

Private Company Loss Scenarios from Chubb



Enrollment Oversight

COVERAGE SECTION	Fiduciary Liability
Cause of action	Administrative Error
Type of organization	Office Equipment Retailer
Number of employees	Fewer than 100
Annual revenue	Less than \$10 million

DESCRIPTION OF EVENT

An employee of an on-line office equipment retailer submitted her medical insurance plan enrollment forms to the firm's health plan administrator. The firm's health plan administrator erroneously failed to forward the enrollment forms to the insurance company where receipt of the forms was a prerequisite to coverage. A few months later, the employee required surgery, but coverage was denied because she was never enrolled in the medical plan. The employee's attorney sent a letter to the retailer complaining about the denial of benefits and demanding payment of medical fees of \$250,000, the cost of the surgery and post-operative care, plus reimbursement of attorney fees.

RESOLUTION

The case settled for more than \$350,000, including attorney fees.



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Could this happen to your organization? Contact your trusted Chubb agent or broker.

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