

Fiduciary Liability 101: Protecting Benefits Decision-Makers

The gist: If you manage employee benefit plans, Fiduciary Liability protects you from claims that you mismanaged those benefits.

What It Is

Fiduciary Liability covers the personal liability of those who oversee retirement plans, health benefits, or other employee benefits—whether the claim is about investment decisions, plan fees, health coverage, or administrative errors.

What It Covers

Coverage Type	What It Protects
Plan Mismanagement	Errors in administering benefit plans
Investment Decisions	Poor or inappropriate investment choices
Breach of Duty	Failing to act in participants' best interest
Defense Costs	Legal fees and settlements

 **Pro tip: ERISA holds fiduciaries personally liable—this is your personal safety net.**

What's Changing

- **Fee litigation** – Lawsuits over excessive plan fees are continuing to trend upward.
 - **Cyber crossover** – Breach of plan participant data is a growing risk.
 - **Regulatory scrutiny** – More oversight on health plan transparency and compliance.
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Buying Tips

1. **Confirm all fiduciaries are named** – Don't leave out committee members.
2. **Review limits relative to plan assets** – Bigger plans may need higher limits.

3. **Review employee benefits members** – Ensure complacency is not present.
 4. **Watch for cyber exclusions** – Coordinate with your cyber policy.
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Bottom Line

Fiduciary Liability keeps benefit plan decision-makers protected when their choices—or alleged mistakes—are challenged.