Using plan assets as a Fiduciary benchmark is similar to how publicly held companies make comparisons based on the size of their "market cap" for D&O insurance.

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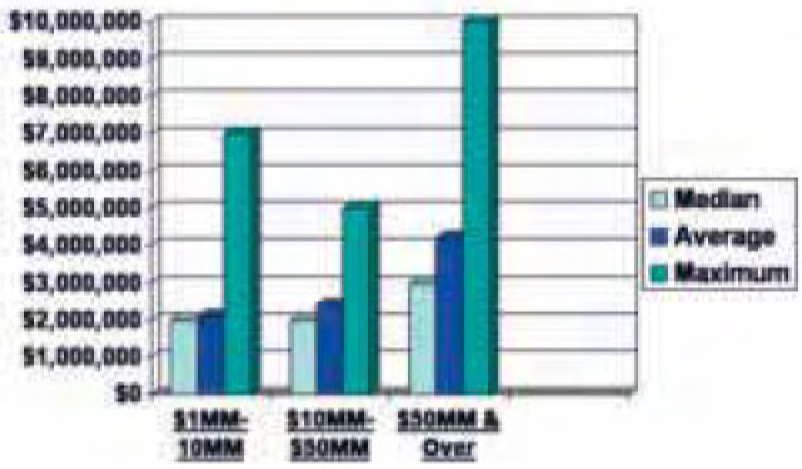
for this group was $2,400,000.

The "median" limit of liability for ESOP companies with plan assets less than $50MM was $2,000,000.

Thirty-six percent of the group having plan assets of $50MM or more purchase policy limits of between $4,000,000 and $10,000,000. Twenty-nine percent purchase $2,000,000, 21% purchase $3,000,000 and only 14% purchase $1,000,000. The median limit of liability was $4,000,000. The average was $3,800,000 in limits.

The graph provided below compares these limits based on these three plan asset groups.

Executive Liability Insurance Limits of Liability Purchased



In addition to considering the above benchmarking information, policyholders should also take into account that these policies are often written on a form in which defense costs associated with defending a claim such as attorney fees will erode the policy limit (whether shared or not) thereby leaving less insurance protection available to pay for any awards or settlements. Also, the fact that the majority of these policies are purchased having their limits shared with two or more of the policy coverages (D&O, Fiduciary and EPL) will mean payments under one of these coverages will erode coverage for the other. Purchasing separate limits of liability will avoid this from happening.

Final thoughts on this subject are that policyholders should also take into account (i) the age of the ESOP, (ii) percent of ownership and (iii) whether any other retirement plan is offered to the employee group. The longer an ESOP has been in place would generally tell you that the individual account balances are higher with participants owning more shares but also some individuals have also been required to diversify a portion of the account balance. An ESOP company having other retirement plans may also mean a need for higher limits of liability.

Jeffrey S. Gelburd, CPCU, ARM, is Vice President of Murray Risk Management and Insurance in Lancaster, PA. Mr. Gelburd serves as the Program Manager for the Executive Liability Insurance Program endorsed by The ESOP Association. Mr. Gelburd can be reached at 1-800-533-5271 or Jgelburd@murrayins.com