



Private Company Management Liability Insurance

At Hiscox, we know the dangers of sitting at this table without the proper coverage in place to address management liability risks.





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The Hiscox Private Company Management Liability Insurance policy is designed to help private companies address their management liability risks. The form offers up to four areas of coverage and is structured to provide flexibility, including shared or separate limits of liability. Private companies can tailor their insurance program to match their business needs. The policy is available for private companies, regardless of size or employee count.

Coverage available

- Directors and Officers Liability (D&O)
- Employment Practices Liability Insurance (EPLI)
- Fiduciary Liability Insurance (FLI)
- Employed Lawyer Professional Liability (ELAW)

Who we cover

- The named entity
- Subsidiaries
- Affiliates (by endorsement)
- Directors, officers, management committee members and members of the Board of Managers
- General counsel and risk managers
- Employees (including temporary and seasonal)
- Leased employees and independent contractors
- Volunteers

Losses we cover

- Judgments, settlements, prejudgment and postjudgment interest
- Punitive, exemplary and multiple damages where insurable by law (most favorable venue language)
- Defense costs
- Reputation loss (D&O)
- Derivative demand investigation costs (D&O)
- Back pay and front pay (EPLI)
- Statutory attorney fees (EPLI)
- Voluntary compliance loss (FLI)

Policy highlights

- Claims made policy
- Flexible shared and separate limit options available for all coverage parts
- Spousal/domestic partner extension coverage
- Optional discovery period of up to six years
- Worldwide coverage
- Final adjudication wording for conduct exclusions
- Full severability of the application for all insureds, including the company

Directors and officers liability

- Insured's choice of defense counsel subject to insurer's consent
- Definition of employee includes leased employees and independent contractors
- Option to tender defense to the insurer with allocation provision for full defense costs
- Definition of insured includes executives serving at the request of a company as officer of outside entities
- Defense cost coverage for derivative demand investigations
- Additional limit of liability of up to \$500,000 for loss resulting from a claim against a non-indemnified executive of a company
- Coverage up to \$100,000 for responding to reputation risk events

Employment practices liability

- Insured's choice of defense counsel subject to insurer's consent
- Employment practices liability coverage is specifically primary
- Definition of employee includes leased employees and independent contractors
- No insured vs. insured exclusion
- Option to tender defense to the insurer with allocation provision for full defense costs

- Defense costs coverage offered for breach of employment contract claims
- Third-party harassment and discrimination coverage
- Emotional distress and mental anguish coverage

Fiduciary liability

- Duty to defend coverage
- Definition of insured includes the company, its plans, fiduciaries, administrators, trustees and members of a pension oversight committee
- Broad definition of plan that includes any fund, trust or welfare plan established anywhere in the world
- Coverage for voluntary compliance loss (subject to a sub-limit of up to \$150,000) and for Health Insurance Portability and Accountability Act (HIPAA) penalties (subject to a \$25,000 sub-limit)

Employed lawyer professional liability

- Duty to defend coverage
- Emotional distress and mental anguish coverage for personal injury peril
- Covers legal services performed for the company, as well as moonlighting and pro bono services
- Expanded definition of individual insured includes the employed lawyer, employees of the company who support the employed lawyer and any contract attorney or independent contractor attorney who is conducting legal services on behalf of the company



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Claims examples

Directors and officers liability

- Shareholder claim alleging breach of fiduciary duty and mismanagement against the directors and officers resulting from a decline in the asset value of the company
- Claim brought by creditors against the directors and officers of an insolvent company alleging misrepresentation
- Claim brought by shareholders alleging misrepresentation in connection with a private placement

Employment practices liability

- Claims by employees alleging wrongful termination, discrimination and sexual harassment
- Claims by non-employee third parties (including customers, vendors and suppliers) alleging discrimination

Fiduciary liability

- Claims alleging negligence in the administration of a plan
- Claims alleging breach of fiduciary duties imposed by the Employee Retirement Income Security Act (ERISA)

Employed lawyers professional liability

- Claims alleging negligence in the review of contracts with vendors
- Claims alleging negligence in responding to regulatory investigations
- Claims arising from the insured's failure to comply with the Sarbanes-Oxley Act

Capabilities

- Hiscox Insurance Company Inc. is licensed or admitted in all 50 states
- Hiscox Insurance Company is rated A (Excellent) by A.M. Best
- Coverage can be written on a primary or excess basis
- Coverage may also be written on a surplus lines basis



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