



UK / Financial Institutions / XL Catlin offer

Directors & Officers Liability

Financial institutions are changing. They are relying more on technology for their infrastructure, distribution and services, while global regulation increases the pressure on management. Financial institutions' risks are becoming more complex. Add in the effects of uncertainty in the financial and investment markets, and having the appropriate quality of insurance coverage is an essential part of the risk management tools for any financial institution. That's why we have developed a suite of products aimed specifically at financial institutions operating in today's complex world.

We've taken a fresh look at how we provide directors and officers cover for financial institutions. Our policy provides comprehensive cover on a legal liability basis using clear, concise and plain language. Whilst cover is on a broad form basis, we have sought to ensure that the true nature of the policy, being the protection of the individual directors and officers, remains at the forefront of the policy and that the cover is relevant to directors and officers in different types of financial institutions operating in an often uncertain legal and regulatory environment.

Our commitment to you

- We commit to provide our policyholders with excellent service standards, including in relation to claims handling and responsiveness
- We commit to treating our policyholders' information as confidential, where appropriate
- We will treat our policyholders with fairness, integrity and respect

Insuring clauses

- Insured person cover: where the company has not indemnified
- Company reimbursement cover: where corporate indemnification is provided
- Company securities claim cover

Automatic extensions of cover

- Broad investigations cover - whether a claim or not
- Excess protection for parent company board (in addition to the policy limit)
- Excess protection for non-executive directors (in addition to the policy limit)
- Outside directorship cover
- Automatic 60 day discovery period following expiry, with option to purchase longer period
- Unlimited run-off protection for retired insured persons
- Health and safety: full limit defence costs cover
- Extradition proceedings costs
- Crisis consultant costs - whether a claim or not
- Regulatory crisis costs - whether a claim or not

- Emergency costs cover when insurer's written consent cannot be obtained within a reasonable time
- Fines and penalties cover - where insurable, including exposures such as the Foreign Corrupt Practices Act, the Sarbanes Oxley Act, the Prevention of Corruption (Amendment) Act of 2010 (Ireland) and the UK Bribery Act 2010 (UK) (not sub-limited) where insurable
- Personal liability of insured persons for corporate taxes - in case of liquidation or receivership
- Prosecution costs: legal costs protection against restrictions of assets or liberty
- Heirs, representatives and spouses extension

Clarity with respect to changes in risk

- New subsidiaries: automatic coverage from acquisition date for ongoing actions. Where acquired entity exceeds the assets threshold, is domiciled in the USA or has equity securities issued or traded in the USA, then held covered for 60 days to allow for review
- New securities offerings: automatic coverage for securities offerings outside USA and offerings subject to rule 144A
- New outside directorships - held covered for 60 days to allow for review
- Automatic run-off cover for directors of sold subsidiaries until expiry of the policy period

Other coverage features & conditions

- Cover written on a claims made basis
- Cover applies on a world-wide basis
- Cover for Employment Practices Wrongful Acts clearly built into the wording for the individual insureds
- Clarity regarding advancement of defence costs to individual insureds when there is a “failure to indemnify” by the company
- Clarity with respect to the company’s indemnification of insured persons and definition of “non-indemnifiable loss”
- Broad insured person definition, including de facto and shadow directors, broad employee cover
- Broad definition of defence costs - including bail bond cover
- Full severability: knowledge of one insured person cannot be imputed to another insured person
- Priority of payments clause
- Cancellation: by insurer limited to non-payment of premium with no provision allowing the parent cancellation rights
- Confidentiality agreement built into the contract
- Directors and former directors able to notify matters to insurers
- Clarity as to valid notifications of circumstances with parallel provision in prior claims and circumstances exclusion to ensure continuity

Limited exclusions

- Severability: conduct of one insured person cannot be imputed to another insured person
- Narrow bodily injury/property damage exclusion: “for” language with carve backs for mental anguish/emotional distress, as well as for health and safety extension
- No pollution exclusion
- Pension trustee exclusion (in relation to company’s own pension programmes only)
- Professional services exclusion with full carve backs for investigation costs and shareholder derivative claims
- Pending/prior litigation exclusion, but with continuity provided for our insureds
- Conduct exclusion: triggered at judgement or final adjudication; plus only knowledge of certain key individuals will be imputed to the company
- Insured versus insured exclusion applies only to company or outside entity claims in USA, with broad carve backs for independent shareholder derivative claims, receivers (et al) and all defence costs

Please see policy document for full terms, conditions and restrictions.

Capacity

We can offer up to EUR 25m/ GBP 25m/ USD 25m

Target industries

All types of financial institutions

Claims handling

Our Claims team has a wealth of experience of handling financial institutions claims fairly and professionally

AXA XL Insurance

Teams from AXA Corporate Solutions, AXA Matrix, AXA Art and XL Catlin collaborate to provide you a seamless experience. Please know that the services listed here are just one part of our offering. Your usual contact will be able to talk with you about the complete AXA XL Insurance offer to help you deliver the most relevant solution for your client.

Contact

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