

EXECUTIVE FORCEFIELD®

Side 'A' Directors & Officers Excess and Lead Difference-in-Conditions (DIC) Insurance

Allied World is dedicated to providing the most comprehensive protection to directors and officers. Allied World Bermuda has built a strong franchise in providing dedicated Side 'A' protection for the personal assets of directors and officers. Executive ForceField® is a leader in "last line of defense" coverage – in no small part due to our commitment to ensuring that the policy never lags behind the realities of the market.

In response to a heightened regulatory environment, definitions have been broadened, exclusions have been narrowed, and new coverages have been incorporated to address emerging risks, such as internal inquiries and regulatory/criminal investigations. Not only does the policy fill gaps and inconsistencies in coverage where the primary carrier fails to pay a loss, it also affords the client greater recovery under the original and reinstated limits.

COVERAGE HIGHLIGHTS**Reinstated Limits:**

- Policy provides a first and second reinstated limit.
- Reinstated limit may apply to a Claim or Pre-Claim Inquiry that eroded or exhausted the original limit.
- If either the original limit and a reinstated limit, or both reinstated limits, apply to a Claim or Pre-Claim Inquiry, the total policy payment will not exceed the amount of the original limit.

Drop Down Event (DIC): Policy drops down if any Underlying Insurer fails to pay Loss "for any reason," including a DIC Event.

Narrow Conduct Exclusion:

- "For" wording.
- Exclusion requires a final, non-appealable adjudication in the underlying action: of "active and deliberate fraud" (fraud exclusion); or that an Insured Person was not "legally entitled" to a profit (financial profit exclusion).
- Such adjudication must also establish that acts were committed with "actual

dishonest purpose and intent" and must be "material" to the Claim.

- Carveout for EPL claims.
- Policy does not follow any underlying exclusion.

Notice of Circumstances:

- If proper notice of circumstances is given to the Insurer, such notice is deemed a Claim or a Pre-Claim Inquiry, as applicable.
- Policy affords coverage for costs and expenses incurred by an Insured Person in responding to such circumstances.
- Reporting of circumstances is optional.

Mitigation Costs: Covers costs and expenses incurred to reduce the likelihood or severity of a potential or threatened Claim.

Policy Access Costs: Covers costs and expenses incurred to defend against parties seeking to seize or attach the DIC Policy or any Underlying Policy.

Advancement of Costs: Defense Costs and Pre-Claim Inquiry Costs advanced on a current basis, but no later than 30 days after requested.

**Extended Reporting Periods:**

- Duration of any ERP is automatically extended, if required by local law; no additional premium.
- Ten year ERP for financial impairment of entity; no additional premium.
- Unlimited ERP for retired Insured Persons; no additional premium.
- Ten year ERP for policy cancellation or change in control.

CAPACITY

Limits available up to \$25M

MULTINATIONAL COVERAGE

For more information on Multinational Coverage available via our FAIRFAX WORLDWIDE® platform, please contact the listed underwriters or visit fairfaxworldwide.com.

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A FAIRFAX Company

This information is provided as a general overview for agents and brokers. Coverage will be underwritten by an insurance subsidiary of Allied World Assurance Company Holdings, Ltd, a Fairfax company ("Allied World"). Such subsidiaries currently carry an A.M. Best rating of "A" (Excellent), a Moody's rating of "A3" (Good) and a Standard & Poor's rating of "A-" (Strong), as applicable. Coverage is offered only through licensed agents and brokers. Actual coverage may vary and is subject to policy language as issued. Coverage may not be available in all jurisdictions. Risk management services are provided or arranged through AWAC Services Company, a member company of Allied World. © 2019 Allied World Assurance Company Holdings, Ltd. All rights reserved.