

Professional employer organization (PEO) policy updates

MARKEL



Key highlights

Top enhancements –
at a glance

Underwriting contacts



Exciting new enhancements for professional employer organizations*



At Markel, we continually evolve to meet the needs of our policyholders and brokers. Our updated Professional Employer Organization (PEO) insurance solution delivers clearer, more tailored coverage. By separating the PEO and Client Company into distinct coverage parts, the policy offers greater flexibility and transparency, helping address specific liabilities and exposures more effectively.

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- ✓ **Distinct coverage parts**
PEO and Client Company coverages are now separated, allowing each entity's exposures to be addressed more precisely. Limits are clearly outlined under each part for better transparency.
- ✓ **Refined definitions and insuring agreements**
Definitions have been clarified and expanded to support new coverages and exclusions. Insuring agreements have been streamlined to align with standard management liability language, including full prior acts coverage.
- ✓ **Updated limits and retentions**
Liability limits are now divided between coverage parts with a common policy aggregate. Per-claim and aggregate limits are clearly defined, and only the highest applicable limits or retentions apply when multiple coverages are triggered.
- ✓ **New extensions and endorsements**
Optional coverage extensions now include ASO/HRO liability and staffing discrimination. Additional endorsements are available for consumer protection, sexual misconduct, wage and hour claims, extended reporting periods, and more.

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Insureds

- Coverage applies only to qualified Insureds under each Coverage Part.

Insuring agreements

- Streamlined standard management liability language
- Staffing Discrimination coverage moved to Extensions
- “Loss” and “Claim Expenses” separated for clarity
- Subject to the requirement of no prior knowledge of the claim circumstances

Extensions

- New optional coverages:
 - ASO/HRO liability
 - Staffing Discrimination

Definitions

- Updated to match new/expanded coverages and exclusions
- Highlights:
 - **New:** ASO Services, HRO Services, Service Agreement, Immigration Wrongful Act, Retaliation
 - Expanded Worksite Employee to include former client employers
 - Removed outdated terms (e.g., Leased Employee)
 - **Refined:** Claim, Loss, Staffing Services Discrimination, Temporary Worker → Staffing Worker, Workplace Violence Incident, Wrongful Act, Wrongful Employment Practice
 - Added Cyber-related definitions

Exclusions

- Now titled and alphabetized
- Added to separate Coverage Parts and clarify distinctions

Limits and retentions

- Limits divided between Coverage Parts, subject to a Common Policy Aggregate
- Each insuring agreement has per-claim and aggregate limits
- Only the highest limit or retention applies if multiple coverages are triggered
- Explicit guidance for retentions on Extensions

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Defense and settlement

- Advanced Claim Expenses later deemed uncovered must be repaid by the Insured

Other conditions

- **Removed:** Change in Ratable Worksite Employee Count
- **Clarified:** policy is excess over other insurance

Liberalization

- Clause removed from Coverage Parts
- Available as optional endorsement: Retrospective Liberalization

Endorsements

- Updated to show which Coverage Part they modify
- Optional endorsements include:
 - Consumer Protection coverage
 - Quarterly Bordereaux Reporting
 - Wage & Hour Claim Expense (Client Company Coverage Part)
 - Sexual Misconduct (first & third party)
 - Run-Off Period coverage (with/without Wind-Down)
 - Extended Reporting Period (Client Company Coverage Part)
 - **Optional exclusions:** Executive Order 14201, Specific Matters, RIF, Professional Services

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*Please note that the information described in this document is intended for broker communication only, and does not reflect the full scope of coverage. Actual policy language governs the parties’ rights and responsibilities under the policy. Any claim submitted under the policy would be evaluated on its own merits and would be subject to the terms of the policy.

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