

Directors' and officers' liability (D&O)

Financial lines
Insurance for senior management

CHUBB®



Under Swiss law, members of management boards and executive committees (or other board and foundation board members), and in some cases other people as well, can be made personally liable for financial losses caused by their committee.

As current media reports continue to show, this has gradually evolved from a theoretical risk into a harsh reality. Fewer and fewer managers are prepared to carry out their increasingly complex duties without sufficient insurance protection for their private assets.

There is no shortage of possible claimants: both injured external parties (shareholders, creditors, authorities) and internal employees can assert claims against executive bodies. Even the defence of unjustified claims - particularly abroad - can often entail significant costs.

In addition to this liability risk, executive bodies also face significant costs as the result of criminal investigations and proceedings, as well as investigations by domestic or foreign authorities.

Chubb offers a solution in this area for:

- Members of the executive committee
- Members of management and supervisory boards
- Individuals that hold a director or officer level position in common law countries
- Members of internal audit office
- Employees who are liable as de facto executive bodies

Directors' and officers' liability insurance covers:

- Damages and defence costs relating to liability claims against insured persons as a result of financial losses that were caused by a breach of their duties.
- Claims under the employment contract, which employees of a company assert against insured persons.
- The costs of a criminal investigation or criminal proceedings against insured persons on the basis of a breach of duty, which could result in an insured liability claim.
- The uncovered costs faced by an insured person as the result of their participation in an investigation against the company.

Causes of claims may include:

- Failure to disclose or inadequate disclosure of information to shareholders regarding a critical business development
- Failure of the management board to control the executive committee
- Breaches of duty in relation to mergers and acquisitions

Insurance protection for subsidiaries

- Typically, the insurance cover also extends automatically to the executive bodies of all domestic and foreign subsidiaries

Optional policy extensions

- Inclusion of pension scheme foundation boards
- Inclusion of management board mandates in external companies

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