

## CORPORATE SHIELD PLUS

### Private Corporation Directors' & Officers' Liability Insurance

This policy is based on the principal of a "duty to defend". Utilizing clear language, it incorporates all of today's most commonly requested enhancements to ensure the broadest scope of coverage.

#### Insuring Agreements

- Protection for the Directors and Officers for Claims where indemnification is otherwise unavailable ("Side A" coverage) on a non-rescindable basis
- "Pay on behalf" of the Corporation Claims against the Directors and Officers where indemnifiable
- "Pay on behalf" of the Corporation Claims against the Corporation including Claims against the Corporation for Wrongful Employment Practices
- "Pay on behalf" of the Insureds all Investigative Costs arising from a Derivative Demand

#### Definitions

- Broad definition of Claim including:
  - ♦ written notice of a potential action
  - ♦ a civil suit seeking an Oppression Remedy
  - ♦ a Prosecution including a Criminal Prosecution
  - ♦ an Inquiry
  - ♦ an Arbitration or a Regulatory or Administrative Proceeding
  - ♦ a Securities Claim
  - ♦ an Extradition Proceeding
- Definition of Corporation provides automatic coverage for acquisitions less than 35% of total assets
- Cost, Charges and Expenses include investigating expenses
- Broad definition of Damages including: pre- and post-judgement interest; insurable punitive or exemplary damages; costs incurred by directors arising from a non-monetary remedy and an oppression remedy
- Broad definition of Directors and Officers including: *de facto* directors; any person sitting on a non-profit board at the behest of the Corporation (Non-profit ODL); spouses or domestic partners of Insureds where named as a co-defendant and employees where named as a co-defendant; licensed legal and accounting professionals performing services on behalf of the Corporation;
- Definition of Subsidiary includes automatic coverage for limited partnerships/joint ventures which the Corporation agrees to insure by written agreement
- Definition of Wrongful Act includes explicit coverage for Statutory Liabilities
- Broad definition of Wrongful Employment Practice including Third Party coverage

#### Discovery

- Bilateral basis at 100% of annual premium for a 1 year period (negotiable)

#### Exclusions

- BI/PD exclusions utilize "for" language and contain a carveout for Bill C-45 claims
- Pollution Exclusion contains carveouts for Securities Claims, Derivative Demands and "Side A" Claims without sublimit
- Breach of contract exclusion applies only to the Corporation
- "Insured vs. Insured" exclusions exceptions for:
  - ♦ Wrongful Employment Practices claims
  - ♦ independent derivative actions
  - ♦ claims by trustees in bankruptcy
  - ♦ directors not serving in past 3 years and cross claims
  - ♦ "whistleblower" claims
  - ♦ defence costs
- Conduct exclusions apply only after final judgement, including appeals therefrom

#### Limits of Liability

- Insuring Agreement A dedicated additional limit of liability up to \$1,000,000
- Priority of payments ensure Insuring Agreement A claims are paid first
- Up to \$10,000,000 CAD in capacity available

#### Defence and Settlement

- Insurer has the right and the duty to defend
- Modified "Hammer" clause provides payment of 50% of any additional Loss incurred post a settlement offer by the Insurer
- 80%/20% defence cost allocation for covered/uncovered Insureds or Claims

#### Notice of Claim

- 60-day window post expiry for reporting of Claims incurred during the Policy Period or Discovery Period
- Coverage forfeiture due to late notice applicable only if the Insurer suffers prejudice

#### General Conditions

- Fully-severable Application, Warranties and Exclusions
- Policy non-cancellable by Insurer other than for non-payment of premium
- Insurer to provide notice of non-renewal
- Automatic run-off and Discovery in the event of an acquisition, merger or consolidation
- Pay on behalf of the Directors and Officers in the event of a dispute involving Presumptive Indemnification
- World-wide territory for Claims

#### Optional Extensions

- Multi year run-off coverage
- Fiduciary Liability by endorsement or the issuance of a companion policy with separate limits and aggregate



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