



Westchester®

Miscellaneous Professional Liability Insurance for Consultants

Westchester understands that your company is relied upon to provide professional expertise on topics that frequently influence your clients' business strategies and operations. The scope and impact of consulting engagements is often complex and ever-shifting, which may lead to misunderstandings in deliverables. Your client may expect your performance to ultimately impact their bottom line, but the magnitude of the expected impact may not be realized. Either of the foregoing can lead to allegations against your company for perceived misrepresentations or errors made in the course of performing professional services.

Even if no one in your company is at fault, defense and settlement costs can quickly add up. Fortunately, Westchester offers Miscellaneous Professional Liability (MPL) insurance to a variety of service providers, including consultants. Westchester's MPL coverage can be tailored to the specific set of consulting services your company provides, including:

- Management and strategy
- Human resources
- Logistics and the supply chain
- Regulatory compliance
- Leadership and executive coaching

Claims Scenarios

A consulting firm provided a client with recommended process improvements to increase efficiency and reduce costs. When the client implemented a portion of the changes, but did not save as much as the consulting firm projected, the client demanded that the consulting firm reimburse the expenses associated with implementing the changes.

A former client sued a consulting firm for breach of contract, contending the firm breached the confidentiality clause in the former client's service agreement. The former client alleged the consulting firm improperly shared proprietary information about its product line with a competitor, also a client of the consulting firm. Monetary damages included lost revenue due to alleged diminished sales.

A young, growing organization engaged a consulting firm to audit certain operations, assess compliance with specific industry regulations and assist in preparing internal compliance manuals. A regulatory body audited the organization the following year and audit results were poor. The organization sued the consulting firm, alleging negligence, misrepresentation and breach of contract.

Coverage Features

The following MPL insurance features are available for consultants:

- Broad definition of Wrongful Act, including Personal Injury and a customized definition of Professional Services
 - Coverage for natural person independent contractors is also available
- Coverage for vicarious liability for the acts of subcontractors your company engages
- Defense Costs are fully covered if a Claim includes at least one covered allegation and Insured
- No fact pertaining to, or knowledge possessed by, any Insured Person will be imputed to any other Insured Person to determine if coverage is available

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The Westchester Advantage

Westchester has earned its leadership position in professional liability insurance as a result of our:

- **Financial stability:** Westchester receives consistently high ratings for financial strength from A.M. Best, Moody's and Standard & Poor's, the leading independent analysts for the insurance industry.
- **Reputation for paying claims and superior service:** Our reputation for expert, fair claims handling is renowned in the industry.
- **Broad coverage:** Our MPL insurance products offer some of the broadest coverage available in the marketplace. We provide this coverage on a monoline policy form or as part of a suite of specialty liability coverages.

In the News: Allegations against Consultants

- A firm hired a consultant to help expand its client base, but after netting only one new client in nine months, the firm sued the consultant for misrepresentation.
- When a consultant's proposed billing system for a city didn't work as expected, the city sued, alleging the consultant misrepresented its capabilities and expertise implementing the system.
- The attorney appointed to liquidate a defunct company brought suit against the consulting firm whose allegedly bad advice ended up ruining the company.

Contact Us

For more information please visit us at:

<https://www.westchester.com/en/contact-us/product-line/financial-lines.html>

The claim scenarios described here are hypothetical and are offered solely to illustrate the types of situations that may result in claims. These scenarios are not based on actual claims and should not be compared to an actual claim. The precise coverage afforded by any insurer is subject to the terms and conditions of the policies as issued. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law.

Insurance provided by Westchester Fire Insurance Company and its U.S. based Chubb underwriting company affiliates. Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website www.chubb.com. Product highlights are summaries only. Please see the actual policy for terms and conditions. Products may not be available in all locations, and remain subject to Chubb's underwriting criteria. Surplus lines insurance is sold only through licensed surplus lines producers.

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