

Benefits Handbook Date July 1, 2014

# **Group Umbrella Liability Insurance Plan**

Marsh & McLennan Companies



## **Group Umbrella Liability Insurance Plan**

*This optional insurance provides additional liability coverage above the limits of your personal insurance, such as automobile and homeowners, condominium, renters insurance, or insurance for recreational vehicles and boats.*

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## The Plan at a Glance

The Group Umbrella Liability Insurance Plan provides additional liability coverage above the limits of your personal insurance. The chart below contains some important Plan features. For more information, see “How the Plan Works” on page 6.

<b>Plan Feature</b>	<b>Highlights</b>
<b>How the Plan Works</b>	<ul style="list-style-type: none"> <li>▪ This insurance covers you for personal injury and/or property damages to third parties, over and above the coverage that you may have through other insurance, including automobile and homeowner’s insurance.</li> <li>▪ These other policies are called primary insurance (meaning that these policies pay first), while the group umbrella coverage is activated only after the primary insurance is exhausted, or used up.</li> <li>▪ Umbrella coverage is generally purchased to provide limits over and above primary insurance and to potentially provide coverage where a coverage gap may exist.</li> </ul>
<b>Required Primary Insurance</b>	<ul style="list-style-type: none"> <li>▪ The coverage you elect through the Plan is excess of coverage over other collectable insurance. For some coverage you must maintain primary insurance in order to be fully covered. This is known as the Required Primary Underlying Limit.</li> <li>▪ See “Participating in the Plan” on page 2 for details.</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>▪ You are eligible to participate in this program if you meet the eligibility requirements set forth below.</li> <li>▪ See “Participating in the Plan” on page 2 for details.</li> </ul>
<b>Enrollment</b>	<ul style="list-style-type: none"> <li>▪ To enroll for coverage, go to Voluntary Benefits (<a href="http://www.mmvoluntarybenefits.com">www.mmvoluntarybenefits.com</a>).</li> </ul>
<b>Contact Information</b>	<p>For more information, contact:            Mercer Health &amp; Benefits Administration            Phone: +1 800 225 2265, Monday through Friday, 8 a.m. to 6 p.m. Eastern time.</p> <p>Coverage is underwritten by Chubb Insurance Company.            Marsh &amp; McLennan Companies (Company) does not administer this Plan.            Chubb Insurance Company decisions are final and binding.</p>

## Participating in the Plan

The following section provides information on how you start participating in the program.

If you are an employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies and you meet the requirements set forth below, you become eligible on your eligibility date.

### Eligible Employees

#### *Marsh & McLennan Companies Employees (other than MMA)*

You are eligible if you are an employee classified on payroll as a US regular employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than Marsh & McLennan Agency LLC and any of its subsidiaries (MMA)).

Individuals who are classified on payroll as temporary employees or who are compensated as independent contractors are not eligible to participate.

#### *MMA Employees*

You are eligible if you are an employee classified on payroll as a US regular employee of Marsh & McLennan Agency LLC – Corporate (MMA-Corporate), Marsh & McLennan Agency LLC – Alaska (MMA-Alaska), Marsh & McLennan Agency LLC – Southwest (including Prescott Paillet Benefits) (collectively MMA Southwest) (MMA-Southwest), Marsh & McLennan Agency LLC – Northeast (MMA-Northeast), or Security Insurance Services of Marsh & McLennan Agency.

Individuals who are classified on payroll as temporary employees or who are compensated as independent contractors are not eligible to participate.

#### *Your Eligibility Date*

There is no waiting period if you are actively at work. Your eligibility date is the first day you are actively at work on or after your date of hire.

#### *Who is insured under this Plan?*

The following are insured under this Plan:

- you – the name insured
- your spouse, if a resident of your household
- resident relatives

#### **“You,” “Your,” and “Employee”**

As used throughout this plan summary, “employee”, “you” and “your” always mean:

- For Marsh & McLennan Companies participants: a US regular employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than MMA).
- For MMA participants: a US regular employee of MMA-Corporate, MMA-Alaska, MMA-Southwest, MMA-Northeast, or Security Insurance Services of Marsh & McLennan Agency.

- a person while using your automobile with and within scope of your permission
- a trust which owns trust property, insured by underlying insurance
- your domestic partner (applies to active employees and retirees).
- any other person or organization but only with respect to the legal responsibility for acts or omission of any individual named insured

## Enrollment

To enroll for coverage, go to Voluntary Benefits ([www.mmcvoluntarybenefits.com](http://www.mmcvoluntarybenefits.com)).

You can make changes to your Group Umbrella Liability Insurance coverage at any time.

## Changing Coverage

You can make changes to your Group Umbrella Liability Insurance coverage at any time by going to Voluntary Benefits ([www.mmcvoluntarybenefits.com](http://www.mmcvoluntarybenefits.com)).

## When Coverage Ends

Coverage ends when the first of the following occurs:

- the date of your death
- the date the Plan is terminated
- the date you no longer meet the eligibility requirements
- the date you discontinue coverage
- 30 days from the date you terminate employment (unless you retire from the Company).

**Note:** Retirees and surviving spouses may continue coverage on a direct bill basis.

## Underlying Primary Levels of Coverage

### *What is the required primary insurance?*

The coverage you elect through the Plan is intended to provide additional limits of coverage over your home, automobile and watercraft primary liability coverage. You must maintain primary insurance in order to be fully covered. This is known as the Required Primary Underlying Insurance. Failure by you or your family members to comply with this condition, or failure of any of your primary underlying insurers due to insolvency or bankruptcy, shall not invalidate this policy. In the event of any such failure, we shall only be liable in excess of the Required Primary Underlying Insurance and to no greater extent with respect to coverages, amounts and defense costs than we would have been had this failure not occurred.

The Plan will cover damages a covered person is legally obligated to pay for personal injury or property damage, caused by an occurrence:

- In excess of damages covered by the required primary underlying insurance; or
- from the first dollar of damage where no primary underlying insurance is required under this policy and no underlying insurance exists; or
- from the first dollar of damage where primary underlying insurance is required under this policy but no coverage is provided by the underlying insurance for a particular occurrence.

### ***What are the required primary minimum underlying limits for insurance?***

Following is the Schedule of Required Underlying Limits which describes the types of insurance that require primary minimum underlying limits:

<b>Minimum Required Underlying Limits of Coverage Exposures</b>	<b>Coverage</b>	<b>Primary Minimum Required Underlying Limit</b>
Automobile Liability	Bodily Injury	\$250,000 Per Person
Recreational Liability	Bodily Injury	\$500,000 Per Occurrence
Motorcycle Liability (Registered Vehicles)	Property Damage	\$50,000
	<b>OR</b>	<b>OR</b>
	Bodily Injury	\$300,000 Per Person
	Bodily Injury	\$300,000 Per Occurrence
	Property Damage	\$50,000
	Or Combined Single Limit	\$300,000
Personal Liability	Combined Single Limit (Required on all property owned or rented to others)	\$300,000 Per Occurrence
Watercraft Liability	Combined Single Limit (Boats less than 26 feet in length and/or under 50 HP)	\$300,000 Per Occurrence
Watercraft Liability*	Combined Single Limit (Boats 26 feet in length or longer and/or 50 HP or more*)	\$500,000 Per Occurrence
Snowmobile Liability (Unregistered Vehicle – not registered with motor vehicle for road use)	Combined Single Limit	\$300,000 Per Occurrence

Minimum Required Underlying Limits of Coverage Exposures	Coverage	Primary Minimum Required Underlying Limit
Uninsured Motorist/Under Insured Motorist Protection	Bodily Injury	\$250,000 Per Person
	Bodily Injury	\$500,000 Per Occurrence
	<b>OR</b>	<b>OR</b>
	Bodily Injury	\$300,000 Per Person
	Bodily Injury	\$300,000 Per Occurrence
	Property Damage	\$50,000
	Or Combined Single Limit	\$300,000

Failure to maintain the required minimum underlying limits of liability may result in a gap in coverage for which you will be financially liable.

\* Boats 50 horsepower or more will require \$500,000 Combined Single Limit.

### ***What happens if I fail to maintain the required underlying limit?***

If you fail to maintain the Required Underlying Limit for primary insurance, and there is an occurrence that would have been covered by such insurance:

- you will be responsible for the amount of damages up to the applicable minimum Required Underlying Limit of your required primary insurance (except as noted below)
- the Plan will only pay amounts in excess of your required underlying limits and any other collectible insurance (except as noted below).

**Note:** You must maintain primary liability coverage for watercraft or no coverage will apply under this policy.

The above Schedule of Required Underlying Limits is intended as a summary of the underlying limits; your CERTIFICATE OF INSURANCE provides your specific requirements.

### **Cost of Coverage**

Below is a table showing the cost of Group Umbrella Liability Insurance coverage.

Limits of Liability Coverage Amount	Semi-monthly Cost	Weekly Cost
\$1,000,000	\$15.88	\$7.33
\$2,000,000	\$21.28	\$9.82
\$3,000,000	\$25.43	\$11.74
\$4,000,000	\$26.82	\$12.38
\$5,000,000	\$28.16	\$13.00
\$10,000,000	\$46.02	\$21.24
\$15,000,000	\$72.49	\$33.46
\$20,000,000	\$111.03	\$51.24
\$25,000,000	\$136.33	\$62.92



<b>Uninsured Motorist/ Under Insured Motorist Coverage Amount</b>	<b>Semi-monthly Cost</b>	<b>Weekly Cost</b>
\$2,000,000	\$3.46	\$1.60
\$3,000,000	\$6.92	\$3.19
\$5,000,000	\$13.84	\$6.39

### ***Will my costs change?***

Your cost for Group Umbrella Liability Insurance coverage may change. Generally, these changes may occur each January 1.

The Company reserves the right to change the amount you are required to contribute at any time.

### **How the Plan Works**

This insurance covers you for personal injury and/or property damages to third parties, over and above the coverage that you may have through other insurance, including automobile and homeowner's insurance. These other policies are called primary insurance (meaning that these policies pay first), while the group umbrella coverage is activated only after the primary insurance is exhausted, or used up. Umbrella coverage is generally purchased to provide limits over and above primary insurance and to potentially provide coverage where a coverage gap may exist.

Examples of situations this coverage could potentially address are:

- serious auto and boat accidents
- youthful driver claims
- swimming pool accidents
- "slip and fall" accidents on your property
- snowmobile claims
- service on a homeowner's condominium or cooperative association, if not for profit
- service as a director or officer for a non-profit organization for which you do not receive any pay.

You may buy limits between one and twenty five million dollars of liability coverage, in excess of your other primary insurance policy, through after-tax payroll deductions. Coverage levels of fifteen million and above require underwriting. The coverage is offered through Mercer Health & Benefits Administration, a service of Seabury & Smith.

## What's Covered

### ***What does the Group Umbrella Liability Insurance cover?***

The benefit will pay all sums (more fully defined by the term NET LOSS) that the employee becomes legally obligated to pay for personal injury or property damage in excess of the required underlying limit or in the excess of the retained limit, if applicable.

The benefit applies to personal injury and property damage worldwide if the personal injury or property damage occurs when the policy is in effect.

Other exclusions apply.

### ***What is the retained limit?***

Besides protecting you against liability claims which exceed the required underlying limits of your primary policies, this benefit also covers some liability exposures which may be excluded by your underlying policies. These exposures have no required underlying limits and are covered from first dollar of loss (except for the first \$1,000 of loss in North Carolina and the first \$10,000 of loss in Texas), unless otherwise stated in your policy.

### ***I already have umbrella liability coverage. Is my Group Umbrella Liability Insurance coverage offered through Mercer Health & Benefits Administration on top of that coverage?***

Generally, yes. This coverage is excess over any other valid or collectable liability coverage. The Group Umbrella Liability Insurance is designed to be excess insurance, but that determination may be governed by the provisions in your other excess insurance contract. You should review your other insurance provisions to confirm what their requirements are.

### ***My spouse has his/her own business. Is my spouse covered under Group Umbrella Liability Insurance while operating that business?***

We do not cover any damages arising out of a covered person's business pursuits, investment or other for-profit activities, for the account of a covered person or others, or business property except on a follow form basis.

We cover damages arising out of volunteer work for an organized charitable, religious or community group, an incidental business away from home, incidental business at home, incidental business property, or residence premises conditional business liability unless another exclusion applies. We also cover damages arising out of your or a family member's ownership, maintenance, or use of a private passenger motor vehicle in business activities other than selling, repairing, servicing, storing, parking, testing, or delivering motorized land vehicles.

Unless stated otherwise in your Coverage Summary:

- “Incidental business away from home” is a self-employed sales activity, or a self-employed business activity normally undertaken by person under the age of 18 such as newspaper delivery, baby-sitting, caddying, and lawn care. Either of these activities must:
  - not yield gross revenues in excess of \$15,000 in any year;
  - have no employees subject to worker’s compensation or other similar disability laws;
  - conform to local, state, and federal laws.
- “Incidental business at home” is a business activity, other than farming, conducted on your residence premises which must:
  - not yield gross revenues in excess of \$15,000, in any year, except for the business activity of managing one’s own personal investments;
  - have no employees subject to worker’s compensation or other similar disability laws;
  - conform to local, state, and federal laws.
- “Incidental business property” is limited to the rental or holding for rental, to be used as a residence, of a condominium or cooperative unit owned by you or a family member, an apartment unit rented to you or a family member, a one or two family dwelling owned by you or a family member, or a three or four family dwelling owned and occupied by you or a family member. We provide this coverage only for premises covered under the Required Primary Underlying Insurance unless the rental or holding for rental is for:
  - a residence of yours or a family member’s that is occasionally rented and that is used exclusively as a residence; or
  - part of a residence of yours or a family member’s by one or two roomers or boarders; or
  - part of a residence of yours or a family member’s as an office, school, studio, or private garage.

- “Residence premises conditional business liability” is limited to business or professional activities when legally conducted by you or a family member at your residence. We provide coverage only for personal injury or property damage arising out of the physical condition of that residence if:
  - you or a family member do not have any employees involved in your business or professional activities who are subject to workers’ compensation or other similar disability laws; or, if you or a family member are a doctor or dentist, you do not have more than two employees subject to such laws;
  - you or a family member do not earn annual gross revenues in excess of \$5,000, if you or a family member are a home day care provider.

We do not cover damages or consequences resulting from business or professional care or services performed or not performed.

For further detail, or for information regarding incidental farming coverage, call +1 800 225 2265, Monday through Friday, 8 a.m. to 6 p.m. Eastern time.

***My spouse is a director of a non-profit organization. Is my spouse covered by Group Umbrella Liability Insurance while acting in his/her director capacity?***

Yes, if any insured employee or spouse does not receive any pay. However, coverage is only provided based upon the insuring agreements of the policy. It is suggested that anyone serving as an officer or director obtain or be covered by non-profit directors and officers liability.

## **Supplementary Payments**

### ***Will anything else be covered?***

In addition to the benefit policy’s limit of liability, the benefit will pay on behalf of the employee:

- the cost of bail bonds required because of an occurrence. This includes related traffic violations resulting in bodily injury or property damage covered under this policy
- all costs taxed against an insured
- premiums on appeal bonds and bonds to release attachments in any suit defended by the insurer
- interest accruing after a judgment is entered in any suit defended by the insurer. The insurer’s duty to pay interest ends when the insurer offers to pay that part of the judgment which does not exceed the limit of liability
- other reasonable expenses incurred at the insurer’s request. This includes loss of earnings up to \$100 per day or a maximum of \$5,000
- identity fraud expense reimbursement up to a maximum of \$25,000

- kidnap expense up to a maximum of \$100,000 per occurrence
- up to \$12,000 for shadow defense for the insured to hire an attorney or law firm to evaluate and observe your defense. Written authorization and consent from the insured must be obtained before these fees or expenses are incurred
- if you do not own or lease an automobile, which you rent or borrow, the policy provides liability coverage for the use of non-owned automobile no longer than 60 days.

The amounts paid above will not reduce the limits of insurance. Please refer to your CERTIFICATE OF INSURANCE for more information.

## Exclusions

### *What are the Plan exclusions?*

The Plan does not provide for personal injury and/or property damage for:

- personal injury and/or property damage that is caused intentionally by the insured
- personal injury and/or property damage that is caused through the ownership, use or maintenance of aircraft (excluding aircraft and crew chartered by the insured)
- personal injury and/or damage arising from the ownership, use or maintenance of watercraft
- personal injury and/or property damage:
  - arising from the use of a car or watercraft in any race (except a sailboat race)
  - resulting from any act or failure to act by any insured as a director or officer of an organization
  - arising from providing or failing to provide professional services
  - resulting from the insured's business activities or property (except for rental property you own, the use of a passenger car not used to carry persons for a fee, volunteer work for charity or incidental business activities generating less than \$15,000 in gross annual revenues)
  - covered by a nuclear energy liability policy, or would have been covered by such a policy had the limit not been exceeded
  - arising out of a communicable sickness or disease by the insured
  - arising from a construction defect for a homeowner's condominium or cooperative association on which you serve

- property damage to property owned by the insured, or property rented to, used by, occupied by or in the care, custody or control of the insured, to the extent that the insured has agreed in writing to provide insurance for this property
- any obligation for which the insured may be held liable under any worker's compensation, non-occupational disability, unemployment compensation or similar law
- sums which an insured is entitled to recover from the owner or operator of an uninsured motor vehicle
- toxic mold.

The above is intended as a summary of the Plan exclusions; your CERTIFICATE OF INSURANCE provides specific coverage and exclusion details.

## Glossary

### ACTIVELY AT WORK

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You are "actively at work" if you are fulfilling your job responsibilities at a Company-approved location on the day coverage is supposed to begin (e.g., you are not out ill or on a leave of absence).

### AFTER TAX DEDUCTIONS (EMPLOYEE CONTRIBUTIONS)

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Deductions taken from your pay after Social Security (FICA and Medicare) and federal unemployment insurance (FUTA) taxes and other applicable federal, state and local taxes are withheld.

### APPROVED SPOUSE AND DOMESTIC PARTNER

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Adding a spouse or same gender or opposite gender domestic partner to certain benefits coverage is permitted upon employment or during the Annual Enrollment period for coverage effective the following January 1<sup>st</sup> if you satisfy the plans' criteria, or immediately upon satisfying the plans' criteria if you previously did not qualify. To obtain spousal or domestic partner coverage, you will need to complete an Affidavit of Eligible Family Membership via PeopleLink ([www.mmcpoplelink.com](http://www.mmcpoplelink.com)), declaring that:

#### *Spouse / Domestic Partner*

- You have already received a marriage license from a US state or local authority, or registered your domestic partnership with a US state or local authority.

#### *Spouse Only*

- Although not registered with a US state or local authority, your relationship constitutes a marriage under US state or local law (e.g. common law marriage or a marriage outside the US that is honored under US state or local law).

*Domestic Partner Only*

- Although not registered with a US state or local authority, your relationship constitutes an eligible domestic partnership. To establish that your relationship constitutes an eligible domestic partnership you and your domestic partner must:
  - be at least 18 years old
  - not be legally married, under federal law, to each other or anyone else or part of another domestic partnership during the previous 12 months
  - currently be in an exclusive, committed relationship with each other that has existed for at least 12 months and is intended to be permanent
  - currently reside together, and have resided together for at least the previous 12 months, and intend to do so permanently
  - have agreed to share responsibility for each other's common welfare and basic financial obligations
  - not be related by blood to a degree of closeness that would prohibit marriage under applicable state law.

Marsh & McLennan Companies reserves the right to require documentary proof of your domestic partnership or marriage at any time, for the purpose of determining benefits eligibility. If requested, you must provide documents verifying the registration of your domestic partnership with a state or local authority, your cohabitation and/or mutual commitment, or a marriage license that has been approved by a state or local government authority.

Once your Affidavit of Eligible Family Membership is completed and processed, you may cover the dependent child(ren) of your spouse or domestic partner.

Complete your affidavit, via PeopleLink ([www.mmcpeoplelink.com](http://www.mmcpeoplelink.com)). Select the **Finances** tab and under **Voluntary Benefits**, click **Group Umbrella Liability Ins.** Then go to **Take Action** in the right navigation bar and select **Enroll, view, change benefits.**

#### CERTIFICATE OF INSURANCE

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Upon enrollment in the plan, you will be mailed a Certificate of Insurance to your home outlining the policy and exclusions in more detail.

#### CLAIMS ADMINISTRATOR

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Provider that administers the Plan and processes claims; the provider's decisions are final and binding.

#### ELIGIBLE MMA EMPLOYEES

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MMA employees are defined as employees classified on payroll as a US regular employee of MMA-Corporate, MMA-Alaska, MMA-Southwest, MMA-Northeast, or Security Insurance Services of Marsh & McLennan Agency.

#### ELIGIBLE MARSH & MCLENNAN COMPANIES EMPLOYEES (OTHER THAN MMA)

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Marsh & McLennan Companies employees (other than MMA) are defined as employees classified on payroll as a US regular employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than MMA and any or its subsidiaries).

**NET LOSS**

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The sum actually paid or payable due to a claim for which the employee is liable either by a settlement agreed to by the Insurer or a final judgment. Such sums will include proper adjustment for recoveries and salvage.

**WAITING PERIOD/ELIMINATION PERIOD**

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The amount of time you must wait before being able to participate in a plan.