hudson Insurance Company paper through the Solidarity Risk Protection Group. Hudson has an A.M. Best rating of "A+" (Superior) financial size category XV (\$2.0 billion or greater).

Please note: This brochure provides an overview of coverages available. It does not replace or change the policy. Coverage will be dictated by your policy's specific terms and conditions. Products may not be available in all states. Encore Fiduciary, Division of Specialty Program Group, LLC. Doing business in California as SPG Insurance Solutions License No. 0L09546 - Product Overview 01/2024

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Euclid Fiduciary is Now Encore Fiduciary

To learn more about the story behind the rebranding, changes and FAQs.

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