



Council of Chapter Representatives Meeting

Insurance Requirements for JATC and Other Trust Funds

Sally Corbin, J.D.

Senior Vice President and National Director of Insurance Relations
Segal

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YOUR JATC INSURANCE LANDSCAPE



Failure to protect today's leaders for everyday decision making in operating the training program can lead to:

- High defense costs
- Damages
- Judgements
- Settlements

EXAMPLES OF HIGH DEFENSE COSTS



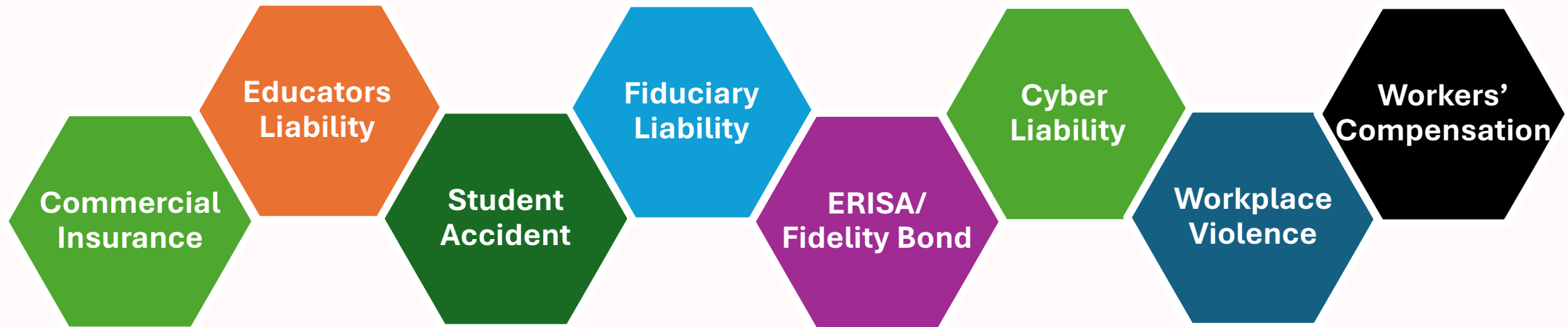
Commercial insurance
protections

Allegations of
workplace harassment

Exposure of failing to
properly educate

Third-party
discrimination

WHY CAN'T I BUY ONE POLICY THAT COVERS EVERYTHING?



MAKE SURE YOU HAVE AN INSURANCE BROKER WHO UNDERSTANDS YOUR RISK!

COMMERCIAL INSURANCE |

WHAT IS COVERED?



Property

Auto Liability

Liability

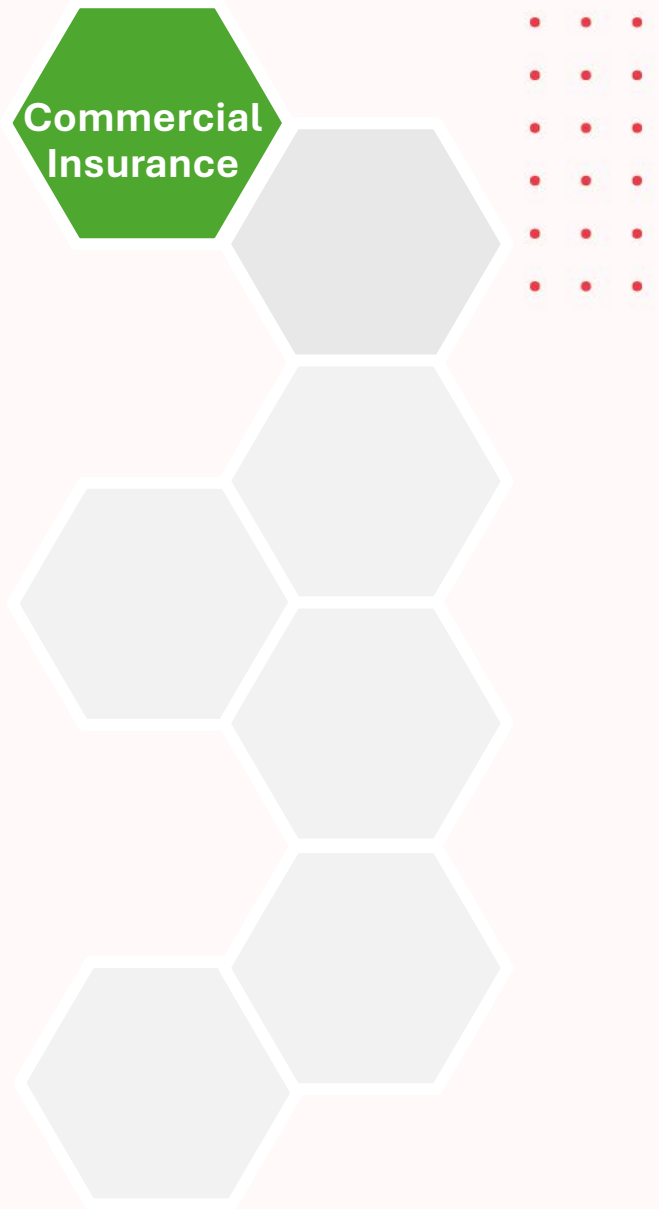
Inland Marine

Crime

Umbrella

COMMERCIAL INSURANCE

WHAT IS COVERED?



- Property insurance offers protection against loss or damage caused by fire, windstorm, hail, lightning, explosion, vandalism, riot or civil commotion or other causes of loss as described in the policy forms.
- Liability insurance affords protection to the Insured from claims alleging damages for bodily injury or property damage due to an accident or occurrence on owned or rented premises or claims that arise from union business operations.
- Commercial crime insurance includes employee theft and regular theft.

COMMERCIAL INSURANCE

WHAT IS COVERED?

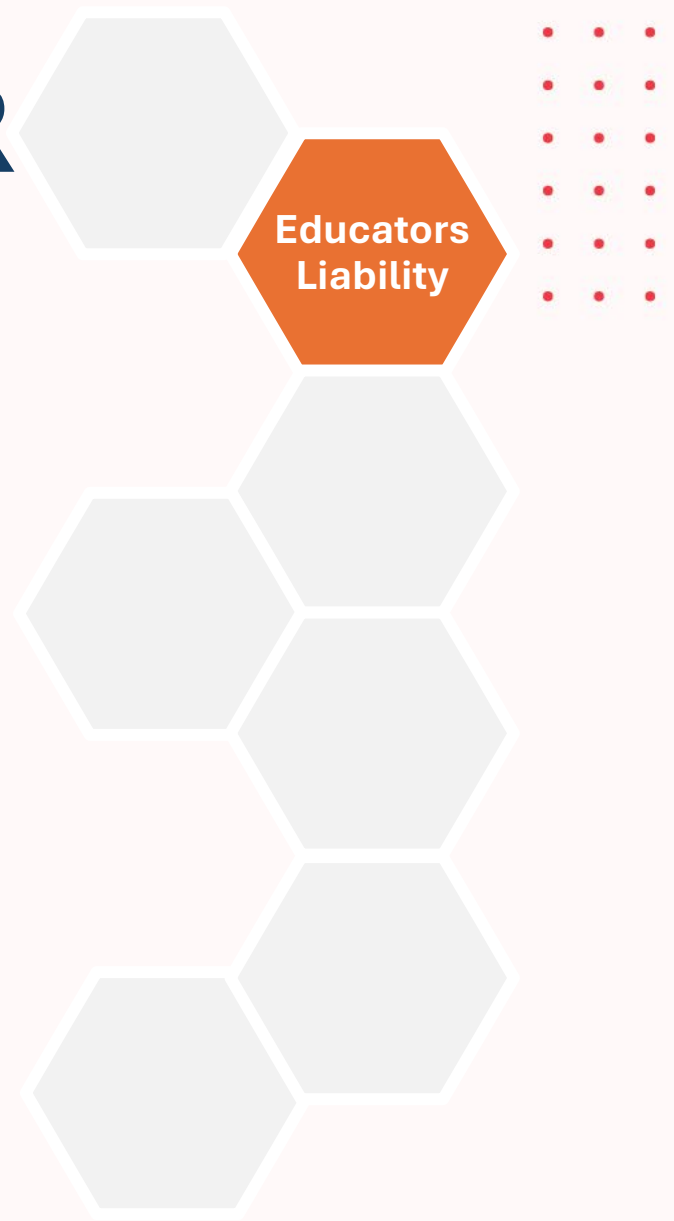


- Commercial auto insurance is available for vehicles owned by unions, pension and welfare funds, apprenticeship funds, covering both liability and physical damage.
- Inland marine insurance generally provides broader protection against loss or damage to specific items than what is provided by commercial property insurance, could include special equipment, computers, machinery, valuable papers and more.
- Umbrella insurance provides additional liability coverage.

TAILORED D&O POLICY FOR JATCs

Including Educator's Liability/Non-Profit Management Liability

- Protects the training committee and leaders against claims common to operational exposures
- Provides reimbursement for indemnity, defense, settlement and appeals from claims arising out of those risks



TAILORED D&O POLICY FOR JATCs

Including Educator's Liability/Non-Profit Management Liability

- Error or Omission or Breach of Duty
- Employment Practices including Third Party Discrimination (Apprentices, Journeymen, students)
- EEOC, NLRB & similar charges are considered claims
- Educators' Liability – Professional E&O
- Contingent BI
- Personal Injury and Publishers Liability
- Final, Non-Appealable Adjudication

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Educators
Liability

TAILORED D&O POLICY FOR JATCs

Including Educator's Liability/Non-Profit Management Liability

- Fund, committees, designated subsidiaries/affiliates and individual insureds
- Individual insureds include past, present and future directors, trustees, officers, employees, board members, volunteers, and committee members
- Policy should include contracted instructors

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Educators
Liability

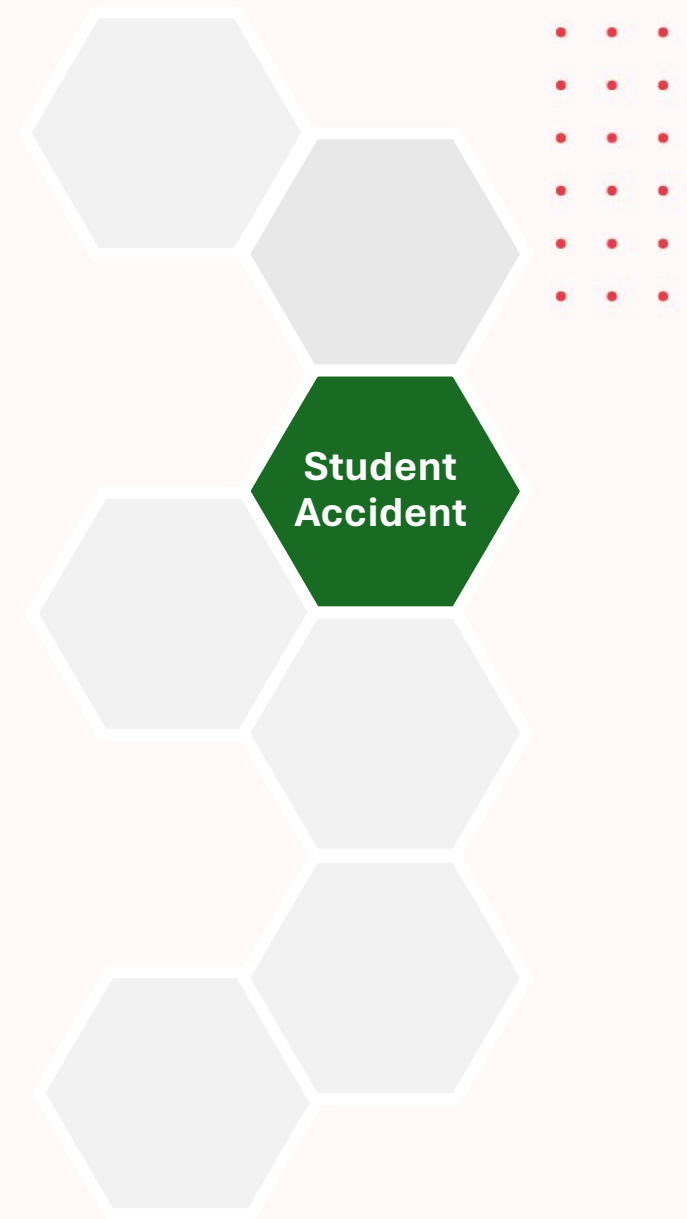
STUDENT ACCIDENT | KEY COVERAGES

- Accidental death and dismemberment insurance covers apprentices, instructors, journeymen, trainees, training directors and committee members while participating in training events under direction of the JATC.



STUDENT ACCIDENT | KEY COVERAGES

- Valuable Accident Benefits:
 - Medical coverage to help pay for expenses that result from an Accidental injury
 - Lump sum payments in the event of death or dismemberment
 - Weekly benefits in the event of a disabling injury
 - This AD&D program provides primary coverage



FIDUCIARY LIABILITY

- Trustees and other fiduciaries of multiemployer funds face significant personal liability due to responsibilities as imposed by the Employee Retirement Income Security Act (ERISA).
- Fiduciary liability coverage protects the Insured from losses caused by claims that challenge the way a plan is administered, managed or operated.



FIDUCIARY LIABILITY | WHAT IS COVERED?

- Investigatory/Pre-Claim/Interview Coverage
- Fines, Penalties, and Taxes
- 502(a)3/Equitable Relief
- Final, Non-Appealable Adjudication
- Voluntary Compliance (VCP) reinstatement of limits
- Waiver/Elimination of Recourse
- Paid by the trustee, employer or the union (not the Fund)



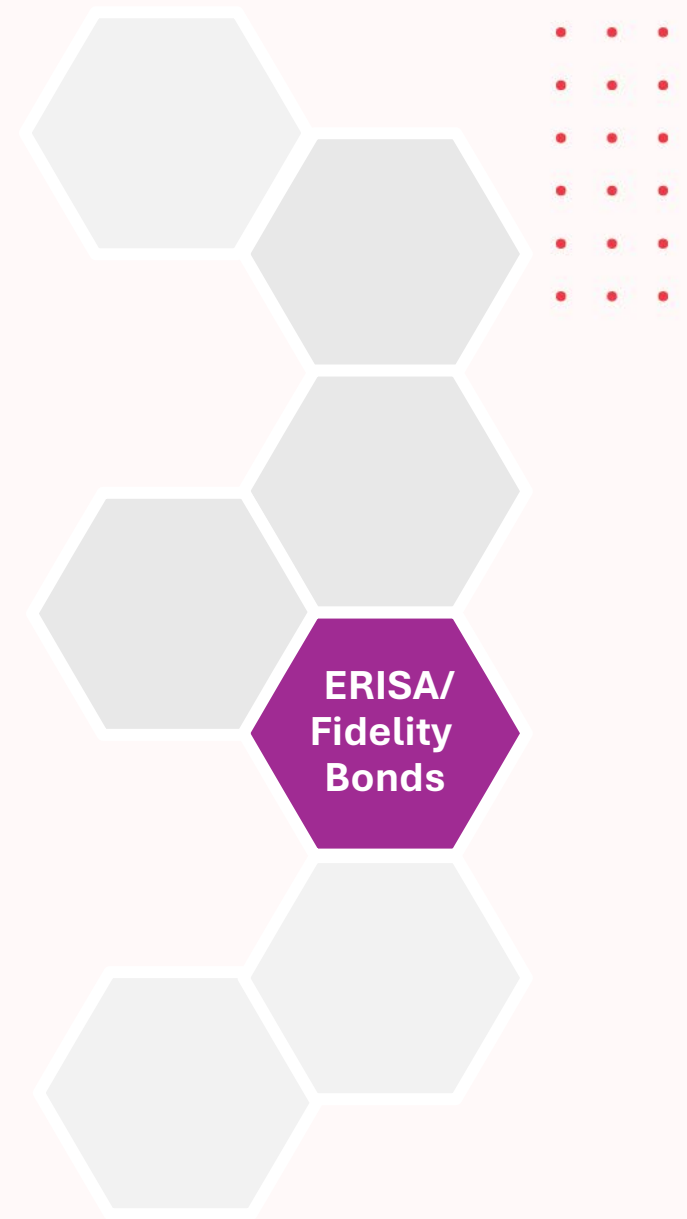
FIDUCIARY LIABILITY | WHO IS COVERED?

- The scope of who is an insured is broad and flexible.
- Included is coverage for the plan, former and current trustees, employees, committees and any others designated by endorsement.



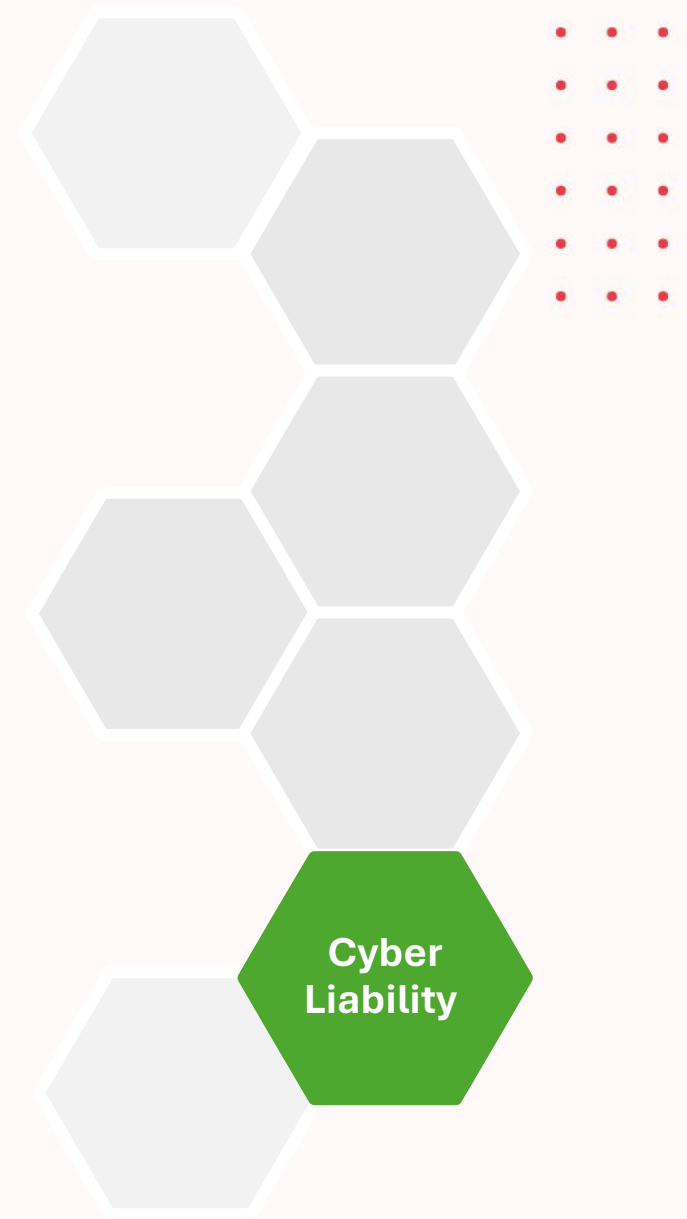
ERISA/FIDELITY BONDS

- Required to obtain in order to protect assets
- Must be equal to 10% of assets; \$500,000 Maximum Limit required (per occurrence)
- Inflation Guard is recommended if the limit obtained is less than \$500,000
- No deductible for employee theft
- Consider third party coverages



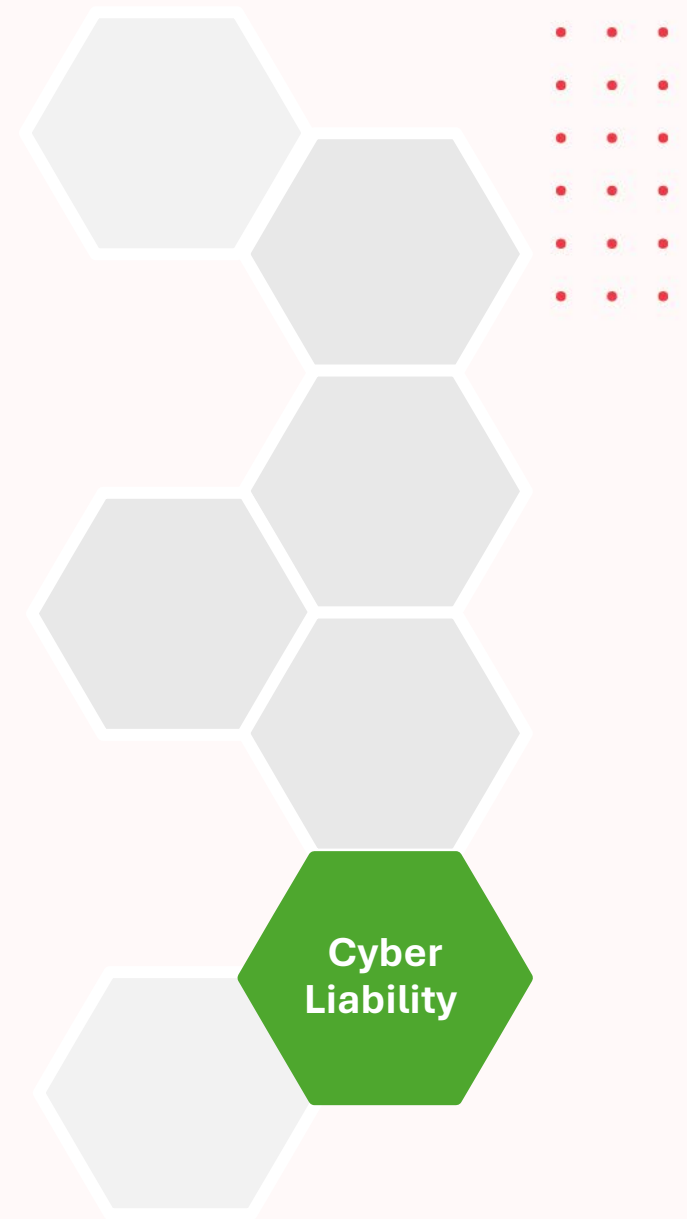
CYBER LIABILITY

- Work with experienced, knowledgeable Insurance Professionals who understand your industry and your benefit plans and related organizations.
- Cyber liability insurance and enhanced fidelity bonds/crime insurance could assist with a security incident.



CYBER LIABILITY

- JATCs, benefit trust funds and unions perform important duties by striving to provide the best benefits and conditions they can obtain for working men and women.
- In carrying out these duties, trust funds and unions have access to the personal information of their participants and members.
- If this data is lost, most states mandate response in a timely manner by notifying potentially affected individuals, regulators, and the press.



WHAT IS CYBER LIABILITY INSURANCE?

Coach Services
Legal Services
Forensics
Notification
Credit Monitoring
Public Relations

INCIDENT
RESPONSE

Extortion/Ransomware
Data Recovery/
Restoration
Business Interruption/
Extra Expense
Crime/Social
Engineering

FIRST-PARTY

Privacy Liability
Regulatory
Payment Card
Network Liability
Media Liability

THIRD-PARTY



CYBERSECURITY | ADVANCE PREPARATION IS KEY

Programs Should Have:

Documented and Updated Risk Assessments

Written Information Security Policy

Incident Response Plan

Data Backup, Disaster Recovery and Emergency Operation Plans

Hard Copies of all Policies and Cyber Insurance

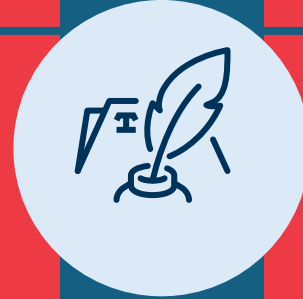


INSURANCE IS ONLY PART OF A COMPREHENSIVE DATA DEFENSE EFFORT

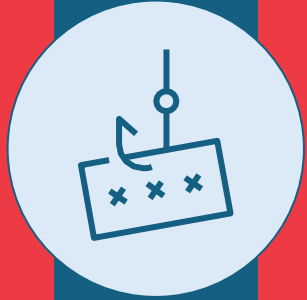
KEY CYBER INSURANCE CONSIDERATIONS



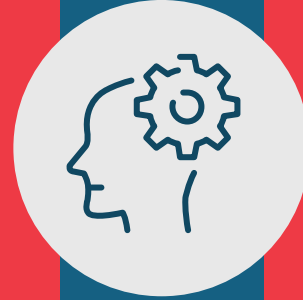
The threat environment has only become increasingly risky in a post-pandemic environment due to an increased number of remote workers and system vulnerabilities



A robust Cyber Liability Insurance policy is a 'must have' in today's perilous environment; ensure you have the appropriate coverage for your organization



Ransomware attacks and Social Engineering attacks are becoming more prevalent, more expensive, and more sophisticated in their ability to trick users



Having knowledgeable professional providers to review your insurance policies

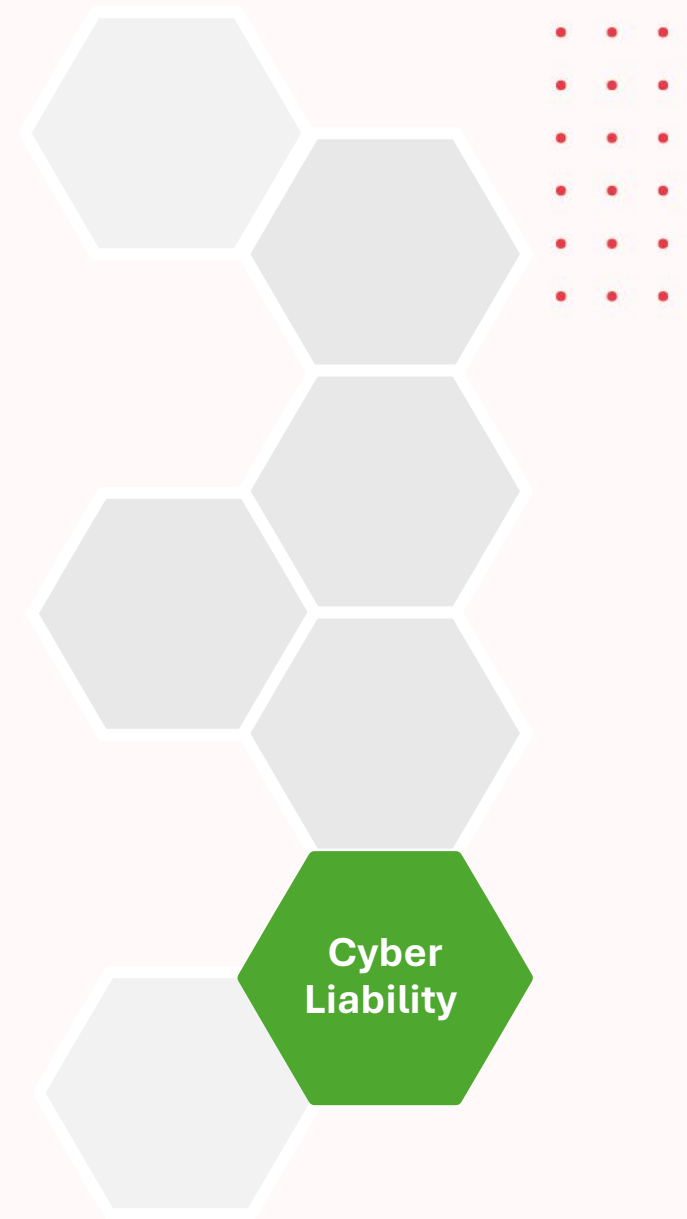
CYBERSECURITY TOOLS

How do I create a cybersecurity plan:

- Check with insurance broker to see if carrier offers loss control tools

Additional Resources:

- [Review 2016 ERISA Advisory Council and 2021 Guidance and DOL guidance](#)
- [National Institute of Standards and Technology \(NIST\) Industry Standards](#)
- [U.S. DOL Cybersecurity Program Best Practices](#)



WORKPLACE VIOLENCE

- Employers have a certain level of responsibility to ensure the safety of employees as well as other visitors to the workplace.
- In addition to policies, procedures and training, coverage should be obtained offering financial reimbursements to employees and visitors should an event occur.

A decorative graphic on the right side of the slide. It features a vertical column of six light gray hexagons. The bottom-most hexagon is dark blue and contains the text 'Workplace Violence' in white. To the right of the top two hexagons is a 4x3 grid of small red dots.

Workplace
Violence

WORKPLACE VIOLENCE

- Crisis management and public relations services
- Mental health specialists
- Independent forensic analysts
- Victim employees' salaries and replacement employees' salaries
- Medical, cosmetic, mental health and dental expenses of victims
- Expenses related to dealing with a threats
- Other related services and property protections



WORKERS' COMPENSATION

Worker's compensation is a state-mandated insurance designed to ensure payment by employers for some part of the cost of injuries, or in some cases, occupational diseases, received by employees in the course of their work.



KEY TAKEAWAYS



- Risk Management is about protecting the organization at the best cost, not just buying insurance for everything.
- Being proactive in implementing safety guidelines can actually reduce the need for and cost of insurance.
- Being able to identify risks is the most important skill you can develop.
- Work with a knowledgeable broker who understands your risk.
- Become a student of your risk ([IFEBP](#) is a great educational resource).
- Develop and implement a cybersecurity response plan.

QUESTIONS

Sally Corbin, J.D.

Senior Vice President, National Director of Insurance Relations

Segal

SCorbin@segalco.com

www.segalco.com



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