



The Chubb PrimarySM

Directors and Officers and Entity
Securities Liability Insurance

CHUBB[®]

Directors & Officers and Entity Securities Liability Insurance for Publicly Traded Companies

The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance was first introduced in 2012 as a modern, concise directors and officers (D&O) liability insurance policy for publicly traded companies. The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance has been rewritten, forged by the strength of our legacy brands to deliver coverage our insureds expect.

Companies continue to require customized protection, so we designed The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance to be flexible. The policy's durable architecture is supplemented by a broad suite of policy endorsements, so you and your broker can easily tailor coverage that is fit for your company.

Coverage Features Maintained

Interview Coverage – We cover Interview costs incurred by Insured Persons when contacted by an Enforcement Unit with respect to a potential investigation by an Enforcement Unit. This is separate and distinct from Claim coverage and requires no Wrongful Act.

Liberal Claim Reporting and Notice – If your company renews its policy with us, it has up to 180 days after expiration of the policy to report a Claim, compared to the 60-day industry standard. Further, if your company does not satisfy the 180-day requirement and demonstrates it was not reasonably possible to provide notice within 180 days, we may waive this time period.

Relaxed Defense and Settlement – Your company does not need our permission to settle a Claim within the retention. The policy also allows for the consideration of Defense Costs incurred up to 90 days prior to reporting a Claim.

Conduct Exclusion - Our policy has final, non-appealable conduct wording for fraud and illegal profit.

No Pollution Exclusion.

Entity vs. Insured Exclusion - Our policy narrows the traditional Insured vs. Insured exclusion to a more focused entity vs. Insured exclusion.

Revolutionary Approach to Presumptive Indemnification – The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance eliminated the traditional “presumptive indemnification” clause, removing the potential for Insured Persons to be held accountable for significant retention amounts. In effect, only organizations can incur retentions, not individuals.

Full Severability both for the Application and conduct exclusion.

Fully Non-Rescindable and non-voidable.

Globalized Coverage Language and Globally Integrated Capabilities - Our equivalency language globalizes the policy throughout the world, reaching out to both statutory and common law. Through our global network and affiliate broker relationships, upon request, we will quote and issue locally admitted policies that address jurisdictional risks and other uniquely local D&O liability exposures, where legally permissible. The local policies are written in our Good Local Standard language, ensuring compliance with local insurance regulations and tax laws.

Coverage Features Added

Tolling and Waiving - Our policy includes Defense Costs for a written request to toll or waive a statute of limitations applicable to a potential Claim.

Entity v. Insured Exclusion - Our policy expands carve backs to include SOX Section 304(a) and Dodd-Frank Section 954, and broadens the Financial Impairment carve back.

Conduct Exclusion – Our policy has been updated with often-requested changes including:

- We replaced the phrase “in any underlying action” with “in the underlying action”
- Insured Person having gained any “personal” profit
- The profit exclusion shall not apply to Sections 11, 12, 15 of the 1933 Securities Act for that portion of a Securities Claim, where insurable by law
- There is a more modernized imputation treatment

Inquiry Reporting - If your company elects not to report an Inquiry, subsequent Matters that are Related will not be subject to late notice due to the unreported Inquiry. This affords your company greater flexibility to manage the reporting of Inquiries. Additionally, we now allow your company the opportunity to demonstrate it was not reasonably possible to report an Inquiry in the allotted time.

Advancement of Defense Costs – Under our policy, we advance Defense Costs promptly on a current basis, but no later than 60 days after we receive documentation.

Subrogation - We will not subrogate against Insured Persons. Additionally, amounts recovered will be restored to the Limit of Liability.



Extended Reporting Period - The Extended Reporting Period now includes Inquiries.

Cancellation - The Insured has the unilateral right to cancel the policy on a pro-rata basis.

Severability of the Application - Our policy has been simplified and enhanced by removing exclusionary references. Knowledge of an Organization or an Insured Person will not be imputed to any Insured Person. Only the knowledge of the CEO or CFO will be imputed to the Organization.

Outside Directorship Liability - Our policy historically included blanket outside directorship liability for 501(c)(3) nonprofit organizations. It is updated to now include 501(c)(4), 501(c)7 and 501(c)(10) nonprofit organizations.

Definition of Claim - Written demand now includes alternative dispute resolution. Once an investigation upon an Insured Person is deemed a Claim, it will remain a Claim even if the original Insured Person is no longer a target of the investigation. The policy also allows for all extrinsic evidence to be presented to determine if an Insured Person was indeed the target of an investigation.

Foreign Liberalization - Whether or not a locally admitted policy is purchased, The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance provides foreign liberalization which makes available our Good Local Standard definitions and exclusions to foreign Claims.

Optional Coverage Features

- Our **Global Program Solution** endorsement is available to customers with unique international exposures. When locally admitted policies are purchased, the Global Program Solution provides, where permissible by law, a global tie-in of limits and global liberalization of terms and conditions.
- For our customers who purchase both The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance and CODA Premier[®], the **Side A PLUS** endorsement is available to be added to The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance. The Side A PLUS brings the typically broader lead Side A coverage features into The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance. This means that the market leading features of CODA Premier[®] are now imported into The Chubb PrimarySM Directors and Officers and Entity Securities Liability Insurance for the benefit of Insured Persons. It also allows a foundation for the broadening of Side A coverage to be carried throughout the Side A portion of the excess traditional D&O program.
- If a non-IPO Insured selects one of our **Preferred Securities Panel¹** firms to defend a Securities Claim, we will provide a 25% reduction in your policy's Securities Claim retention, up to a maximum of \$500,000, when your policy includes Chubb's Preferred Securities Panel endorsement.

Management Liability Insights

Chubb strongly encourages loss prevention through education. We have created proprietary loss prevention materials to help your company, executives and board members to mitigate risk. All Chubb customers receive access to free risk management resources, including:

- [From Nuisance to Menace: The Rising Tide of Securities Class Action Litigation](#)
- [Cyber Loss Mitigation for Directors](#)
- [Emerging Multinational Management Liability Risks](#)
- [Outside Directors Liability Loss Prevention](#)
- [Director Liability in Mergers & Acquisitions](#)
- [Directors and Officers Liability Loss Prevention](#)
- [Directors and Officers Securities Litigation Loss Prevention](#)

These resources complement any corporate governance program to help your company's executives and board members develop awareness of the myriad risks they face. With an informed mindset, executives and board members are more likely to exercise proper caution to manage their unique D&O liability exposures.

¹ Source: <https://www.chubb.com/microsites/chubb-preferred-securities-panel/>



The Chubb Advantage

Market Leadership – For more than 40 years, organizations have entrusted their complex D&O liability risks to Chubb. Our depth of understanding of directors’ and officers’ roles and exposures allows us to provide bold, clean, broad coverage that stands out in the market.

Full Suite of D&O Liability Coverage – We are one of the few insurers that can offer organizations a complete spectrum of D&O liability insurance solutions for organizations and individuals.

Global D&O Liability Underwriting and Claims Capabilities – Our worldwide expertise and local presence enable us to solve complex global leadership protection problems that most insurers shy away from.

Superior Claims Handling – We employ our own experienced claims attorneys who understand our policies and obligations and offer to assist when you need it most.

Financial Stability – Because securities investigations and claims can take a long time – even years – to resolve, the long-term viability of an insurer is critical. Our financial stability and ability to pay claims rate among the best in the insurance industry, as attested by Standard & Poor’s and A.M. Best Company, two of the leading insurance rating agencies.

CHUBB®

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at www.chubb.com. Product highlights are summaries only. Please see the actual policy for terms and conditions. Products may not be available in all locations, and remain subject to Chubb’s underwriting criteria. Surplus lines insurance is sold only through licensed surplus lines producers.
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