

FIDUCIARY LIABILITY INSURANCE

Your safety net for fiduciary risk management

Great employers offer great benefits, like 401(k) plans, health coverage, and more. But with those benefits comes real risk: regulation, litigation, and economic volatility. Under ERISA, even a single oversight — like an altered investment choice or a missed plan detail — can leave fiduciaries personally liable, putting their own assets at stake.

Class-action lawsuits are rising, defense costs often reach millions, and many cases remain unresolved. Fiduciary liability insurance is your strategic safeguard, and Lockton is your trusted risk partner — delivering tailored coverage that helps address risk behind every fiduciary-related decision.

Without coverage and a strategic risk partner, fiduciaries face significant financial exposure. With both in place, you gain confidence and peace of mind to make the best decisions for your people without fear of costly consequences.

What is fiduciary liability insurance?

Fiduciary liability insurance is a critical component of benefit plan management designed to protect fiduciary decision-makers and preserve organizational financial strength. This coverage helps safeguard companies and their fiduciaries against claims of mismanagement and the legal liabilities associated with serving in a fiduciary role with regard to benefit plans.

A fiduciary liability policy typically extends to cover judgments, settlements, and defense costs (all subject to retention, terms, and conditions). In many cases, it may also include certain fines and penalties if explicitly stated. Simply put, it's essential risk transfer for those entrusted with managing employee benefit plans.

Typical coverage on a fiduciary liability policy

- + Breaches of benefit laws.
- + Errors and omissions in the administration of a benefit plan.
- + Voluntary compliance loss.
- + Specified fines and penalties, such as HIPAA, the Pension Protection Act, and the Affordable Care Act.

Types of fiduciary liability claims include:

- Excessive fees due to negligence and breach of duty
- Improper advice or disclosure
- Inappropriate selection of advisors/service providers
- Imprudent investments
- Lack of investment diversification
- Negligence in the administration of a plan
- Conflict of interest regarding investments
- Delinquent employer contributions

Claims management

Claim performance is the true measure of any fiduciary liability insurance program. Lockton's Professional & Executive Risk Claims team is purposely structured to help you maximize your fiduciary liability insurance recoveries.

Lockton does not silo claims, nor do we treat claims advocacy services as a profit center. Instead, we integrate experienced insurance and claims counsel within your broking team. This ensures that claims strategy and advocacy begin at the very start of our partnership with you, so when a fiduciary liability insurance claim does arise, we're fully prepared.

Lockton at a glance

As the world's largest privately held, independent insurance broker, we don't cater to shareholders or have external investors, like many of our peers. This means we answer to the only voice that matters: yours.

This independence allows us to create a partnership with you where every interaction, decision, and solution is solely focused on your business risk needs.

65,000+

CLIENTS WORLDWIDE

94%

CLIENT RETENTION

13%

ORGANIC
GLOBAL GROWTH

\$85B+

PREMIUM VOLUME
WORLDWIDE

150+

OFFICES WORLDWIDE

17

CONSECUTIVE YEARS AS
BEST PLACES TO WORK

Fiduciary liability claims in the headlines

- Excessive fee claims filings increased 35% to 65 in 2024 and exceeded 70 in 2025. 2024 saw a record 53 excessive fee settlements, totaling over \$203M. For 2025, settlements trended lower, with more six-figure settlements.
- Plan forfeiture suits appeared in 2023 with six class actions that year, and 24 in 2024. With nearly 50 in 2025, it is estimated that as many as 80 total class-action forfeiture suits were filed from 2023-2025. While it is too early to comment on settlement trends, defense costs incurred in connection with these claims could be covered.
- June 2025 — UnitedHealth Group 401(k) plan, \$69M settlement for alleged failure to remove underperforming investments.
- October 2023 — GE retirement plan, \$61M settlement for alleged prohibited transactions and self-dealing.

GET IN TOUCH

Are you ready to overcome your fiduciary risk challenges? For more information, click the button or scan below to visit our website.

Visit our website



To connect directly with one of our fiduciary liability insurance professionals, please click the button or scan below and complete the form.

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