MONITOR℠
LIABILITY MANAGERS, INC.
A BERKLEY COMPANY®

Directors and Officers Liability Insurance

Product Highlights

Standard Coverage

- A combination of directors and officers liability and corporate securities liability in one policy form for publicly traded companies
- Covers the past, present and future directors and officers of the corporation, including foreign equivalent positions and spousal coverage
- Full entity coverage for securities claims even if a director or officer is not named in a suit (100% allocation for securities claims)
- Duty to pay policy language
- Advancement of defense costs, upon written request[2]
- Retention is waived in any securities claim in which all insureds prevail[3]
- Broad definition of claim includes written demand for monetary or non-monetary relief
- Loss includes punitive or exemplary damages awarded against the company in any securities claim (subject to insurability and not otherwise excluded)
- Automatic coverage for subsidiaries created or acquired during the policy period whose assets are less than 20% of the insured entity[4]
- Automatic outside directorship coverage for directors and officers serving as directors, officers and trustees of 501(c)(3) organizations
- Multi-year run-off coverage is available if there is a change in the control of the company
- Coverage may not be canceled by the insurer or the acquiring company if there is a change in the control of the company
- Full prior acts coverage[3]
- No mandatory arbitration
- Choice of defense counsel
- Additional benefit for using panel counsel members
  - Securities and Exchange Commission (SEC) claim panel counsel discount: 25% savings on SEC retention costs with a maximum benefit of $250,000
  - A listing of SEC panel counsel members can be found on Monitor's Web site
- 12-month Extended Reporting Period is available if the parent organization cancels or if the parent organization refuses to renew the policy
- Worldwide coverage
- Foreign capacity coverage includes directors and officers whose titles, positions or capacities in a foreign parent organization or subsidiary are equivalent to the position of director or officer within the U.S. corporation

Limits

- Limits of liability up to $10 million

Coverage Enhancements[5]

- Employment Practices Liability coverage[6]
- Insured versus insured carve-back for past directors and officers, limited to four years
- Debtor in possession wording with carve-back for examiner or trustee in bankruptcy proceeding
- For-profit outside directorship liability coverage[7]
- Public offering endorsement
- Whistleblower coverage
- Predetermined priority of payments for directors and officers
- Employee coverage for securities claims
- Administrative and regulatory proceedings coverage for securities claims
- Suite of severability options
  - In the application process, Monitor's severability options do not include certification under Section 302 of the Sarbanes-Oxley Act of 2002
- Non-rescindable policy options

[1]Please note that this is not a part of an insurance contract and does not supersede the policy. Please read the policy form [DO1200 (07-96) or DO21200 (07-96)] for complete terms, conditions and exclusions.

[2]Defense costs serve to reduce the limit of liability.

[3]Available to qualified companies.

[4]Full details must be disclosed to the insurer prior to the expiration of the policy.

[5]Available to selected risks at the discretion of the underwriter. Additional information may be required and additional premium charges may apply.

Additional Information

Target Market

Publicly traded companies with up to $5 billion in market capitalization

- Focus for primary placements are companies with up to $500 million in market capitalization
- Biotechnology companies
  - Monitor is the preferred BIO Business Solutions℠ provider of D&O coverage to the Biotechnology Industry Organization (BIO) and over 30 BIO state affiliate organizations
  - Special BIO program coverage enhancements available to BIO and state affiliate members only
- Companies completing an initial public offering (IPO)
- High technology companies
- Financially distressed companies
- Small-capitalized companies, inclusive of NASDAQ, OTC Bulletin Board (OTCBB) and Pink Sheet traded companies

Coverage is not currently available to risks in the following industries:[8]

- Financial institutions
- Insurance companies
- Securities brokers/dealers

Excess

Target Market

Publicly traded companies with up to $5 billion in market capitalization

Policy Forms Available

- Standard Excess policy
- Side A
- Side A, Difference in Conditions (DIC)
- Independent Director Liability Policy

Insurers Available

The following insurers are member companies of the W. R. Berkley Corporation:

- Admiral Insurance Company
  (A non-admitted carrier rated "A+" (Superior) by A.M. Best Company)
- Carolina Casualty Insurance Company[9]
  (An admitted carrier rated "A" (Excellent) by A.M. Best Company)

Risk Management Services

- Unlimited access to a toll-free Employment Practices Liability Loss Prevention Hotline
- An interactive CD, "Guidelines for Reducing Exposure to Employment Lawsuits," provided to each policyholder

[6]Subject to underwriting review and acceptance of a supplemental questionnaire for Employment Practices Liability.

[7]Subject to underwriting review and acceptance of outside directorship.

[8]While these types of accounts are not currently eligible, they may be considered in the future.

[9]May not be available in all states.

Strength and Stability

Monitor Liability Managers, Inc. underwrites professional liability insurance on behalf of W. R. Berkley Corporation member companies. A Fortune 500 company, Berkley has more than $3.5 billion in policyholders' surplus, $16.8 billion in total assets, and in 2007 wrote $5.1 billion in premium.

Expert Claims Handling

Monitor has a dedicated team of professionals, including attorneys, with extensive experience in directors and officers litigation. Their experience can provide reassurance to insureds when a claim arises.

Additional Products

- Accountants Professional Liability Insurance
- Employment Practices Liability Insurance
- Independent Director Liability Insurance
- Lawyers Professional Liability Insurance
- Management Liability Insurance (For privately held companies, combines Directors, Officers and Corporate Liability Insurance and Employment Practices Liability Insurance with optional Fiduciary Liability coverage.)
- Nonprofit Management Liability Insurance

Send Us Your Submission

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We invite you to let us know other ways that we can serve you.

The Directors and Officers Liability Insurance coverage is offered through Monitor Liability Managers, Inc. Monitor is a member company of W. R. Berkley Corporation operating nationally as an underwriting management company specializing in professional liability insurance. Monitor issues policies through several W. R. Berkley Corporation member companies, including Admiral Insurance Company, rated "A+" (Superior) by A.M. Best, and Carolina Casualty Insurance Company, rated "A" (Excellent) by A.M. Best. W. R. Berkley is traded on the New York Stock Exchange (symbol: BER).

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