

Executive Edge®

Your world has changed. Has your D&O insurance kept up?

The personal risk associated with being an officer or director of a publicly-held company has vastly changed over the last decade. From the risk of having to return compensation under Sarbanes-Oxley to the threat of criminal prosecution and incarceration in a foreign jurisdiction, executives face a higher level of personal liability today than ever before. Executive Edge®, an innovative broad form management liability insurance policy for public companies, provides cutting edge responses to the concerns of today's executives.

Essential Protections for Executives

- Advancement of Loss responds to the uncertainties of corporate indemnification, unlike traditional insurance programs, by stepping in on covered claims when companies refuse or otherwise fail, for any reason, to provide advancement or indemnification to their directors and officers
- Coverage for Investigations of individual insureds and new market-leading coverage for informal “inquiries” is essential in the new age of post-crisis, post-Madoff enforcement and derivative investigations
- Three-pronged response to executives’ concerns that their coverage could be jeopardized by the behavior of others:
 - Full Severability of Exclusions for individual insureds
 - Claim Cooperation Severability
 - “Entity vs. Insured” Exclusion replaces “Insured vs. Insured” exclusion
- An Executive Protection Suite integrates key extensions for personal asset and reputation protection

Truly Global Coverage

- Liberty Cost Coverage and expanded investigations cost coverage for legal services incurred by insured persons detained or imprisoned abroad due to their business activities. Insureds have the support they need, even absent a claim.
- Global Liberalization, when combined with the broad global footprint of Chartis, delivers real cross-border coverage like no other insurer can.
- Passport provides a coordinated service platform to meet your global business needs virtually anywhere in the world.

Expanded Policy Features

- Express coverage for corporations, without a sublimit, for the cost of seeking dismissal of derivative suits
- Coverage for corporations, subject to a sublimit, for the company’s cost of investigating derivative demands and derivative suits

Claims and Litigation Management

- eDiscovery Solutions is a value added program offering Executive Edge policyholders access to preapproved consultants to assist in the development of strategies for handling requests to produce electronically stored information both before and after a claim arises. The policy provides first dollar coverage for the first \$25,000 of E-Discovery Consultant Services.
- Specialized D&O claims unit dedicated to managing claims brought against public, private and not-for-profit organizations and their management.
- An exclusive panel counsel program offers optimal litigation management and access to a network of the nation’s leading law firms renowned for arming insureds with the right defense strategies to deal with even the most formidable plaintiff’s attorneys.

Board Room Questions & Answers

Board members want to know their D&O policy will actually provide coverage when they need it. Chartis has been listening to brokers' and insureds' questions, and providing answers in the form of innovative coverage solutions and superior claims handling. Executive Edge is a Chartis solution that answers the top questions on the minds of today's public company officers and directors.

Q: What happens if the company doesn't indemnify me or pay for my legal expenses?

A: Executive Edge will advance the covered loss of directors and officers for any claim that implicates the policy when the company doesn't pay. Whether the company can't advance payment due to financial insolvency, or simply refuses to advance payment (for any reason), directors and officers insured with Executive Edge will be protected.

Q: I am concerned about the many ways the actions of others who are insured under the policy may result in my not being covered. Does Executive Edge provide any additional protections for innocent officers and directors?

A: Executive Edge has several features designed to preserve coverage for "innocent insureds" and to virtually eliminate circumstances in which the actions of one insured can cause loss of coverage to other insureds. For individual insureds, the policy provides full severability of exclusions and of the duty to cooperate with the insurer. Even if an individual insured files a suit or assists the government or class action plaintiffs, that won't cost other individual insureds their coverage (the market standard "insured versus insured" exclusion has been replaced with simpler language that only excludes claims brought by the entity itself). In addition, the policy can't be rescinded as to direct Side-A coverage individual insureds.

Q: I am concerned about the increased frequency with which executives' assets are being seized by foreign governments in connection with the company's business activities; or worse, executives themselves are being arrested or tried for corporate crimes. How would Executive Edge respond?

A: Executive Edge is designed to specifically respond to these situations. Through a variety of policy features, directors and officers have coverage for many costs associated with being jailed or detained in a foreign jurisdiction and even the costs associated with opposing attempts to seize or put a lien on their personal property. Executive Edge policyholders benefit from the global reach of Chartis for risks in foreign jurisdictions.

Q: What if I am the subject of an investigation or inquiry without an actual suit being filed? Will I have coverage for defense expenses if I need to hire my own lawyer?

A: Unlike most D&O policies, Executive Edge covers executives for the costs associated with informal inquiries by regulatory bodies even if there is no subpoena and no actual proceeding commenced.

Q: Am I protected against derivative claims?

A: Executive Edge starts protecting executives even in advance of a suit if, as the result of a derivative demand, they have to respond to informal inquiries from their own corporation or a committee of directors, or to related inquiries from the government. The policy also responds, as before, to the loss of executives from actual derivative suits against them. Executive Edge also includes coverage for the company's costs in seeking dismissal of such suits against its executives.

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

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Chartis is a world leading property-casualty and general insurance organization serving more than 40 million clients in over 160 countries and jurisdictions. With a 90-year history, one of the industry's most extensive ranges of products and services, deep claims expertise and excellent financial strength, Chartis enables its commercial and personal insurance clients alike to manage virtually any risk with confidence.

Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit our website at www.chartisinsurance.com. All products are written by insurance company subsidiaries or affiliates of Chartis Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain coverage may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.