A QBE Specialist Insurance Solution

QBE Directors' and Officers' (D&O) Management Liability Insurance

Why do your clients need protection?

- Nowadays, the roles of company directors and officers have become more challenging in view of the increasingly demanding responsibilities, litigation pressure and regulatory requirements.
- Company directors and officers carry personal responsibility and liability for their acts and omissions.
- Directors and officers today are facing heavier responsibilities and more stringent regulatory requirements. They need the assurance of cover to protect them against the financial burden of litigation, damage to their reputation and loss of personal assets.
- Cover for legal costs and expenses is important as litigation involving company directors and officers is often complex and expensive. It is imperative that they have access to specialised and quality legal representation to safeguard their interests in the most effective way.
- QBE Directors' and Officers' (D&O) Management Liability Insurance is the solution that provides company directors and officers with the confidence to deal with the challenges of business. Should they be faced with civil litigation or criminal prosecution, they can be rest assured that QBE Pool can afford them assistance and potection.

Policy Coverage

- Civil proceedings brought against company directors and/or officers
- Successful defence of criminal proceedings
- Official investigations and inquiries — costs and expenses incurred in representing directors and/or officers of a company
- Employee actions — actions brought by fellow directors, officers or employees alleging unfair dismissal or unlawful discrimination
- Outside directorships — where a director or officer is representing the company on the board of some other organisations
- Prospectus liability

Scope of Cover

- Protects company directors and officers against liability for their wrongful act or omission committed in their capacity as company directors or officers, including but not limited to:
  - Negligence
  - Wrongful misrepresentation
  - Unlawful default
  - Breach of trust
  - Breach of fiduciary duty or breach of warranty of authority

  Including (1) compensatory damages awarded against the company directors and officers, (2) out-of-court settlements, (3) defence costs and expenses, and (4) costs of appointing legal expertise

Automatic Extensions

- Libel and slander
- Intellectual property
- Employment practice liability
- Blanket subsidiary cover
- Official investigations and enquiries
- Severability and non-imputation
- Additional notification period
- Previous securities offerings
- Advance payment of defence costs and expenses

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Optional Extensions

- External positions
- Pollution
- Prospectus liability for current or future offerings
- Joint venture liability
- Entity protection for critical occurrences
- Entity protection for employment related matters
- Entity protection for securities claims

Who may claim against Directors and Officers?

Shareholders	Individual shareholders may bring personal action against individual company directors as a result of a wrongful act or omission.
Employees	For employment related matters such as unfair dismissal, unlawful discrimination, sexual harassment, or mismanagement or unfair administration of superannuation funds.
Regulatory Authorities	Investigation, inquiry or prosecution by regulatory bodies such as the Securities and Futures Commission, the Companies Registry or the Inland Revenue Department.
Customers	For misrepresentations made in advertising material or deceptive trade practices.
Liquidator or Receiver	A liquidator or receiver may bring civil actions on behalf of the company for alleged breaches of duties owed to the company.
Creditors	For continuing to trade whilst the company is insolvent. In addition, creditors may bring civil actions alleging illegal payment of dividends if the company has distributed dividends to shareholders.
Competitors	For defamation or misleading advertising that unfairly compares the company's product to that of the competitors. A competitor whose copyright has been infringed may bring a civil action too.
Business Partners	Conflict between business partners may lead to claims against company directors and officers.

How to Obtain Quotation

- Clients should provide their annual report and complete the D&O proposal form.
- QBE Pool will provide a quotation based on the annual report and proposal form or will advise if any other informatio is needed.

Underwriting Parameters

Terms and conditions will be determined based on the information provided (including but not limited to):

- Business activities — industries like hi-tech, biotech, financial institution, telecom are categories of high risk
- Total assets — greater asset size generally implies higher potential risk exposure
- USA/Canada exposures — does the client have securities listing, operation, employment in USA/Canada?
- Listing status — is the client listed? If listed, on which stock exchange(s)?
- Merger and acquisition — does the client have this kind of activity?
- Claims history of client
- Limit and deductible required by client

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A member of he worldwide QBE Insurance Group

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