



Intelligent management liability coverage designed to meet evolving needs.



Management Liability coverage for technology companies.

TECHNOLOGY

Avoid the risk of loss

Technology companies should not overlook their management liability coverage needs when analyzing their insurance programs. This could be a costly oversight.

- Studies show that an employer is more likely to have an Employment Practices Liability (EPL) claim than a General Liability (GL) or property loss claim. The median payout for a discrimination case that goes to trial is \$600,985¹, in addition to the applicable defense costs. Technology companies often quickly outgrow the policies and procedures that were more appropriate to a smaller workplace, leading to additional exposure for employment related claims.
- More than a quarter of private companies report that they have been the target of a Directors & Officers Liability (D&O) claim during the past 10 years.² Technology companies can be targeted by investors, clients, or competitors in Directors & Officers Liability claims.
- The average ERISA claim settles for nearly \$1 million, with nearly 70 percent of plaintiffs prevailing in substantive district court cases.³ Technology companies can run afoul of fiduciary obligations in the changing legal landscape.
- Fraud affects private companies more than any other type of organization, with a median cost of \$160,000 per loss.⁴ Technology companies are not immune to, and are often targets for, crime losses.

Even frivolous claims expend valuable time and money to defend. If you are looking for a carrier with experience to manage your technology clients' risk ... **we can show you more.**[®]

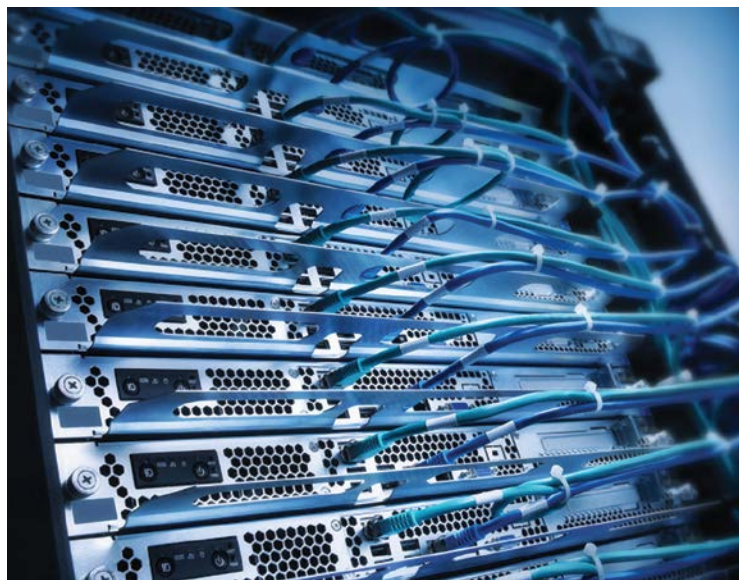
CNA simplifies the insurance process for your client, minimizes gaps in coverage and makes it easier than ever to grow your book of business. With CNA's Management Liability portfolio of products, you can design the right mix of coverage through a single carrier for clients' Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability, Crime, and Kidnap, Ransom & Extortion exposures, while giving your clients insurance solutions issued by a carrier rated "A" for financial strength by A.M. Best.

Claim service experience when you need it most

In the event that you file a claim, you can rely on the dedicated claim professionals at CNA. We understand the complexities of technology companies. We know the importance of addressing claims in a fair and efficient manner.

Comprehensive Risk Control programs help control your exposures

CNA's dedicated team of Risk Control consultants understands emerging issues and industry trends. CNA's Employment Practices Liability Risk Control online platform provides complimentary training, model policies and other information to assist you in mitigating risk.



2015 Litigation Trends Annual Survey by Norton Rose Fulbright⁵

- Companies surveyed around the world reported to see growing litigiousness of the business environment.
- Expected increases in litigation this year are tied to company expansion or growth (29%), growing litigiousness (12%) and economic environment (8%).
- 48% of U.S. companies surveyed reported "Regulatory/Investigations" as a top legal concern. 50% of all companies responding said they spent more time in the last three years addressing regulatory requests or enforcement proceedings.

Learn by example

Management Liability Claim Scenarios

Imagine if ...	If you had ...	You could rest easier knowing ...*
<p>You hire a former employee of a competitor who brought with him some of his clients as well as some customer information. This employee had a non-compete agreement with your competitor. The competitor sues your new employee and your company for breach of contract, fraud, and tortious interference with business relationship.</p>	<p>Directors and Officers Liability (D&O) Coverage</p>	<p>Your policy helps you pay the substantial costs required to defend against the matter.</p>
<p>An employee requests an accommodation for a disability. A couple of weeks later the employee is terminated for performance reasons. The former employee then files a Charge of Discrimination claim with the EEOC. When the parties are unable to resolve the matter at the EEOC, the former employee files a lawsuit in federal court.</p>	<p>Employment Practices Liability (EPL) Coverage</p>	<p>Your policy provides coverage for the costs associated with settling the claim, including the costs associated with defending it.</p>
<p>A retiree sues your company and the retirement plan for what he believes is a mistake the company made in calculating benefits.</p>	<p>Fiduciary Liability Coverage</p>	<p>Your policy helps you defend the company, the plan and the plan fiduciaries.</p>
<p>A long-time employee you thought you could trust embezzles \$500,000.</p>	<p>Crime Coverage</p>	<p>Your policy covers employee dishonesty and is available to customers operating worldwide.</p>
<p>Your international sales director was kidnapped while doing business overseas.</p>	<p>Kidnap, Ransom and Extortion Coverage</p>	<p>CNA's crisis response firm has experience in evacuating personnel out of high-risk environments.</p>

2015 Equal Employment Opportunity Commission Statistics⁶

- 89,385 private sector charges filed
- Monetary relief obtained through enforcement totaled \$525 million
- Fastest growing type of civil case in the United States



* Subject to all of the terms, conditions and exclusions of the policy.

Key coverage highlights

Directors & Officers Liability (D&O)

- Additional \$1,000,000 limit for Non-Indemnified Loss (Side A) per Policy Year.
- \$250,000 Investigative Costs sublimit arising from Shareholder Demands.
- Carveback to the Insured vs. Insured exclusion for whistleblower activity.
- "Final Adjudication" language in conduct exclusions, full severability of Insured Persons.
- Coverage for private placements.
- Carveback to public offering exclusion for failure to go public.
- Health Insurance Portability and Accountability Act (HIPAA) fines and penalties sublimit of \$100,000.
- Broad definition of Insured Person.
- Coverage non-rescindable for Insured Persons' Non-Indemnified Loss (Side A).
- Definition of Outside Entity Executive extended to Not-for-Profits beyond 501c(3) entities.

Employment Practices Liability (EPL)

- Broad definitions of Insured Person, Employee and Wrongful Employment Practice.
- Claims managed by in-house claim professionals, many of whom are attorneys with experience in employment practices liability.
- Supplemental payments for attending trials, hearings, arbitrations or mediation at the insurer's request.
- Risk management services at no additional charge including:
 - *Beyond HR*, an on-line risk control platform, which includes anti-harassment and other training, as well as a model handbook, articles and podcasts covering important workplace topics.
 - Toll free *H.R. Help Line*, through which insureds can obtain human resources consulting advice from employment attorneys.

Fiduciary Liability

- \$150,000 sublimit for compliance costs incurred in connection with Voluntary Compliance Programs.
- Coverage available for the Patient Protection and Affordable Care Act (PPACA) or Health Care and Education Reconciliation Act (HCERA) civil fines and penalties.
- \$100,000 sublimit for HIPAA civil fines and penalties.
- Benefits Due exclusion amended to provide investment loss carveback.
- Coverage for failure to provide COBRA notices.
- "Final Adjudication" language in conduct exclusions, full severability of Insured Persons.
- No reversion of assets exclusion.

Crime

- Covers subsidiaries and premises created or acquired during the policy period.
- "Loss Discovered" option is available for qualifying insureds.
- Employee theft includes automatic coverage for employees, leased employees and non-compensated persons (including volunteers) working for the company.
- In addition to employee theft, coverage is available for employee theft of client property, forgery or alteration, theft, disappearance and destruction of money and securities, robbery and safe burglary of property other than money and securities, counterfeit money orders and currency, and computer and funds transfer fraud.

Kidnap, Ransom and Extortion

- Ability to address security issues poised to all organizations today ranging from e-commerce extortion, kidnapping, detention, hijacking and political threat, disappearance of an employee, express kidnap and hostage crisis.
- CNA's retained crisis response firm provides an experienced global team who can respond to incidents with local expertise.
- Political evacuation coverage available for both expatriates and travelers.

For more information, contact your independent agent or visit www.cna.com.



¹ Thompson Reuters Jury Awards and Statistics, 2013 ed.

² "Directors and Officers Liability: 2012 Survey of Insurance Purchasing Trends," Towers Watson, March 2013.

³ Towers Perrin Tillinghast Survey

⁴ "Report to the Nations on Occupational Fraud and Abuse," Association of Fraud Examiners, 2014 Global Fraud Study.

⁵ 2015 Litigation Trends Annual Survey, Norton Rose Fulbright

⁶ 2015 Equal Employment Opportunity Commission Report

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