Union Liability Insurance

Individual Labor Leader Coverage

Title V of the Landrum-Griffin Act, also known as the Labor Management Reporting and Disclosure Act (LMRDA), says that it is against public policy to relieve union officers of liability for intentional acts such as personal profit, fraud or conflict of interest. Thus, labor leaders can be personally responsible for all defense costs until proven innocent. Ullico Casualty Group, Inc. offers coverage to bridge this gap through the Individual Labor Leader (ILL) endorsement on our Union Liability policy. This endorsement provides coverage for the cost of defense, settlement and appeals for union leaders who elect this optional coverage under the terms of the policy.

Ullico Casualty Group, Inc. offers Union Liability insurance through Alterra America Insurance Company, a Markel company. Alterra has an A.M. Best rating of A (Excellent) as of 03/31/2014. Ullico Casualty Group, Inc. manages all policy underwriting, servicing and claims, as we have more than twenty-five years of experience serving Labor.

For a full description of Union Liability insurance coverage, please visit www.ullico.com/casualty-group.

Union Liability insurance is available through independent insurance agents and brokers. For more information, please call your broker or contact Ullico Casualty Group, Inc. at 888.315.3352 for a referral to an authorized broker.
1. **WHY DO I NEED THE INDIVIDUAL LABOR LEADER (ILL) ENDORSEMENT?**

The Union Liability policy provides two parts of coverage – the primary policy and the ILL endorsement. The primary policy provides limits of liability up to $5 million and covers the four broad exposures unions and their leaders face, which are: employment practices liability, duty of fair representation, personal injury and financial management of the union. The second part of coverage is the ILL endorsement. This endorsement provides defense protection for union officials when unions cannot fund the defense for allegations against their leaders of fiscal dishonesty or wrongdoing.

2. **WHO CAN PURCHASE THE ILL ENDORSEMENT?**

Union directors, officers and any representatives of the union, including board and committee members, shop stewards and business agents should consider purchasing this coverage. Please refer to the definition of “insured person” in the policy form issued. Payments for the ILL endorsement can be made directly to the brokerage firm handling the policy, and they will remit payments to Ullico Casualty Group, Inc. We recommend that you review this topic with your legal counsel if you have questions.

3. **WHY CAN’T THE UNION PAY FOR THE ILL ENDORSEMENT?**

The union cannot include this type of individual coverage in its base policy because courts, interpreting the LMRDA, have prohibited unions from funding the defense of these allegations against individual leaders. Therefore, the union leaders electing the ILL endorsement are responsible for paying their own ILL coverage premiums.

4. **CAN THE UNION OR LABOR LEADERS PURCHASE THE ILL ENDORSEMENT WITHOUT PURCHASING THE UNION LIABILITY INSURANCE BASE POLICY?**

No. ILL coverage can only be purchased as an endorsement to the base Union Liability policy. The base policy provides broad liability coverage for the insured union. The ILL endorsement is additional protection for union leaders, with coverage and limits in addition to, and separate from, the policy’s base premium.

5. **WHAT IS THE PREMIUM AND LEVEL OF ILL INSURANCE COVERAGE?**

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6. **IS THERE A MAXIMUM AGGREGATE AMOUNT OF ILL COVERAGE PER POLICY?**

Yes. Each policy will provide a maximum aggregate amount up to $450,000 of ILL coverage for the union’s leaders and is subject to a minimum $500 deductible.

7. **IF I NEED A DEFENSE ATTORNEY, WHO WILL REPRESENT ME?**

With Ullico Casualty Group, Inc., you do not pick an attorney from a predetermined list of lawyers who may not keep your best interests in mind. You may choose your own defense counsel; someone you can trust and who knows you and your union.

8. **MUST ALL LABOR LEADERS ELECT THE SAME AMOUNT OF COVERAGE?**

Yes. Not all labor leaders have to purchase the coverage, however they must all elect the same level of coverage, e.g. - $100 annually for $100,000 of coverage.

9. **HOW DO I NOTIFY ULLICO CASUALTY AS TO WHICH LABOR LEADERS WANT THE ILL COVERAGE?**

At the time the new or renewal Union Liability policy is bound, the union should provide the broker a list detailing the names and titles of all leaders electing ILL coverage, along with the amount of coverage elected.

10. **CAN I AFFORD NOT TO HAVE ILL COVERAGE?**

Although the union can reimburse labor leaders found innocent of these types of charges, labor leaders risk personal financial difficulty and even bankruptcy by funding their own defense. Protect your union and your union leaders with the Ullico Casualty Group, Inc. Union Liability policy and ILL endorsement.