

CORPORATEGUARD

# Directors & Officers Liability Insurance

In light of one of the toughest regulatory environments in recent history, directors are facing unprecedented levels of scrutiny. Companies operating in the world's largest economies now face a battery of laws, codes and standards. Achieving and maintaining compliance is costly and time-consuming, and the penalties for failing to do so, punitive and severe. Governments are no longer afraid to exercise new powers of criminal prosecution - demonstrated by newspaper pictures of handcuffed executives amid reports of lengthy prison sentences.

Against this background, directors are increasingly concerned about exposing their personal assets to possible regulatory action or litigation. And for good reason, because the implementation of new accounting standards, increasing globalisation and the rise of shareholder action groups increase the intensity of directors' and officers' liability exposures. The good news is that with broader cover, fewer restrictions, greater provisions, more value-added services and a greater emphasis on helping individual directors through their own personal crises we have made CorporateGuard D&O stronger than ever.

## Core Cover

- ▶ Non rescindable policy
- ▶ Defence costs, damages and settlements for "wrongful acts"
- ▶ Employment practice liability cover (including emotional distress) for individuals
- ▶ Full limit of defence costs for pollution claims (for non-indemnifiable loss)
- ▶ Full limit for shareholder pollution claims
- ▶ Legal fees and expenses up to the full policy limit for attendance at any investigation into the affairs of the company
- ▶ Outside directorship cover, with extensive cover for claims against insured by an outside entity
- ▶ Full severability of proposal form
- ▶ Full insured v insured cover for non-collusive claims

## Cover Extensions

- ▶ £1m limit per non-executive director (over and above standard policy limit and indemnification provisions)
- ▶ Emergency pre-approved defence costs (up to 10% of limit)
- ▶ Prosecution costs coverage to overturn a judicial order
- ▶ Automatic cover for new non-US subsidiaries and for US entities valued within 15% of total group assets
- ▶ Bilateral discovery period
- ▶ 6 year discovery period for retired directors
- ▶ Fees and expenses following a Kidnap incident
- ▶ Bail Bond and Civil Bond expenses

## Value Added Services

- ▶ Additional regulatory crisis response cover up to £50,000
- ▶ Mitigation and avoidance services including DLA loss avoidance and mitigation package
- ▶ Public Relations expenses after successful legal action

## Insured

Includes past, present and future directors, officers, employees acting in management or supervisory capacity, shadow directors, outside entity directors, spouses, administrators and executors of insured's estates.

## Policy Form and Indemnity Limit

Full retroactive cover on claims made basis. Policy limits of £15 million or \$25 million plus £1m for each and every Non-Executive Director

## Option: Entity Cover for Securities Claims

- ▶ Insures the company up to same indemnity limit as Directors & Officers Liability policy
- ▶ Up to 100% entity cover irrespective of whether an insured is named as a co-defendant
- ▶ Claims in respect of public or privately traded securities
- ▶ Judgements settlements and defence costs

*Scope and terms are subject to the terms and conditions of the policy. A specimen policy is available on request.*

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## Directors &amp; Officers Liability Insurance

<b>£1m cover for Non Executive Directors</b>	Helps company reassure and retain non-executive directors by providing a £1m additional limit of indemnity for every NED, above and beyond the overall policy limit.
<b>Non rescindable policy</b>	Sleep-easy reassurance for directors that, once the policy is accepted, cover will not be withdrawn because of errors or non-disclosure in the proposal form (that may have been completed by another director).
<b>Full investigations cover</b>	A frequent source of claims and an area of cover that is often sub-limited, but CorporateGuard provides cover up to the full policy limit.
<b>Extensive outside directorship cover, with extensive cover for claims against insured by an outside entity</b>	Blanket cover provided automatically other than for high risk industries, including removal of the non-stacking provision. No share capital threshold.
<b>Emergency pre-approved defence costs</b>	To facilitate insured's best defence, even when they can't contact us, emergency defence costs are covered up to 10% of the policy limit.
<b>Regulatory crisis response cover</b>	A specific fund of £50,000 is available to use at insured's discretion in face of regulatory crisis (such as dawn a raid). This is over and above specific investigations cover.
<b>Automatic subsidiary cover, no major shareholder exclusion, wide outside directorships cover, generous provision for Insured vs Insured claims and no secondary offering exclusion</b>	All examples of how CorporateGuard seeks to remove the headaches of D&O cover by imposing fewer restrictions, reducing the need to inform us throughout the policy period, wherever possible.
<b>Fees and expenses following a Kidnap incident. Bail Bond and Civil Bond expenses. PR services to restore reputations after an action</b>	Examples of how CorporateGuard seeks to offer enhanced levels of reassurance and protection for individual's own personal crises (not just the business entity's).
<b>Mitigation and avoidance services</b>	Panel solicitors DLA offer to all CorporateGuard clients bespoke presentations in governance best practice, regulatory crisis management and periodic Regulatory Bulletins.

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These are brief product descriptions only. Refer to the policy for full terms and conditions applicable. Any scenarios are given as brief examples which may give rise to claims. These descriptions should not be relied on to justify coverage in any situation.