Directors & Officers Captive Insurance Solutions

AIG provides market-leading capabilities for financial lines exposures through both traditional risk transfer insurance and non-risk transfer risk management services. This enables us to provide proven management liability captive solutions to corporations looking to use the empowerment of the Delaware General Corporation Law (DGCL) or similar empowerments enacted by other states.

In February 2022, Delaware amended its general corporation law to expressly permit corporations incorporated in Delaware the ability to use captive insurance companies to insure (or reinsure the insurance of) the management liability of their directors, officers and employees. Prior to this amendment, provisions of the DGCL prohibited corporations from indemnifying certain costs and liabilities of their directors and officers, most notably for judgment and settlement amounts, to resolve shareholder derivative actions brought on behalf of the corporation against its executives.

With the amendment, Delaware now clearly empowers its corporations to insure their directors and officers for all management liability exposures, including Side A management liability, through insurance issued or reinsured by a captive insurance company.

In coordination with AIG North America Financial Lines, AIG Captive Solutions provides:

- A comprehensive and flexible captive platform with single sponsor captive, group sponsor captive and Vermont- and Bermuda-based protected cell captive/’rent a captive’ capabilities

- Captive insurance, or reinsurance of insurance, of any Financial Lines coverage, including non-indemnifiable defense and liability of directors and officers (Side A management liability), using standard AIG Financial Lines forms or bespoke policy wording

- Captive organizational, management and claims services: feasibility studies, formation services (preparation of the captive’s license application and creation of captive business plans including financial projections), monthly and annual accounting and regulatory filing services, compliance services to meet all captive regulatory requirements, coordination with external service providers, organization of captive board meetings, captive communications, and claims administration and adjustment services

- Single coverage or multi-coverage captive capabilities: coverage line dedicated, or blended aggregate, limits in multi-coverage captives; limits can be designated separate or shared by coverage line in multi-coverage captives

- North American claims handling by AIG’s Financial Lines claims professionals, the award-winning team that adjusts claims under AIG’s traditional risk transfer insurance products

- Multinational fronting services for captives, leveraging AIG’s global footprint in 215 worldwide jurisdictions, providing compliant local policies in jurisdictions outside of the domicile of the captive

For more information, please contact Bob Gagliardi, Head of Global Captive Management, AIG Captive Solutions at robert.gagliardi@aig.com or Kim McLaughlin, Head of D&O Product, North America Financial Lines at kim.mclaughlin@aig.com.