



SHIELD

Why purchase the SHIELD Director's & Officer's Liability Policy?

SHIELD is designed to protect the financial wellbeing of the **Company** along with the personal wealth of their **Directors & Officers**.

Companies and their Directors & Officers face the real threat of incurring significant financial liability as a result of their actions in the work arena.

SHIELD delivers a comprehensive product at competitive rates and offers cover for a broad range of exposures through 4 Insuring Clauses and 10 Standard Extensions.

CLAIMS EXAMPLES:

- Directors sued by shareholders or creditors over allegedly misleading statements to the public as to the financial position of the company.
- Regulatory authorities investigating and prosecuting Directors over the same statements.
- Creditors and customers taking action against Directors for insolvent trading.
- Directors being sued/prosecuted for breaches by the Company of OH&S legislation.
- Directors and Officers being sued for alleged misuse of confidential or copyrighted information.
- Directors being prosecuted for breaches of the Corporations Law.
- A breach of a Directors or Officers duties under Chapter 2D of the Corporations Act resulting in fines and penalties of up to AUD\$200,000 and the requirement to pay compensation.
- Securities claims against the Company. There may be allegations as to the conduct of Director or Officers but, generally, only the Company is sued.
- Employees bring claims for wrongful termination of employment, demotion or refusal to promote.
- Company being sued by an Employee or prospective Employee for discrimination or harassment.
- Retired Directors being sued for Wrongful Acts committed whilst a Director of the Company.
- Costs and expenses incurred by a Director or Officer in preparing for an intending an Inquiry.

TARGET SECTOR

SHIELD is tailor made for **Medium to Large Companies** where **Assets exceed AUD\$100m** and/or **Revenue exceeds AUD \$200m**.

A broad range of industries can be considered under **SHIELD** and ASX Listed / Public Unlisted / Private and Not-For-Profit companies can be quoted.

(Companies that do not exceed the above thresholds may be better served considering LAUW's Management Liability Policy - **BENCHMARK**).

POLICY BENEFITS

The following is a **guide only**, for full particulars reference must be made to the **current** Policy wording

Insuring Clauses:

- Directors & Officers Liability
- Reimbursement to the Company
- Employment Entity Liability Cover (maximum sub-limit of AUD\$4,000,000) *
- Securities Entity Liability (separate Aggregate Limit available if required) *

* Optional Insuring Clauses underwritten on a case-by-case basis.

Standard Extensions:

- Outside Board Cover – where agreed in writing
- Pollution Defence Costs (maximum sub-limit of AUD\$2,000,000)
- Discovery Period
- Retired Directors & Officers – Nil AP required
- OH&S Defence Costs (maximum sub-limit of AUD\$2,000,000) – no wrongful act required or requirement to repay
- Continuous Cover (for Innocent Non-Disclosure)
- Fines & Penalties (maximum sub-limit of AUD\$2,000,000)
- Inquiry Costs (maximum sub-limit of AUD\$2,000,000) – no wrongful act required
- Loss of Reputation/Public Relation Costs (sub-limit of AUD\$25,000)
- Reinstatement of Limit of Liability for Non-Executive Directors (to 25% of Limit or AUD\$2,000,000 – the smaller to apply)

Additional Benefits:

- Definition of Claim includes Non-Pecuniary Relief and any criminal prosecution against a Director or Officer
- Broad definition of Director & Officer (including employees while acting in a managerial capacity / superannuation trustee of employment benefit plan, pension plan or superannuation fund of the Company / past directors / shadow directors / non-executive directors / estate heirs & legal representatives)
- Broad definition of Employment Wrongful Act – extended to include misleading representation or advertising
- Definition of Loss extended to include Punitive and Exemplary Damages (excluding multiples / any deemed uninsurable by law)
- Newly acquired or created Subsidiaries to 25% of Company's total gross assets (excluding U.S.A.)
- Claims attributable to or which are causally connected with a single Wrongful Act – considered single claim
- Consensual Claim Exclusion
- Advancement of Defence Costs
- Order of Payments Clause
- Preservation of Right to Indemnity Clause
- Carve back to Pollution Exclusion for shareholder actions relating to loss in share capital of the Company due to breach of duty by a Director & Officer
- Major Shareholder Exclusion set at 25%
- Non-Imputation Clause
- Cover for Spouse or Domestic Partner – in respect of an action to enforce a judgement obtained against such person against the property of that Spouse (arising from a Claim)
- 100% Lloyd's of London Security

Points of Note:

- USA Exclusion applies – can be removed on a case-by-case basis
- Sub-Limits are underwritten on a case by-case-basis

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For more information and to download the proposal form please go to www.lauw.com.au