



Travelers Wrap+® for Private Companies Private Partnership Liability Coverage Checklist

Why your clients need our protection

Standard directors and officers policy language does not sufficiently protect against many of the management liability exposures that partnerships face. Partnership liability coverage addresses the gaps in coverage that may exist for both partners and partnership entities. Even when claims are without merit or do not result in large settlements or jury verdicts, the expense associated with defense can be substantial.

	Wrap+®	Their Policy		Wrap+®	Their Policy
Definitions – specifically tailored to partnership entities	✓		Definition of loss – includes multiplied damages, punitive damages and exemplary damages with most favorable venue wording	✓	
Broad definition of insured includes:			Supplemental personal indemnification that responds to the first claim	✓	
• Additional partnerships	✓		Outside Directorship Liability coverage (ODL):		
– Covers any scheduled partnerships	✓		• Automatic coverage for insured persons who serve as a director, officer, trustee, manager, etc. or functional equivalent for a Section 501(c)(3), 501(c)(4), or 501(c)(10) organization	✓	
– Automatic coverage for newly formed or acquired private partnerships with assets under 15 percent of insured organization's total assets	✓		• Ability to schedule service on boards of for-profit organizations	✓	
• Subsidiaries	✓		Includes claims brought by limited partners	✓	
• General partners	✓		Carveback to entity contract exclusion for partnership agreement disputes	✓	
Entity coverage for partnership organizations	✓		Severability of exclusions:		
Broad definition of claim includes:			• All exclusions are severable with respect to insured persons	✓	
• Written demand for monetary damages or non-monetary relief	✓		• Full severability of fraudulent, criminal or willful conduct and personal profiteering exclusions	✓	
• Civil proceeding	✓				
• Criminal proceeding	✓				
• Formal administrative or regulatory proceeding	✓				
• Arbitration or mediation or similar alternative dispute resolution proceeding	✓				
• Written request to toll or waive statute of limitations	✓				
• Security holder derivative demand	✓				
• Service of subpoena on an insured person	✓				

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	Wrap+	Their Policy
Non-cancelable by insurer – except for nonpayment of premium	✓	
Policy form is aligned with specific legal structure of partnerships	✓	
Coverage responds to unique risks posed by fiduciary duties of general partners	✓	

Travelers Wrap+
Help your clients get the protection they need, today and tomorrow



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Wrap+® Claim Examples

The Travelers Wrap+ policy provides a variety of management liability and crime coverages to meet the insurance needs of private companies and non-profit organizations. The examples below highlight some scenarios of how coverage can protect you.

Private Partnership Liability

> Misuse of funds

Limited partners sue an individual general partner for failure to provide the promised return-on-investment for an oil drilling company set up as limited partnership.

> Breach of fiduciary duty

Members in a real estate limited partnership sue a general partner for allegedly purchasing the most lucrative tracts of land for itself, thereby depriving them of potential income. Limited partners claim the general partner breached its fiduciary duties and made misrepresentations.

> Unsound investments

Limited partners of a limited partnership derivatively sue members of a general partner LLC alleging unsound investments.

> Misrepresentation

Limited partners sue directors and officers of the corporate general partner of the limited partnership for misrepresentation in the sale of partnership interests.

> Breach of fiduciary duty

Limited partners sue general partners of limited partnership as a class for breach of fiduciary duty based on alleged misrepresentations of partnership assets.

> Coercion

Members of a general partner LLC sue the manager of the LLC, alleging breaches of fiduciary duty and contract, and alleging the manager coerced them into selling back their ownership interest at an artificially low price.

> Business interference

A business competitor sues an insured limited partnership investment company for hiring several of the competitor's employees, alleging interference with contract and interference with prospective economic damage.

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