

The Hartford Enhances Management Liability Offerings For Small And Midsize Businesses

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Insurer extends coverage related to data privacy issues, wage-and-hour allegations and private securities risks

[The Hartford](#) has enhanced its [private company management liability offerings](#) with [Private Choice Ovation SM](#), a comprehensive package policy with updated and expanded coverage options designed to address the most important emerging exposures facing business owners and management teams today.

“As small and midsize business owners navigate increasingly complex laws and regulations governing employment practices, data privacy and private securities, even the best-run organizations can be at risk of a lawsuit,” said Tom Tucker, senior vice president and chief underwriting officer for The Hartford’s Commercial Markets division.

Among the key areas of concern for business owners, according to Tucker, are allegations of violations of the federal Fair Labor Standards Act (FLSA). Wage-and-hour lawsuits filed against U.S. employers have been increasing for the last five years, according to Federal Judicial Center calculations.¹

“Wage-and-hour disputes are among the leading and fastest growing causes of employment practices liability claims today,” said Tucker. “Defending these types of allegations can cost an organization thousands of dollars and be detrimental to its business.”

Also, recent data privacy laws and the 2012 Jumpstart Our Business Startups (JOBS) Act have created additional coverage needs for private companies. As data breaches become increasingly common for businesses of all sizes, the costs to notify customers and other expenses can be particularly burdensome for smaller businesses. Similarly, the capital raising and reporting requirements of the JOBS Act legislation create additional liability related to privately held securities.

The Hartford has designed Private Choice Ovation to address these and other emerging exposures for private company management teams. Specific enhancements include:

- Coverage related to private securities fundraising techniques (“crowdfunding”) under the JOBS Act;
- Reimbursement for certain notification costs and other expenses associated with a data privacy breach; and
- Optional defense cost sublimit for certain wage-and-hour violations (available by endorsement).

“These enhancements are an example of our commitment to developing products and services that address the emerging needs of private company management teams,” said Tucker.

The Hartford’s Private Choice Ovation offers a comprehensive package of management liability coverages that can be customized based on the needs of the business. Management teams can select one or more of the following coverage parts: directors, officers and entity liability; employment practices liability; fiduciary liability; kidnap and ransom/extortion; and crime.

For more information about The Hartford’s Private Choice Ovation, visit www.privatecompanyinsurance.com.

About The Hartford

With more than 200 years of expertise, The Hartford (NYSE: HIG) is a leader in property and casualty insurance, group benefits and mutual funds. The company is widely recognized for its service excellence, sustainability practices, trust and integrity. More information on the company and its financial performance is available at www.thehartford.com. Join us on Facebook at www.facebook.com/TheHartford. Follow us on Twitter at www.twitter.com/TheHartford.

Some of the statements in this release may be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ. These important risks and uncertainties include those discussed in our Quarterly Reports on Form 10-Q, our 2012 Annual Report on Form 10-K and the other filings we make with the Securities and Exchange Commission. We assume no obligation to update this release, which speaks as of the date issued.

The coverage discussion herein is a summary. Coverage is provided by the member companies of The Hartford Financial Services Group, Inc. and may not be available to all insureds in all states. For a complete description of coverage terms, conditions and exclusions, refer to the insurance policy. In the event of a conflict, the terms, conditions and exclusions of the policy purchased prevail.

¹ "Wage-and-Hour Suits up for Fifth Straight Year," Corporate Counsel magazine," 5-13-13

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