Different global risks call for the right global solutions.

Your global organization faces a challenging world of volatile market conditions, communication hurdles, and increasingly complicated country laws and regulations. Now is the time to consider how your organization’s global professional management and liability coverage will respond to your needs and risks.

You can protect your organization by creating a controlled master program (CMP). A CMP seamlessly connects locally admitted insurance policies issued to your foreign subsidiaries to your parent company’s home policy terms and conditions. When you turn to Chubb for a CMP, our systems-supported approach and robust global network give you the consistent yet tailored coverage you need, backed by Chubb’s multinational expertise and financial strength.

Global Coverage Confidently Connected

Chubb’s CMP converts your organization’s home country policy into a master policy by adding a difference in conditions (DIC) and a difference in limits (DIL) endorsement, coordinating your master policy and local policy coverage to address exposures from claims against your foreign subsidiaries. You may choose to add a DIC/DIL endorsement for the following professional and management liability coverages:

- Crime
- Directors & Officers Liability (D&O)
- Employment Practices Liability (EPL)
- Fiduciary Liability
- Venture Capitalist Asset Protection (VCAP)

Chubb’s DIC/DIL endorsement language is structured to provide consistency across our professional and management liability solutions.
A More Comprehensive Global Solution

Here are a few advantages of adding a DIC/DIL endorsement to your home country’s professional and management liability policy:

- **Drop-Down Coverage**—In Chubb’s CMP, a local policy issued to a foreign subsidiary responds first to a covered loss.
  - If the local policy coverage is not as broad as the parent policy or its limit of liability has been exhausted but coverage and limits are available under the master policy, the parent company’s master policy is designed to respond.

- **Follow Form Excess**—When local policies are issued by Chubb or a Chubb affiliate and the local admitted policy provides broader coverage than the CMP but has exhausted its limits, the CMP follows the terms and conditions of the local controlled admitted policy where the loss is covered.

- **Payment of Loss to Parent Organization**—If your company’s foreign subsidiary suffers a loss and Chubb is not able to pay that loss to the foreign subsidiary because of local regulations, we will seek to pay the loss to the parent organization.
  - Similarly, if Chubb cannot pay an insured employee or affected covered person in a foreign country because of local restrictions, we will seek to pay that person in a jurisdiction that is acceptable to the insured person.
  - As an added benefit, our D&O, Fiduciary, and VCAP endorsements may pay tax penalties incurred by an individual when the tax is the result of a loss payment.

- **Excess Over Independent Admitted Insurance**—In most instances, should your organization have to buy a policy outside of Chubb’s network, the Chubb CMP will be excess and drop down over an out-of-Chubb network management liability policy for the listed DIC/DIL endorsements (with the exception of VCAP).

- **Aggregation of Limits**—Chubb structures its DIC/DIL endorsements without a hold-harmless clause, and Chubb aggregates the limits between the CMP and local policy by endorsement where it is legally permissible to aggregate.

- **Application of Retentions**—Each of Chubb’s professional and management liability DIC/DIL endorsements addresses master and local retentions when the local policies are issued by Chubb or Chubb affiliates.

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No CMP and a Taxing Situation in France

A large publicly traded U.S. company began closing down operations of its French subsidiary. Without prior approval, French directors decided to transfer company funds to the company’s Spanish subsidiary. During the shutdown, French tax authorities learned of the unauthorized transfer. Further investigation revealed that the directors had failed to pay taxes on behalf of the corporation. The French tax authorities charged the directors with tax fraud and evasion.

Result: The tax authority sought the equivalent of $500,000 in back taxes, and the insured incurred costs of more than $150,000 defending the directors and officers. If the parent company had purchased a CMP and a locally admitted D&O policy, depending upon the application of France’s indemnification laws, defense costs may have been covered with no applicable deductible. In addition, with a CMP, if the local policy limit had been exhausted by defense costs, the master policy could have continued to provide coverage consistent with the terms and conditions of the local policy.
Connect With Chubb

Chubb has earned its leadership position in the professional and management liability marketplace by consistently providing broad coverage, superior service, and outstanding underwriting expertise.

• Chubb has underwriters, claims analysts, and loss control experts in 120 Chubb offices in 26 countries and affiliate relationships with insurers in more than 80 countries, allowing you to approach one carrier rather than dealing with multiple insurance companies.

• Chubb has more than 40 years’ experience handling the insurance needs of international businesses.

Chubb’s global network allows us to issue local policies in the local language that are constructed to meet local market standards and, where required, filed with local regulators.

Need to report a claim on a local policy?

It’s simple with Chubb.

Our claims reporting procedures can be found in your master and local policies, and our Multinational Claim Unit (MCU), available 24/7, acts as a single point of contact no matter where a claim is reported. Chubb understands the nuances of your organization’s master and locally admitted policies and provides local expertise and centralized coordination for any claim reported on a foreign or domestic policy that is part of a CMP.

When it comes to complex multinational risks, you will want Chubb at your side. Put your confidence in Chubb—simply contact your trusted agent or broker. You may also visit us online at www.chubb.com.