

Product Profile

Directors' & Officers' Liability Insurance

Whatever industry your company operates in, an increased focus on corporate governance, more stringent disclosure requirements, greater shareholder activism and more aggressive regulators means the legal exposure of company directors and officers is greater than ever. Not only are directors and officers required to comply with the strictures of local laws and listing regulations but the globalisation of Asian business means they are increasingly exposed to foreign jurisdictions as well.

Crucially, directors and officers are exposed to unlimited **personal** financial liability for claims by shareholders, employees, creditors, customers, suppliers and regulatory bodies. The personal assets of a director or officer – and the financial security of their families - may be at risk.

Companies have an ethical responsibility to their directors and officers – the people who are the driving force of the business. Just as importantly, they need to know that the board and management is focused on growth and shareholder value and not constantly looking over their shoulder. That's why directors and officers deserve the protection afforded by high quality Directors & Officers Liability (D&O) Insurance.

Liberty's V8 D&O Policy

Liberty's V8 D&O policy is the cover that directors and officers need in this increasingly hostile environment.

- The policy provides cover which is as broad as the cover provided by other leading wordings in the market. This is the key to cover that suits your company – whatever your industry.
- This broad cover combined with Liberty's ability to offer limits up to \$25million makes LIU a viable alternative lead insurer for larger private and publicly listed companies and government bodies.
- Liberty International Underwriters is a division of Liberty Mutual Group (LMG). Established in 1912, LMG is one of the world's largest diversified insurance companies with more than 45,000 staff and 900 offices around the globe. LMG is ranked 71 on the Fortune 500. As of December 31 2009, LMG had \$109.5 billion in consolidated assets, \$95 billion in consolidated liabilities and \$31.1 billion in annual consolidated revenue.
- Liberty's experienced Asian underwriters have the on-the-ground authority to work with you to tailor the V8 D&O policy to suit your needs. You won't be waiting for overseas approval.

Integrated Claims Management

By working closely with our underwriters, brokers and clients from the outset, LIU's claims team provides a premier level of service which has been independently recognised in industry surveys. The team comprises financially, legally and industry qualified claims specialists with extensive local and international expertise.

All claims are managed to allow for well informed flexible decisions, loss mitigation, high quality defences and reasonable settlements. LIU's claims professionals and underwriters work together on a daily basis as an integrated business unit to ensure a unified approach to policy interpretation and response – this means that the left hand always knows what the right hand is doing.

Features & Benefits of LIU's V8 D&O Policy

This is a summary only of some of the key areas of cover provided by the policy. It should not be relied upon as a substitute for the actual policy wording.

- The policy covers the company's employees as well as its directors and officers for personal liability and defence costs they incur in respect of claims alleging they have committed a wrongful act in the performance of their duties on behalf of the company.
- Cover for a broad range of claims including claims by employees, creditors, liquidators and class shareholder actions.
- A unique Defence Costs insuring clause which provides for defence costs to be paid in respect of covered claims in advance of the claim being finally resolved on an "as incurred" basis.
- The policy gives Insured Persons the option of requesting LIU to defend a claim on their behalf or appointing their own solicitors (subject to LIU's consent) to defend a claim.
- Cover for costs incurred by an Insured Person in preparing for and attending official inquiries and investigations which does not require an allegation of a wrongful act against the Insured Person.
- Cover for defence costs incurred by Insured Persons in defending pollution claims. This cover is subject to a sub-limit.
- Cover is available upon request and subject to the provision of underwriting information in respect of directorships held by Insured Persons in other organisations.
- Optional 84 months run-off cover for certain former directors and officers in the event that the policy is not renewed or an extended policy period is not purchased following a change in control of the company.
- Optional cover up to the full policy limit for securities claims (including class shareholder actions) brought against the company itself.
- Cover for shareholder pollution claims up to the full policy limit.
- 60 days automatic coverage during the policy period for all new subsidiaries (conditions apply).

Want to Know More?

To find out more about Liberty's Directors' & Officers' Liability Insurance products ask your broker to contact one of our specialist underwriters or visit www.liuhongkong.com.hk

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