

Provide your clients with the coverage they need with **Directors & Officers Liability Side A-DIC insurance**



We can show you more.®

MANAGEMENT LIABILITY



RELY ON THE **NATION'S LEADING INSURER** FOR PROFESSIONALS

The current mergers and acquisition activity in the insurance marketplace lends itself to several real concerns. In the event of a claim, questions may arise if the same consolidated carrier is present in the primary or excess Directors & Officers (D&O) and Side A-DIC insurance program. These concerns include capacity and whether the quality of the carrier's drop down coverage may be compromised.

These issues present you with an opportunity to ensure that your clients have the proper coverage in the event of a directors and officers lawsuit.

Did you know:

- Deputy Attorney General Sally Yates', September 9, 2015 memo adopted a policy focused on individual accountability in Department of Justice prosecutions, stating that "One of the most effective ways to combat corporate misconduct is by seeking accountability from the individuals who perpetrated the wrongdoing."
- The average settlement for a securities class action was almost 38 million in 2015.¹
- Side A D&O liability coverage is the most widely purchased component of a D&O liability policy. Of the survey respondents, 86 percent purchase Side A coverage. The vast majority of organizations cited the breadth of coverage under the Excess/DIC Side A policies as their main reason for making that purchase.²
- CNA is the 4th largest D&O Liability carrier.³

CNA's Directors & Officers Side A-DIC Policy

In response, CNA has developed a new D&O Lead Side-A Difference In Conditions (DIC) policy. Our Individual Liability Solutions Policy (ILS) has been streamlined and designed to afford coverage to a company's directors and officers for claims where these individuals are not provided indemnification from underlying insurance policies or from the company itself. This updated policy, coupled with our unmatched underwriting and claims service, is formulated with the sole purpose of providing a quality insurance solution for your clients.

¹ <http://securities.stanford.edu/research-reports/1996-2015/Settlements-Through-12-2015-Review.pdf>

² <https://www.justice.gov/dag/file/769036/download>

³ <http://www.carriermanagement.com/news/2015/04/15/138154.htm>



Policy Coverage Highlights

- **Improved, Streamlined Policy Form**
- **D&O Side A Policy Coverage Enhancements**
 - **Reinstated Limits:** Ability to provide two reinstated limits for no additional premium. CNA's policy offers two full limits for all insured persons under the policy. Many carriers commonly restrict the scope of the second limit to insured persons of the named insured.
 - **Broad Definition of Claim:** CNA provides a very broad definition of Claim, including inquiries.
 - **Broad DIC Coverage:** Includes Underlying Insurer's conduct, such as:
 - Any refusal (wrongful or not) to pay.
 - Any financial inability to pay.
 - Failure to indemnify within 60 days.
- **Executive "Clawback" Claims Coverage:** Includes certain costs incurred by executive compensation claims to facilitate the repayment of required amounts under Section 304(a) of the Sarbanes-Oxley Act of 2002 and section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
- **One (1) Exclusion:** Limited to the Illegal Profits/Deliberate Acts Exclusion.

Why CNA?

We are committed to evolving our policies and coverages with the needs of your clients and easing the process for you. With more than a century of experience, our underwriting and risk control professionals offer tailored, industry-specific coverages and provide you with the tools and resources you need to understand exposures and address potential losses. And should you ever need to file a claim, our skilled claim professionals are dedicated to work diligently with you, so you can remain focused on your clients.

To learn more about our new D&O Side A-DIC coverage, please contact your local management liability underwriter.

