



Insured Persons

• Pre-Claim Inquiry

Covers certain costs of Insured Persons in connection with an informal inquiry without the requirement that there be a Claim. Includes inquiries by domestic and foreign enforcement bodies as well as internal inquiries or investigations such as in connection with a Derivative Demand. Not sublimited.

– Policy References:

- Clause 1.A.(2) Insured Person Coverage p. 1
- Clause 1.B.(2) Indemnification of Insured Person Coverage p. 1
- Definitions: Enforcement Body p.21, Pre-Claim Inquiry; Pre-Claim Inquiry Costs p. 24

• Liberty Protection Costs

Coverage for certain costs incurred in connection with seeking the release of an Insured Person from a Pre-Claim arrest or confinement.

– Policy References:

- Clause 1.B.(2) Indemnification of Insured Person Coverage p. 1
- Definitions: Insured Person Investigation, Liberty Protection Costs p. 21

• Outside Entity Coverage

Coverage for Claims against Executives serving as an officer or director of any nonprofit entity or other listed entity at the specific request or direction of the Organization.

– Policy References:

- Clause 1.A.(1) Insured Person Coverage p. 1
- Clause 1.B.(1) Indemnification of Insured Person Coverage p. 1
- Definitions: Executive, p. 20; Outside Entity, Outside Entity Executive p. 23

Organization

• Securities Claims

Direct coverage for the Organization's own Loss for Securities Claims.

– Policy References:

- Clause 1.C.(1) Organization Coverage p. 1
- Definitions: Securities Claim p. 25

• Derivative Investigation Costs

\$250,000 pre-retention sublimit for costs incurred in the Organization's investigation of a Derivative Demand.

– Policy References:

- Clause 1.C.(2) Organization Coverage p. 1
- Clause 5. Retention p. 5
- Definitions: Derivative Demand, Derivative Investigation, Derivative Investigation Costs p. 18

• Derivative Suit Coverage

Defense Costs incurred by the Organization in opposition to a Derivative Suit covered with no sublimit.

– Policy References:

- Clause 1.C.(3) Organization Coverage p. 1
- Definitions: Derivative Suit p. 18

• CrisisFund®

Provides the Organization with access to a \$100,000 sublimit for the services of a pre-approved public relations firm to mitigate damage to the Organization's reputation as the result of certain Crisis events, including negative earnings, product recall, layoffs or delisting of the Organization's securities from an exchange.

– Policy References:

- Clause 1.D. CrisisFund Coverage p.1
- CrisisFund Appendix – Form 104870 (04/10)
- Definitions: Crisis, CrisisFund, Crisis Loss p. 16

PROTECTIONS WHEN INDEMNIFICATION IS UNAVAILABLE

Advancement

Advancement of covered Loss for Insured Persons even if Organization refuses or is unable to indemnify, for any reason, within the Retention.

– Policy References:

- Declarations, Item 5
- Clause 3.A. Protections When Indemnification is Unavailable p. 3
- Clause 9.A.(2) Defense And Settlement p. 9
- Clause 12.A.1. Indemnification by Organizations p. 13

Order of Payments

Prioritizes payment of Loss to Insured Persons before the Organization.

– Policy References:

- Clause 3.B. Protections When Indemnification is Unavailable p. 3

EXTENSIONS

Executive Protection Suite

• Sox 304 Costs

Covers incidental costs incurred by the CEO or CFO in connection with a requirement to return compensation pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002.

– Policy References:

Clause 2.A.(1) Executive Protection Suite p. 2
Definitions: SOX 304 Costs p. 25

• Extradition Costs

Covers Defense Costs incurred in opposing extradition of an Insured Person in connection with a Claim.

– Policy References:

Clause 2.A.(2) Executive Protection Suite p. 2
Definitions: Extradition, Extradition Costs p. 20

• UK Corporate Manslaughter Act Defense Costs

Defense Cost coverage for Insured Persons in connection with a Claim under this act.

– Policy References:

Clause 2.A.(3) Executive Protection Suite p. 2;
Exclusions 4, p. 4
Definitions: UK Corporate Manslaughter Act Defense Costs p. 26

• Personal Reputation Expenses

Covers certain costs of a pre-approved public relations firm to mitigate reputational damage to Executives in the event of a negative statement made by an Enforcement Body in the media. Up to \$100,000 per Executive (\$500,000 aggregate).

– Policy References:

Clause 2.A.(4) Executive Protection Suite p. 2
Definitions: Enforcement Body p. 20; Personal Reputation Crisis, Personal Reputation Expenses p. 23

• Asset Protection Costs

Covers costs incurred by an Executive to oppose efforts by officials to seize or enjoin the use of the Executive's assets as a result of a covered Claim. Up to \$50,000 per Executive (\$250,000 aggregate).

– Policy References:

Clause 2.A.(5) Executive Protection Suite p. 2
Definitions: Asset Protection Costs p. 17

First Dollar E-Discovery Consultant Services

Up to \$25,000 first dollar coverage for e-discovery strategy management services (in addition to coverage as Defense Costs, subject to the Retention) in connection with Securities Claims.

– Policy References:

Clause 2.B. First Dollar E-Discovery Consultant Services p. 2
Clause 9.C. Pre-Authorized E-Consultant Firms p. 10
Clause 5. Retention p. 5
Definitions: Defense Costs p. 18, E-Discovery Consultant Services p. 19

Worldwide & Cross-Border

• Global Liberalization

Insurer shall apply terms and conditions to Claims in a Foreign Jurisdiction to include those of the Foreign Policy in that jurisdiction that are more favorable to the Insureds. Leverages the Chartis global footprint and can't be duplicated even if the language is copied.

– Policy References:

Clause 2.C. Global Liberalization p. 2
Definitions: Foreign Jurisdiction, Foreign Policy p. 20

• Passport

Integrated coordinated services platform to meet global business needs and address local premium, tax and coverage requirements. Applies only if the Passport option box has been checked on the Declarations.

– Policy References:

Declarations Item 6, Clause 2.C. Passport Master Policy Program p. 2
Passport Structure Appendix - Form 104163 (04/10) (if selected)

EXCLUSIONS

Full Severability of Exclusions for Insured Persons

The Wrongful Acts of Insured Persons do not impute to other Insureds, except that the Wrongful Acts of the CEO, CFO and GC impute to the Organization for purposes of its own coverage under Insuring Agreement C. Organization Coverage.

– Policy References:

Clause 4.A. Exclusions p. 4

Entity v. Insured

Replaces the Insured v. Insured exclusion and excludes less.

– Policy References:

Clause 4.B.(5) Exclusions p. 5

Compensation & Labor Liability

Integrates an exclusion that had been endorsed onto 2/2000 for wage and hour issues.

– Policy References:

Clause 4.B.(7) Exclusions p. 5

DEFENSE AND SETTLEMENT

Claims Participation and Cooperation Severability

Failure of one Insured Person to cooperate with the Insurer shall not impair the rights of any other Insured Person under the policy.

– Policy References:

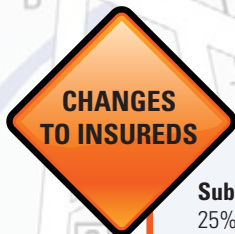
Clause 9.A.(3) Defense and Settlement p. 9

Full Settlement Within Retention/Consent Waived

Allows Insureds to dispose of Claims and Pre-Claim Inquiries that are subject to one Retention within the retention without Insurer's consent.

– Policy References:

Clause 9.A.(4) Defense and Settlement p. 9



CHANGES TO INSURED

Subsidiary Additions

25% threshold to determine how corporations, joint ventures and limited liability companies that the Organization obtains Management Control over during the policy period are considered for coverage and automatic sixty (60) day coverage for entities larger than 25% of the Organization's assets that become subsidiaries during the policy period.

– **Policy References:**

Clause 10.B. Changes to Insureds p. 11
Definitions: Management Control p. 22, Subsidiary p. 25



APPLICATION AND UNDERWRITING

Insured Person Coverage Non-Rescindable

Coverage for Loss under Insuring Agreement A shall not be deemed void, whether by rescission or otherwise, once the premium has been paid.

– **Policy References:**

Clause 11.C. Application and Underwriting p. 12

Severability of the Application

With respect to the Application, no knowledge possessed by any Organization or Insured Person shall be imputed to any Insured Person. For purposes of Coverage C, the knowledge of the CEO and CFO of the Named Entity shall impute to the Organization.

– **Policy References:**

Clause 11.D. Application and Underwriting p. 12
Definitions: Application p. 17

Renewal Application Procedure

Provides that no renewal application is required.

– **Policy References:**

Clause 11.B. Application and Underwriting p. 12



DEFINITIONS

Employment Practices Claim

Coverage for Insured Persons for wrongful termination, sexual harassment, discrimination, retaliation and employment misrepresentation, and other enumerated Employment Practices Violations, as well as third party claims of discrimination and sexual harassment.

– **Policy References:**

Definitions: Claim p. 17, Employment Practices Claim p. 19, Third Party EPL Violation p. 26, Wrongful Act p. 28

Insured Person

Includes directors and officers as well as employees, trustees, management of joint ventures and limited liability companies, general counsel risk manager and foreign equivalents.

– **Policy References:**

Definitions: Employee p. 19; Insured Person p. 21

Loss

Includes civil fines assessed under Section 2(g)(2)(B) of the Foreign Corrupt Practices Act and punitive damages for Claims other than EPL Claims with "most favorable venue" language. Excludes cleanup costs relating to hazardous materials, pollution or product defects.

– **Policy References:**

Definitions: Loss p. 21

Subsidiary

Includes corporations, joint ventures and limited liability companies of which the Named Entity has Management Control, and nonprofit corporations sponsored exclusively by the Named Entity.

– **Policy References:**

Definitions: Subsidiary p. 25, Management Control p. 22

CONTACT

To learn more about Executive Edge, please visit www.chartisinsurance.com, e-mail executiveliability@chartisinsurance.com, or contact your insurance broker.