



Power SourceSM

*Directors and Officers
Liability Insurance*

From Chubb



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The decisions made by the boards of privately owned companies are not immune from public scrutiny.

As leaders of the company, the directors and officers can be held personally liable for their management decisions. Shareholders, employees, customers, suppliers, competitors, and even the government can sue your privately owned company and its board.

Chubb's **Power SourceSM Directors and Officers Liability Insurance** coverage is specifically designed to help protect the personal assets of a privately owned company's directors and officers, as well as the financial well-being of the company itself.

Key Coverage Features

Broad definition of insured persons. Our policy insures directors and officers; members of the board of managers or management committee members; in-house general counsel; part-time, seasonal, leased, and temporary employees; and volunteers worldwide. Executives' and employees' spouses who are named as co-defendants are also covered.

Optional additional \$500,000 dedicated limit for executives for non-indemnified claims.* Chubb offers additional protection for the personal assets of board members and other key executives.

Broad definition of claim, including written demands for monetary or non-monetary relief; civil, criminal, formal administrative, or regulatory proceedings; target letters from investigative authorities; and written requests to toll or waive a statute of limitations.

Limited protection for claims made by insureds, including derivative suits, if insured executives are not involved in bringing the suit; contribution and indemnity claims brought by directors, officers, or employees; claims brought by non-executive employees against executives; wrongful termination claims brought by executives; claims brought by former executives who have not been executives for at least four years, as long as insured executives do not assist in bringing the suit; and suits brought and maintained solely outside the jurisdictions of the United States, Canada, or Australia.

Payment priority to insured persons for covered claims.

No deductible will apply to insured persons if the company is in a state of financial impairment.

Automatic not-for-profit outside directorship coverage.

Optional protection for the entity is available.*

Broad entity protection includes coverage for claims, including written demands for monetary damages or non-monetary relief, civil or criminal proceedings, and written requests to toll or waive a statute of limitations.

Private placement coverage. Even if their securities are exempt from registration with the Securities and Exchange Commission (SEC), privately owned companies can still be sued for misrepresentation or other securities violations. Our policy helps protect against such suits.

Coverage for investigative costs associated with a derivative demand. A thorough pre-suit investigation can help provide a strategic defense for covered directors and officers who may eventually be sued by their company. Our policy helps fund these expenses.

Guaranteed IPO quote. If Chubb receives the relevant information at least 30 days prior to an initial public offering (IPO), we will offer a coverage proposal for the IPO event.

Duty to defend. Chubb spares businesses the worry of selecting qualified legal counsel and helps manage a strong defense by assigning expert, seasoned counsel, dedicated to helping secure a positive outcome. And since our goal is to help privately held companies mount the most effective defense possible, they can report circumstances of potential claims to us during the policy period. For actual claims, notify us as soon as practicable and a Chubb claims professional will endeavor to contact the insured within 24 hours of receiving notice.

100% of defense costs paid. Chubb advances payment for defense costs and pays 100% of the defense costs within the available limits and after payment of any applicable deductible, even if only part of the claim is actually covered.

Generous 70/30 settlement provision. If an insured withholds consent to a proposed settlement, we will pay 100% of the covered loss incurred up to the time of the proposed settlement, plus 70% of any loss in excess of the proposed settlement, within the policy limits and after the payment of the deductible. This gives customers increased flexibility to decide when to settle.

Coverage for punitive or exemplary damages is provided under the law most favorable to the insurability of these damages in any jurisdiction that has a substantial relationship to the insured, to Chubb, to the policy, or to the claim.

In many cases, we may waive the deductible if it is determined that the insured has no liability.

Automatic coverage for acquisitions that do not exceed 25% of the insured organization's assets for acts that occur after the acquisition.

Coverage for sold subsidiaries, whether sold before or during the policy period, continues for prior acts.

Coverage for the parent corporation acquired during the policy period automatically continues until the end of the policy period for acts committed prior to the acquisition.

Broad extended reporting period.* If the company is acquired, or if its policy is terminated or non-renewed for any reason other than nonpayment of premium, an extended reporting period (ERP) for added long-term protection may be purchased. In many cases, three ERP options are available and insured individuals or entities can purchase the ERP up to 60 days after the policy's expiration. Under the ERP, new claims may be reported for acts committed prior to the end of the policy period or the acquisition date, whichever is earlier.

Broad definition of insured organization, including the parent corporation and its subsidiaries, which may include any majority-owned entities, such as limited liability companies or controlled joint ventures, and controlled foundations, charitable trusts, or political action committees; and debtors in possession status.

Option for combined or separate liability limits.* Customers can select either a combined limit of liability for all their Power Source liability coverage sections, or a separate limit of liability for each liability coverage section.

Noncancelable by Chubb, except for nonpayment of premium.

Worldwide coverage.

* Optional coverage features, if selected, may result in additional premium.

Take Action Today

Power Source is available exclusively through Chubb-appointed wholesale producers. Contact your agent or broker for more information or to obtain access to Power Source.



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Chubb refers to the insurers of the Chubb Group of Insurance Companies: Executive Risk Indemnity Inc. and Executive Risk Specialty Insurance Company. Not all insurers do business in all jurisdictions.

This literature is descriptive only. Actual coverage is subject to the language of the policies as issued.

Form 14-01-0497 (Ed. 8/01)