



## Directors & Officers Insurance

### Policy Summary

This policy caters for the personal liabilities which a director or officer may incur.

The following provides a summary of the cover available and its principal terms. You should note that it does not show all the terms and conditions of the policy. For full terms and conditions refer to the policy document itself. (Reference: NAXWORD)

In this summary the words:

'Named Insured' means you the customer

'Insured Organisation' means the Named Insured or any subsidiary of the Named Insured.

'Insured Person' means any natural person acting on behalf of the Insured Organisation and is covered under the Policy

'Loss' means damages judgements settlements and Defence Costs incurred in the defence of actions suits or proceedings and appeals therefrom but does not include:

- civil or criminal fines or penalties imposed by law
- punitive or exemplary damages (other than damages awarded for libel and slander)
- taxes
- amounts which may be deemed uninsurable under law

'Defence Costs' means reasonable and necessary fees costs and expenses resulting from the investigation adjustment defence and appeal of any Claim against any Insured Person but excludes the salaries of any Insured Person

'Wrongful Act' means any breach of duty breach of trust neglect error misstatement misleading statement omission breach of warranty of authority or other act by any Insured Person whether actual or alleged

'Limit of Indemnity' – the limit which will be the maximum payable by the Company in any one period of insurance.

Retention – this is the amount(s) in respect of all claims arising from one Wrongful Act above which the Policy will pay.

'Company' means St. Paul Travelers Insurance Company Limited

#### Claims Notification

Contact the insurance broker who arranged the insurance or contact us on 01737 787787 or at the address below, quoting your policy number.

St. Paul Travelers Insurance Company Limited  
61 – 63 London Road  
Redhill  
Surrey RH1 1NA

#### St. Paul Travelers Insurance Company Limited

61-63 London Road Redhill Surrey RH1 1NA

Registered office: 60 Gracechurch Street London EC3V 0HR Registered in England 1034343

Authorised and regulated by the Financial Services Authority

## Directors & Officers Insurance

This covers

- 1) an Insured Person's legal liability to pay Loss arising from a claim made against them for a Wrongful Act
- 2) the Insured Organisation where they are required by law or are entitled to indemnify an Insured Person in respect of their legal liability to pay Loss arising from a Wrongful Act.

### Key Features

- To be covered, the claim has to be made against the Insured Person during the period of insurance.
- The limit of indemnity under the policy is on aggregate basis for the policy period and is inclusive of all costs
- The policy will advance defence costs to an Insured Person. Such costs will have to be re-paid to the Company if it is subsequently learnt that the Insured Person was not entitled to receive the costs.
- The claim must be in respect of a Wrongful Act committed by an Insured Persons whilst acting on behalf of the Insured Organisation
- Cover includes
  - A option to select a discover period of 12 months in the event the policy is not renewed by either the Named Insured or the Company
  - Automatic cover for new subsidiaries subject to certain criteria
  - Cover for Insured Persons who are requested by the Insured Organisation to act as a director or officer for an associated company, trade association or other entity agreed by the Company.
  - Payment of legal representation costs incurred by an Insured Person if they have to attend a any formal administrative or investigative inquiry that is legally empowered to investigate the affairs of an Insured Person or the Insured Organisation
  - Cover for employment related claims
  - Cover for marital estates
  - Cover for legal representative, estates

### Key Exclusions

Cover will not apply in respect of claims

- in respect of illegal profits, gains, remuneration or advantage by any Insured Person
- in respect of any criminal or fraudulent acts of any Insured Person
- arising from any circumstances which have been notified under any insurance in force prior to the inception date of the Policy
- brought by or on behalf of any Insured Person or the Insured Organisation unless such claim is:
  - employment related
  - from a Insured Persons seeking contribution or indemnity
  - brought or maintained by any security holder of the Insured Organisation and is totally independent of and totally without any solicitation, assistance, active participation or intervention of any Insured Person or the Insured Organisation
  - brought or maintained by a liquidator receiver or administrative receiver
  - brought either directly or derivatively on behalf of the Insured Organisation without the solicitation, assistance, active participation or intervention of any Insured Person of the Insured Organisation
  - brought by any former director, officer or employee
- involving any liability in respect of pollution or contamination except for the first £250,000 of defence costs in respect of such claims where the wrongful acts occurs with the United Kingdom.

#### St. Paul Travelers Insurance Company Limited

61-63 London Road Redhill Surrey RH1 1NA

Registered office: 60 Gracechurch Street London EC3V 0HR Registered in England 1034343

Authorised and regulated by the Financial Services Authority

- for bodily injury or property damage
- arising from any prior or pending litigation
- brought in a court of law in USA/Canada or in respect of any of the Insured Organisation's activities within USA/Canada
- arising from or in connection with any pension, profit sharing or employee benefit programme
- in respect of radioactive substances or devices
- in respect of terrorist acts
- in respect of date recognition failure

## Key Conditions

Conditions of the policy cover include

- Assignment – assignment of an interest under this Policy cannot bind to the company unless it gives it written consent.
- Claim notification procedure
  - It is a condition precedent that the Insured Organisation or any Insured Person shall give to the Company written notice of any Claim as soon as practicable
  - An Insured Person or the Insured Organisation may give written notice of a circumstance which may subsequently give rise to a claim. If a claim arises out of such circumstance then the date of notice shall be treated as the date of claim.
  - In respect of any claim the Insured Organisation and any Insured Person shall give the Company such information and cooperation as possible.
- Defence costs
  - The Company shall advance to any Insured Person or the Insured Organisation Defence Costs under this Policy. If it is subsequently learnt that the Insured Person or Insured Organisation was not entitled to such Defence Costs then the costs shall be repaid to the Company.
  - If the Insured Organisation for whatever reason fails to provide an indemnity to an Insured Person when they are permitted to do so then the Company will advance Defence Costs to the Insured Person. However, the Insured Organisation shall repay any retention amount to the Company unless the Insured Organisation is insolvent.
  - The Company shall have the right to associate with the Insured Organisation and any Insured Person in the defence and settlement of any Claim.
  - Written consent must be obtained from the company before any Insured Person
    - admits or assumes any liability
    - enter into any settlement agreement
    - incurs any Defence Costs
  - The Insured Organisation and any Insured Person must provide full co-operation and all information as the Company may reasonably require as a condition precedent to the Company's liability for loss arising out of any Claim
  - If the Company and an Insured Person disagrees as to whether or not to contest any legal proceedings neither the Insured Person nor the Insured Organisation shall be required to contest such proceedings unless a Queen's Counsel or equivalent advises that the proceedings should be contested.
  - In respect of Defence Costs and any settlements which that involves matters for which some are covered and other not covered then the Company, Insured Persons and the Insured Organisation will use their best efforts to determine a fair and proper allocation.
- Any dispute concerning the policy wording and its interpretation shall be resolved under English Law and the jurisdiction of any Court of competent jurisdiction within Great Britain Northern Ireland the Isle of Man or the Channel Islands.
- The Named Insured shall act on behalf of all the Insured Organisation and Insured Persons with respect to all matters relating to or affecting this Policy

### St. Paul Travelers Insurance Company Limited

61-63 London Road Redhill Surrey RH1 1NA

Registered office: 60 Gracechurch Street London EC3V 0HR Registered in England 1034343

Authorised and regulated by the Financial Services Authority

- This Policy shall apply over and above any other policy which is valid and collectible in respect of any Claim notified under this Policy.
- The Company has relied on the information supplied in the Proposal form and the proposal form (along with any attachments to it) forms part of this contract of insurance. The proposal is considered to be a separate proposal by each Insured Person. Statements made or knowledge possessed by one Insured Person shall be imputed to another Insured Person for the purposes of deciding if cover applies to such other Insured Person.
- The Company shall have full subrogation rights in respect of the Insured Organisation or any Insured Person.
- If the Insured Organisation merges with or consolidates into another entity or any person or entity acquires 50% or more of the Insured Organisation then cover provided by the Policy will only apply in respect of Wrongful Acts which occurred prior to such takeover or merger.

## Professional Indemnity Exclusion

The Policy will not cover any loss arising from the errors and omissions in connection with the performance of professional services provided by the insured.

## Policy Extensions

The following extensions apply to the Policy cover

### Discovery Period

If the Company, the Insured Organisation or an Insured Person cancels or refuse to renew the Policy then a discovery period of 12 months may be purchased for an additional premium. This option is only available for 15 days after the date of cancellation or refusal to renew. A 30-day discovery period is automatically available for no additional premium if cancellation or refusal to renew occurs.

### External Board Cover

The Policy will cover any Insured Person who has to act as a director or officer at the request of the Insured Organisation of an associated company (where the Insured Organisation owns more than 20% but less than or equal to 50% of the issued and outstanding voting shares), any trade association or similar body or any other organisation which has been agreed by the Company.

Cover under this extension shall apply above any other more specific insurance in force as well as any indemnification available to such Insured Person from the organisation represented by the external board .

Cover will not apply in respect of claims brought by the external organisation, any of their directors or officers or any shareholder who owns 20% or more of the issued share capital.

### Legal Representation Costs

The Policy extends to cover any reasonable and necessary costs, fees or expenses incurred with the Company's prior written consent in respect of the attendance of an Insured Person at any formal administrative or investigative inquiry by a governmental body or other institution or professional body that is legally empowered to investigate the affairs of an Insured Person or the Insured Organisation.

### Newly Acquired or Created Subsidiaries

#### St. Paul Travelers Insurance Company Limited

61-63 London Road Redhill Surrey RH1 1NA

Registered office: 60 Gracechurch Street London EC3V 0HR Registered in England 1034343

Authorised and regulated by the Financial Services Authority

The Policy will automatically cover any acquisition or new subsidiary which

- increases the Insured Organisation assets by no more than 25%,
- has no assets in the United States of America or Canada or has no securities listed on any exchange in the United States of America or Canada.

Cover will only apply in respect of Wrongful Acts which occur on or after the effective date of such acquisition or creation

### **Prospectus Cover**

Cover will not apply in respect of any public or private offering of the Insured Organisations shares. The condition may be removed upon receipt of appropriate underwriting information including any prospectus documents. The Company will be entitled to amend the Policy terms and conditions of this Policy and charge an additional premium.

**St. Paul Travelers Insurance Company Limited**

61-63 London Road Redhill Surrey RH1 1NA

Registered office: 60 Gracechurch Street London EC3V 0HR Registered in England 1034343

Authorised and regulated by the Financial Services Authority