

# Directors & Officers Liability Insurance for Public Companies

## Proposition features & coverage comparison

Coverage	Zuich 2011 Form	Zurich 2009 Form	Standard Market Wording
Extradition Costs for an accredited crisis counsellor and/or tax advisor and/or a public relations consultant retained by the Insured Person exclusively and directly in connection with the Extradition of that Insured Person	✓	✗	✓
Extradition Costs for overseas travelling costs and accommodation for the Insured Person, his/her lawful spouse or domestic partner and any children under the age of twenty-one, directly in connection with the Extradition of such Insured Person.	✓	✗	✗
Confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of the Insured Person	✓	✓	✓
Insured Person prohibition from holding the office of or performing the function of director or officer of an entity; resulting directly from or as part of a covered Claim.	✓	✓	✓
Restriction of Insured Person's liberty to a specified domestic residence or an official detention; resulting directly from or as part of a covered Claim.	✓	✓	✓
Deportation of the Insured Person following revocation of otherwise proper, current and valid immigration status for any reason other than such Insured Person's conviction of a crime.	✓	✓	✓
Prosecution Costs - Coverage for an Insured Person bringing a proceeding for a declaration and/or injunction to oppose any Official Body seeking a Deprivation of Asset and Liberty Proceeding.	✓	✓	✗
Additional limit for Insured Person's Personal Reputation Restoration Expenses	✓ + additional limit	✗	✓
Additional limit for Company Crisis Communication Expenses incurred	✓ + additional limit	✗	✓
Cover for Derivative Demand Investigations of the Company resulting from a Security Holder Derivative Demand	✓	✗	✗
<b>Extensions</b>			
Environmental Mismanagement Cover including misrepresentation or non-disclosure for Greenhouse Gases and other climate changes related issues	✓	✗	Defence Costs only
Indemnity Costs in case of Shareholder Derivative Claims – plaintiffs fees for Derivative Claims	✓	✓	✗
Emergency Costs - retroactive approval for costs incurred in case of an emergency and the Insurer's prior written consent cannot reasonably be obtained in a timely manner	✓	✓	✓

<b>Extensions</b>	<b>Zuich 2011 Form</b>	<b>Zurich 2009 Form</b>	<b>Standard Market Wording</b>
Civil fines and penalties against the Executive pursuant to FCPA violation and similar laws in any jurisdiction	✓	✓	Does not include FCPA and similar bribery acts
Civil, administrative, or regulatory fines and penalties cover for D&Os and Outside Entity Executives where insurable	✓	✗	✓
Extended Reporting Period in case of cancellation and non-renewal: free for the first 90 days. Flexibility to purchase extra 1, 2 or 6 years	✓	✓	Automatic 60 days only
Change in Control - guaranteed entitlement to purchase extra 7 years of coverage discounting the unearned premium from Policy	✓	✗	✗
Insured Person ERP Election - the Insured Person has the right to acquire Extended Reporting Period for up to 7 years if the Company is entitled to but does not exercise its right	✓	✗	✗
Lifetime Extended Reporting Period Retired or Resigned Directors and Officers	✓	✓ 6 years only	✓
Additional limit for Kidnap Response Costs (K&R)	✓	✗	✗
Insured Persons Investigations by Official Bodies	✓	✓	✓
Insured Persons Investigations commenced by the arrest and detainment or incarceration in a Foreign Jurisdiction	✓	✗	✗
Company coverage for Securities Claims in case of formal, administrative or regulatory proceeding commenced or brought against the Company if such proceeding is also made against a Director and Officer	✓	✓	✓
Difference in Conditions Clause	✓	✗	✗
Global Liberalisation - most favourable terms to the Insured Person	✓	✓	✓
Coverage for Pre-Claim Costs to prepare a report (and any supplementary reports as necessary) to an Official Body in response to a Pre-Claim Event	✓	✗	✓
Pre-Claims event includes a raid on, or on site visit to any Company or any Outside Entity by an Official Body that involves the production, review, copying or confiscation of documents or interviews of the Insured Person	✓	✗	✓
Pre-Claim Event includes any formal written notification to an Official Body by the Company, by the Outside Entity or by the Insured Person of a suspected material breach of such Insured Person's legal or regulatory duty	✓	✗	✗
Pre-Claim Event includes the receipt by such Insured Person of a formal notice from an Official Body which legally compels such Insured Person to produce documents to, or answer questions by, or attend interviews with, that Official Body directly as a result of a Self Report.	✓	✗	✗

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Self Report is not deemed, in and of itself, to be a breach of consent	✓	✗	✗
Definition of Claims includes written request to extend the operation of or waive any statute of limitations or contractual time-bar.	✓	✓	✗
Defence costs includes the costs for counsel within the Insured Person country of domicile to interpret and apply advice received from counsel in a Foreign Jurisdiction in response to a covered Claim brought in a Foreign Jurisdiction	✓	✗	✓
Bodily Injury Defence Costs	✓	✓ in respect of non-US claim	✓
Advancement of covered Claim Costs - advanced not later than 90 days after bills are submitted and accepted by insurer	✓	✓	✓
<b>Definition of a D&amp;O m</b>			
Any Employee who is or was the risk manager or general/chief legal counsel (or equivalent position) of the Company;	✓	✓	✗
A member of the Company's internal audit committee, internal compensation committee, or any other internal committee of and for the Company;	✓	✓	✗
<b>Financial Loss</b>			
The Insurer shall not assert that any Defence Costs or settlements incurred by an Insured is uninsurable due to the Insured's actual or alleged violation of Section 11, 12 or 15 of the United States of America's Securities Act of 1933 (as amended) unless precluded from doing so due to court order.	✓	No section 15	No section 15
Corporate Taxes that are personal liability of the D&Os	✓	✗	✓
Corporate employees wages that are personal liability of the D&Os	✓	✗	✓
Broad definition of Insured Person including - Employee of the Company, other than a Director or Officer, in such capacity on behalf of the Company including while acting as a lawyer on behalf of the Company: (i) for any Securities Claim or Employment Claim; or (ii) for all other Claims, but with respect to (ii) only if and as long as such Claim is also made, and is continuously maintained, against a Director or Officer.	✓	✓	✗
Broad coverage for subsidiaries including Auto 90 day cover for entities not automatically defined as subsidiaries	✓	✓	30 days
Runoff cover for Insureds of past Subsidiary Companies	✓	✓	✗

<b>Settlements</b>	<b>Zuich 2011 Form</b>	<b>Zurich 2009 Form</b>	<b>Standard Market Wording</b>
Full Settlement within the Retention / Consent of Insurer Waived	✓	✗	✗
First Settlement Offer - If the Policyholder consents to the first settlement offer that is recommended by the Insurer with regard to a Claim which is also acceptable to the claimant, then the applicable Retention amount shall be retroactively reduced by fifteen (15%) percent provided that the Policyholder agrees to such settlement offer within thirty (30) days of the settlement offer first being recommended by the Insurer.	✓	✗	✗
<b>Retention</b>			
Waiver of retention for Insured person - Failure of the Company to Indemnify Insured Persons within 30 days	✓	✓	✓
Retention can be insured by a captive defined as a Subsidiary Company.	✓	✗	✗
<b>Exclusions</b>			
Defence Costs advanced until established by (i) written admission by the Insured; or (ii) a judgement or other final, non-appealable adjudication or proceeding adverse to the Insured.	✓	✓	✗
Exception of to personal profit or advantage exclusion for a Securities Claim alleging violations of Section 11, 12 or 15 of the United States of American Securities Act of 1933, to the portion of any Financial Loss attributable to such violations.	✓	✗	✗
Continuous coverage - Claims or Circumstances notified in previous Zurich policy that were not covered or were not accepted at the time are not excluded.	✓	✗	Circumstances only
Full Limit for Bodily Injury Defence Costs outside the USA	✓	✓	✗
Full Limit for Corporate Manslaughter Defence Costs	✓	✓	✗
No exclusion for Property Damages and Bodily Injury Securities claims	✓	✓	✓
No Insured Person versus Insured Person Exclusion	✓	✓ in respect of US claim	✓ in respect of US claim
Severability of all exclusions except for pending litigations and prior Claims	✓	✓	✓
Imputation - Wrongful Acts of Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel of the Company imputed to THAT Company only	✓	✗	✓

Exclusions	Zuich 2011 Form	Zurich 2009 Form	Standard Market Wording
Imputation - Wrongful Acts of Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel of the Policyholder imputed to all Companies	✓	✓	✓
<b>General Conditions</b>			
Reporting of Claims and Circumstances: additional free 60 days after policy expires	✓	✗ 45 days	✓
Cancellation permissible by Policyholder with 60 day written notice and short rate return premium, provided no claims reported	✓	✗	✗
Severability of the Proposal Form: only the statements made by or knowledge possessed by the Chief Executive Officer and/or Chief Financial Officer of the Company shall be imputed to THAT Company	✓	✗	✓
Severability of the Proposal Form: only the statements made by or knowledge possessed by the Chief Executive Officer and/or Chief Financial Officer of the Policyholder shall be imputed to all Companies	✓	✗	✓
Late arising extensions - insurer to make available new cover created during the policy period and provided to all Insured for no AP	✓	✗	✗
Applicable for International Programs from Zurich (IPZ): Difference in Conditions Clause for the local IPZ policies to ensure they are as broad as the MASTER policy	✓	✗	✗
<b>Additional Coverages Available by Endorsement</b>			
E-discovery	✓	✗	✗
Country Amendatory	✓	✓	✗
FiNC - Financial Interest Cover	✓	✓	✗

This is intended as a general description of certain types of insurance and services available to qualified customers through subsidiaries within the Zurich Financial Services Group including, in the United States, Zurich American Insurance Company, 1400 American Lane, Schaumburg, Illinois 60196 and, in Canada, Zurich Insurance Company Ltd., 400 University Avenue, Toronto, Ontario M5G 1S9, and, outside the U.S. and Canada, Zurich Insurance Plc, Ballsbridge Park, Dublin 4, Ireland; Zurich Insurance Company, Mythenquai 2, 8002 Zurich, Switzerland; Zurich Australian Insurance Limited, 5 Blue Street, North Sydney, NSW 2060, Australia and further legal entities, as may be required by local jurisdiction.

Your policy is the contract that specifically and fully describes your coverage. In contrast, the description herein gives a broad overview of coverages and programs and does not revise or amend a policy or program. Certain coverages are not available in all jurisdictions. Some coverages in the U.S. may be written on a non-admitted basis through licensed surplus line brokers.