



# Union Liability Insurance

Under some state and federal labor laws, officers and directors of labor unions can be exposed to personal liability but must defend themselves, in certain circumstances, at their own expense.

**Ullico Casualty Group, Inc.** provides customized insurance coverage that **allows union leaders to confidently perform their jobs without worrying about personal exposure.** Our Union Liability policy covers the duty of fair representation, employment practices liability, financial management of the union and personal injury liability.

Exposures	Policy Coverage
Duty of Fair Representation	Defense coverage for the union and its leaders for duty of fair representation claims and payment of settlements and judgments
Employment Practices Liability	<ul style="list-style-type: none"> <li>• Wrongful dismissal, discharge or termination of employment</li> <li>• Harassment claims, including sexual harassment and hostile work environment claims</li> <li>• Discrimination claims, including claims based on age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability</li> <li>• Retaliation, including lockouts</li> <li>• Employment-related misrepresentation(s) to an employee or applicant for employment with the union</li> <li>• Employment-related libel, slander, humiliation, defamation or invasion of privacy</li> <li>• Wrongful failure to employ or promote</li> <li>• Wrongful deprivation of career opportunity, wrongful demotion or negligent employee evaluation, including the giving of negative or defamatory statements in connection with an employee reference</li> <li>• Wrongful discipline</li> <li>• Failure to provide or enforce adequate or consistent policies and procedures relating to any wrongful employment practice</li> <li>• Violation of any individual's civil rights</li> <li>• First and third party discrimination claims</li> </ul>
Financial Management	Protection against claims for mishandling union assets
Personal Injury Coverage	<ul style="list-style-type: none"> <li>• False arrest, wrongful detention or imprisonment or malicious prosecution</li> <li>• Libel, slander or defamation of character</li> <li>• Wrongful entry or eviction or other invasion of the right to private occupancy</li> <li>• Infringement of copyright or trademark or unauthorized use of title</li> <li>• Plagiarism or misappropriation of ideas</li> <li>• Defamation of character arising out of union publications (in certain circumstances)</li> </ul>

## KEY POLICY FEATURES

- Coverage provided by Markel American Insurance Company, rated A (XV) by A.M. Best Company as of 9/30/2015
- Policyholder can select counsel
- Duty to defend coverage available
- Policy is non-cancellable during policy term except for non-payment of premium
- Reimbursement of witness expenses
- Spousal and domestic partner liability coverage
- Coverage for claim expenses as a result of suits seeking non-monetary relief
- Ability to offer up to a \$5 million limit of insurance

## IMPORTANT ENDORSEMENTS

**INDIVIDUAL LABOR LEADER (ILL)** Title V of the Landrum Griffin Act says that it is against public policy to relieve union officers of liability for certain breaches of duty, such as personal profit, fraud or conflict of interest. Thus, labor leaders can be personally responsible for all defense costs until proven innocent, so Ullico Casualty Group's ILL endorsement pays defense costs for these allegations.

- Includes coverage for claims arising from LM-30 reporting violations
- Limits range from \$25,000 to \$250,000 for annual premiums of \$25 to \$150 per labor leader and are separate from the base policy limits
- Maximum policy aggregate up to \$450,000
- \$0 deductible available

**JOINT APPRENTICESHIP TRAINING COMMITTEE ("JATC")** endorsement provides additional coverage specifically for JATCs called educator's liability, which covers the risk that JATCs face when their graduates utilize their job and safety training in the workforce.

**PROFESSIONAL SERVICES** endorsement covers miscellaneous services provided by insureds.

# EBERTS & HARRISON

*Union Insurance by Union Agents*

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## OTHER PRODUCTS FROM ULLICO CASUALTY GROUP, INC.

Fiduciary Liability | Commercial Lines | Cyber Liability

This document is descriptive only and does not constitute a part of, or endorsement to, the policies. Whether and to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms and conditions of the policies as issued. No warranties or representations of any kind are made to any party except as provided in the issued policies.



INSURANCE | INVESTMENTS

**Ullico Casualty Group, Inc.**  
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Union leaders perform a valuable mission to improve the lives of working men and women, but this difficult job carries high personal risk. Union leaders face professional liability lawsuits brought by members, employees and regulatory agencies. If accused of dishonesty or personal wrongdoing, a union leader may be personally responsible for all of his or her legal defense costs until proven innocent.

As the risk solutions provider for the union workplace, Ullico Casualty Group, Inc. understands the risk involved in running a union organization. We offer a customized policy designed to cover the defense, damages, judgment and settlement costs for claims specifically relating to the management of a union. Our **Union Liability** insurance policy provides broad coverage for the four basic exposures unions and their leaders face, which are: **employment practices liability, duty of fair representation, personal injury and financial management of the union.**

An important feature of the Union Liability policy, our **Individual Labor Leader** (ILL) endorsement, provides defense cost protection to safeguard the personal assets of union officials when unions are prevented from indemnifying them from intentional acts such as personal profit, fraud or conflict of interest.

Our **Joint Apprenticeship Training Committee** (JATC) endorsement provides additional coverage specifically for JATCs called educator's liability, which covers the risk that JATCs face when their graduates, students and apprentices utilize their job and safety training in the workforce.

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### CLAIMS SCENARIOS

ULLICO CASUALTY GROUP, INC.  
Union Liability Insurance

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UCG-CLAIMSCENARIOS-0614



Ullico Casualty  
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1625 Eye Street, NW  
Washington, DC 20006





# 10 UNION LIABILITY INSURANCE CLAIM SCENARIOS

## 1 EMPLOYMENT PRACTICES/SEXUAL HARASSMENT

A female union employee alleges that she is subjected to a hostile work environment when her male co-workers display professionally inappropriate pictures around the office. Her supervisor fails to address the situation after repeated offenses. As a result, the employee files a lawsuit against her union employer for sexual harassment, sexual discrimination and a hostile work environment. The lawsuit settles before trial for over \$300,000, and the union's attorney's fees exceed \$100,000.

## 2 EMPLOYMENT PRACTICES/WRONGFUL TERMINATION AND DISCRIMINATION

A union organizer of twenty years alleges that she was wrongfully terminated and replaced by a candidate with less professional experience. The former organizer files a lawsuit against the union seeking over \$5 million in damages for wrongful termination from employment and racial discrimination. The claim settles before trial for \$250,000.

## 3 DUTY OF FAIR REPRESENTATION

A union member is terminated by his employer following a drug-related criminal arrest. After the criminal charges are dropped and the member's criminal record is expunged, the union member's employer fails to reinstate him to his prior position. The member requests that his union file a wrongful termination grievance against his employer. The union inadvertently misses a deadline during the grievance process, which causes the grievance to be dismissed. The union member, in turn, files a lawsuit against the union claiming breach of duty of fair representation and seeks damages, including lost wages and front pay. The court finds the union liable for breach of its duty of fair representation and awards over \$300,000 in damages caused by the union's negligence.

## 4 PERSONAL INJURY

A union officer files a lawsuit against his union employer alleging that he was forced to leave his job and that his reputation suffered irreparable harm as a result of defamatory statements about him in a union publication. The lawsuit alleges defamation, libel and slander charges against the union. The parties settle the lawsuit for \$500,000. The additional cost of defending the union is close to \$400,000.

## 5 FINANCIAL MANAGEMENT

Union leaders are responsible for properly managing and protecting the financial assets of their union organizations and face liability for the mishandling of these assets. When a union is accused of inappropriately managing members' dues, the union can face lawsuits from its members and possible bankruptcy. If a lawsuit is filed, the union is responsible for paying the defense costs and any settlement charges.

## 6 ILL/CONFLICT OF INTEREST

An internal review board files charges against a local union's official alleging misappropriation of funds in connection with an election campaign. The union official is personally responsible for covering his own defense cost. The ILL endorsement provides defense cost protection for the official.

## 7 ILL/PERSONAL PROFIT

An internal review board charges a union official for accepting monetary kickbacks in association with an attempt to impose a substandard collective bargaining agreement which would cause union members to receive less pay and benefits. The union official is personally responsible for covering his own defense cost. The ILL endorsement provides defense cost protection for the official.

## 8 JATC/EDUCATOR'S LIABILITY

JATCs have risk exposures when their graduates utilize their job and safety training in the workforce. If someone files a lawsuit against those graduates, that suit may name the entity which provided the initial training and claim that the JATC failed to properly educate its students. Educator's liability provides coverage such as reimbursement of defense costs, damages, judgments and settlements for that exposure.

## 9 JATC/DISCRIMINATION

Third party discrimination coverage is available, which is important protection for JATCs during their student selection process in case students or prospective students file charges. For example, if a JATC does not choose a female prospective student to enter training that is particularly rigorous and instead chooses all male students, the female prospective student may accuse the JATC of sexual discrimination.

## 10 PERSONAL LIABILITY EXPOSURE

Ullico Casualty protects unions and their individual labor leaders from these exposures and many others related to managing a union organization. Coverage for defense, settlement and appeal are built into our Union Liability policy. We understand unions' needs because we know unions, and we are committed to treating our policyholders with respect. **As a union leader, you have personal liability exposure and need Union Liability insurance protection. Choose the risk solutions provider for the union workplace.**



# Insurance Protection for Union Leaders Who Are Accused of Dishonesty or Wrongdoing: **Individual Labor Leader Frequently Asked Questions**

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**Title V of the Landrum Griffin Act, also known as the Labor Management Reporting and Disclosure Act (LMRDA) generally provides that it is against public policy to relieve union officers of liability for certain breaches of duty, such as personal profit, fraud, conflict of interest, anti-trust, or racketeering allegations. Thus, labor leaders can be personally responsible for all defense costs. Ullico Casualty Group, LLC's Individual Labor Leader endorsement on the Union Liability policy pays defense costs for allegations like these, subject to the terms, conditions, and exclusions of the policy.**

## **1. WHY DO UNION LEADERS NEED THE INDIVIDUAL LABOR LEADER (ILL) ENDORSEMENT?**

The Union Liability policy provides two parts of coverage — 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 dishonesty or wrongdoing.

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

Union directors and any representatives of the union, including board and committee members, shop stewards and business agents, plus any employees with spending authority, 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. 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 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?**

Annual premiums range from \$50 per labor leader for \$50,000 of individual limits to \$150 for \$250,000 of individual limits.

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

Yes. Each policy will provide a maximum aggregate amount up to \$5 million depending on individual limits purchased and aggregate limit of the Union Liability policy.

**7. IF A UNION LEADER NEEDS A DEFENSE ATTORNEY, WHO WILL REPRESENT THEM?**

With Ullico Casualty Group, you do not pick an attorney from a predetermined list of lawyers who may not keep your best interests in mind. Subject to approval, 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?**

Not all labor leader have to purchase the coverage. However, they should all elect the same level of coverage, e.g. - \$100 annually for \$100,000 of coverage. Varying levels of coverage are subject to review.

**9. HOW DO I NOTIFY ULLICO CASUALTY GROUP 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 of the names and titles of all leaders electing ILL coverage, along with the amount of coverage elected.

**10. CAN UNION LEADERS AFFORD NOT TO HAVE ILL COVERAGE?**

Although the union may be able to 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 a Union liability policy and an ILL endorsement.



The Ullico Inc. family of companies provide insurance and investment solutions for labor organizations, union employers, institutional investors and union members. Founded 90 years ago, the company takes a proactive approach to anticipating labor's needs, developing innovative financial and risk solutions and delivering value to our clients. Our products are tailored to promote financial security and stability for American workers.

The Ullico Inc. family of companies includes The Union Labor Life Insurance Company; Ullico Casualty Group, LLC.; Ullico Investment Company, LLC.; and Ullico Investment Advisors, Inc. For additional information, visit [ULLICO.COM](http://ULLICO.COM)



# JATC COVERAGE

from **Ullico Casualty Group, Inc.**

Unions provide important job and safety training to apprentices and continuing education to members with Joint Apprenticeship Training Committees (JATCs). This service can expose JATCs and their leaders to lawsuits alleging workplace discrimination, wrongful dismissal or failure to properly provide education. As the risk solutions provider for the union workplace, **Ullico Casualty Group, Inc.** has created a special endorsement for our already comprehensive **Union Liability** policy to provide for the educator's liability exposure that is unique to **JATCs**. If a training center has a Union Liability policy with the JATC endorsement in place, it can serve its members and students, knowing that Ullico Casualty Group, Inc. is helping cover its risk exposures.

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UCG-ILL-0614



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# JOINT APPRENTICESHIP TRAINING COMMITTEE COVERAGE

**ULLICO CASUALTY GROUP, INC.**

Union Liability Insurance



# 10 FREQUENTLY ASKED QUESTIONS

## 1 WHAT DOES THE UNION LIABILITY – JATC POLICY COVER?

The Union Liability policy provides limits of liability up to \$5 million and covers broad areas of exposures such as **employment practices liability**, including wrongful dismissal and discrimination, **personal injury** and **financial management** of the entity. **Third party discrimination** coverage is available, which is important protection for JATCs during their selection of students process in case students or prospective students file charges. Our JATC endorsement provides additional coverage specifically for training centers, called **educator's liability**.

## 2 WHAT IS EDUCATOR'S LIABILITY?

JATCs have risk exposures when their graduates utilize their job and safety training in the workforce. If someone files a lawsuit against those graduates, that suit may name the entity which provided the initial training and claim that the JATC failed to properly educate its students. Educator's liability provides coverage such as reimbursement of defense costs, damages, judgments and settlements for that exposure.

## 3 IS THE UNION LIABILITY POLICY APPROPRIATE FOR JATCS?

**Yes. JATCs have similar exposures to unions.** They have operations exposures, which are covered under the wrongful acts definition. JATCs tend to have employees, which may lead to employment claims, covered under the wrongful employment practices definition. Personal injury (typically libel, slander or copyright infringement) claims may arise in any business, whether these arise from verbal, written or electronic statements. The policy provides competitive coverage for both the JATC and its board members. If the policy is issued directly to a JATC, then Ullico Casualty Group may simply change the definition of "union" to "entity" on the form.

## 4 CAN A JATC PURCHASE A UNION LIABILITY POLICY SEPARATE FROM A LOCAL UNION'S POLICY?

Yes. A JATC has two coverage options. First, it may buy a stand-alone policy with a JATC endorsement. Secondly, JATCs may be added onto the affiliated union's Union Liability policy as an additional insured. Please discuss the advantages and disadvantages of these options with your insurance broker. Relevant issues when making this decision include the structure of the entities, sharing limits of liability, commonality of the directors, officers and board members and allocation of premium costs.

## 5 IF I NEED A DEFENSE ATTORNEY, WHO WILL REPRESENT ME?

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

## 6 HOW LONG DOES A JATC HAVE EDUCATOR'S LIABILITY COVERAGE AFTER THE STUDENTS GRADUATE?

The Union Liability policy is a claims made and reported policy. Therefore it does not matter when the training occurred but instead when the claim is made against the JATC. If the claim is brought and reported to the carrier during the effective terms of the policy, coverage is afforded (subject to review by the carrier and the terms of the specific policy).

## 7 IF INSTRUCTORS ARE INDEPENDENT CONTRACTORS AND NOT JATC EMPLOYEES, ARE THEY COVERED?

Contracted instructors who are not considered employees are not considered insureds under the standard policy. However, if a JATC wishes to extend coverage to these contracted instructors, then these individuals may be added as additional insureds to the policy. If this is a concern for your organization, discuss it with your broker to make sure the policy is written to fit your needs.

## 8 IS A JOINT APPRENTICESHIP TRAINING FUND ("JATF") ALSO COVERED IN THE POLICY?

A Union Liability – JATC policy covers the financial management of the entity, but it does not cover the fiduciary liability of the JATF trustees. We suggest that JATF trustees discuss this question with their insurance brokers to verify if they need a Fiduciary Liability policy to cover claims of breaches of fiduciary duties. Please review Fiduciary Liability coverage information at [www.ullico.com/casualty](http://www.ullico.com/casualty).

## 9 HOW IS THE PREMIUM DETERMINED FOR UNION LIABILITY – JATC POLICIES?

Rating for the JATC endorsement is based on a number of factors, including the annual number of enrolled students, the breakdown of how many students are in apprenticeship programs versus how many are continuing education and a review of the JATC's curriculum.

## 10 CAN JATCS AFFORD NOT TO HAVE THIS COVERAGE?

In today's litigious society, we are seeing an increase in Union Liability claims. Suits against JATCs including discrimination, selection of students, wrongful dismissal and educator's liability can create a crippling financial burden for JATCs simply trying to prepare and train apprentices and journeymen to perform quality work. **Do not take a chance. Protect your JATC with a Union Liability policy with our JATC endorsement.**