

# Elite Directors and Officers Liability

In today's rapidly changing business climate, regulators are increasingly vigilant about internal controls and corporate governance meaning the need for superior D&O cover has never been greater.

CHUBB®



## Who does it protect?

Elite is our broadest policy to date and has been specifically developed to cover the risks facing the directors and officers of mid-market to large and multinational private or public companies.

## What does it cover?

Personal protection for directors, officers and management against a range of civil, criminal and regulatory proceedings arising from the potential exposures associated with managing or supervising a company.

Essentially our policy covers losses resulting from a wrongful act including:

- Statutory awards, damages, judgements, settlements, bail bond costs, crisis costs, deprivation of asset costs, prosecution costs, public relations expenses, insolvency hearing costs and regulatory crisis costs
- Defence costs, legal representation expenses and subpoena costs
- Costs arising from extradition proceedings
- Pre-investigation costs, derivative investigation costs, mitigation loss and overseas travelling costs
- Tax contributions where the parent company has become insolvent and there is personal liability of an insured

- Losses incurred for civil fines and penalties
- North American exposures
- Actions between directors of the company
- Where there has been fraudulent conduct, non-disclosure misrepresentation or intent to deceive, the policy will nevertheless be maintained for each innocent director

Our broad definition of an 'insured person' includes any past, present or future directors, officers, shadow directors, and those acting in a management or supervisory capacity for the company or its subsidiaries.

## Key Benefits of Cover

Cover/ Service	Benefit
Coverage features	
<b>Preservation of the Side A limit</b>	Providing a reinstated limit of liability for any Side A losses where one or more claims have eroded the original limit of liability, whether Side B or C losses. This reinstated limit is subject to certain conditions, set out in the policy wording.
<b>Cyber privacy and confidentiality extension</b>	Providing an additional limit of liability for claims occurring as a direct result of a data privacy breach or unauthorized disclosure of data.
<b>Environmental violation extension</b>	Providing an additional limit of liability for claims deriving from actual, alleged or threatened pollution escape, including greenhouse gases, or any regulator instruction for remediation.
<b>Securities claims cover</b>	Protecting the company and its directors and officers against claims involving the violation of securities legislation.
<b>Pre-investigation costs</b>	Providing cover for costs incurred by an insured person following an onsite visit by an official body or notification to an official body of a possible legal or regulatory breach of duty.
<b>Mitigation of loss extension</b>	Providing indemnity to an insured following action taken to prevent a potential loss under the policy.
<b>Public relations support</b>	Provided to prevent or limit adverse publicity from a claim or investigation against an insured person.
Claims	
<b>Our claims approach</b>	Chubb is recognised around the world for its award winning claims service. We know that D&O insurance claims can be complex and subject to uncertain timescales. With Chubb you have access to our local financial lines claim team who are experienced in handling complex D&O claims and are empowered to make decisions.

## Case studies

Claims example 1	The Chubb advantage
A regulatory body initiates investigation of the Board for alleged breaches of the Corporate Governance requirements. In particular, apparent failure or negligence in establishing and maintaining appropriate systems and controls, including senior management and governance arrangements.	Under the Chubb D&O Cover, the Insured would be able to claim for Defence Costs linked to the investigation. Where permitted and covered, the D&O Policy will cover loss resulting from civil fines and penalties.
Claims example 2	The Chubb advantage
Our client was informed of a regulatory investigation into the awarding of a tender and multiple directors were named. Allegations included improper conduct, bribery and fraud.	With Chubb Elite V, the policy was able to respond as despite the nature of the allegations, the policy advances defence costs until it is established by final adjudication that the fraudulent conduct did in fact occur. Our approved panel of lawyers and investigators were engaged, pre-investigation and investigation costs were paid and the case is ongoing. Once the case is settled by final adjudication in favour of the insured, public relations expenses and reputation protection expenses would be triggered.

## Our Elite V D&O proposition in action

### Pre-claim

### Potential losses paid by the policy

#### Pre-investigations

1. Actions taken by official body regulator to seek records or
2. Proactive notification to a regulator of suspected breach of company or insured person or
3. Subsequent internal enquiry if requested by regulator following (2)

#### Investigations

Required attendance of an insured person at a formal investigation into a company or insured person.

#### Mitigation of loss

Action taken to prevent a claim against insured person.

#### Pre-investigation costs

- costs of actions taken to prevent/mitigate claim against insured person e.g official visits, notifications, defence costs

#### Public relations expenses/ reputation protection expenses

- cost of PR services for preventing or limiting adverse publicity from investigation

#### Legal representation expenses

- legal costs of insured person directly in connection with the insured person's cooperating with an investigation

### Claim

#### Claims

1. Written demand
  - Legal proceedings (civil or criminal)
  - Regulatory actions against an insured person alleging a wrongful act
2. Securities claim against the company

- Ongoing defence costs
- Awards, damages, judgements and settlements (including interest)
- Bail bond costs/crisis costs/prosecution costs/ deprivation of assets expenses
- Public relations/reputation protection expenses
- Aggravated punitive and exemplary damages where permissible and insurable
- Civil fines and penalties where permissible and insurable
- Derivative investigations costs
- Overseas travelling costs

### Post-claim

#### Reputation Mangement

#### Public relations expenses/ reputation protection expense

- PR costs associated with distribution of findings in favour of insured person

## Contact

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**Chubb. Insured.<sup>SM</sup>**

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