

TRAVELERS EXECUTIVE CHOICE ADVANTAGE 500M FOR PUBLIC COMPANIES

In today's highly litigious environment, the actions of every director and officer are subject to meticulous examination. Even executives who lead growing companies sometimes find themselves the focus of complex legal and financial predicaments. Travelers Guarantee Company of Canada offers Advantage 500M for Public Companies, a coverage enhancement available for eligible, U.S. listed publicly-traded companies with a market capitalization of \$500 million or less.

Why you need protection

In addition to the benefits and protection offered in our Directors and Officers Liability policy form, Travelers Executive Choice for Public Companies, the coverage enhancements provided in the Advantage 500M for Public Companies endorsement offer key features to growing companies.

Key Features and Benefits

Additional Side A Coverage

- \$1 million excess Directors or Officers Individual Coverage

Broadened General Conditions and Limitations

- Non-rescindable coverage for Insuring Agreements A, B, and C
- A one year guaranteed renewal with a premium cap*
- "Hammer" clause deleted
- Notification of claims up to 90 days after expiration of the policy
- Notice of claim after knowledge of CEO, CFO, In-House General Counsel and Risk Manager
- Automatic acquisition threshold is invoked at 30 percent of total assets
- Other Insurance clause provides the policy is excess only over any other valid and collectible insurance
- Broadened Order of Payments language **Section 11 & 12 Coverage addressed.**



Amendments to Policy Exclusions

- Conduct exclusions subject only to Insuring Agreement A:
 - Does not apply to defence costs
 - Includes "final adjudication" language
- Insured versus Insured exclusion carveback for:
 - Whistleblower activity
 - A Director or Officer who has not served for at least four years
- Pollution Exclusion
 - Carveback for Side A Claims brought in Canada on account of a security holder derivative action
 - \$1 million in defence costs coverage for Side A Claims brought in Canada

* See explanation on the back side

Broadened Definitions

- Claim includes:
 - Formal civil administrative or regulatory proceeding
 - Service of a subpoena on an Insured Person pursuant to an investigative order
- Loss includes:
 - Most favourable venue for punitive or exemplary damages
 - Multiplied portion of multiplied damages, where insurable
- Application amends the time frame for reliance on public documents to 12 months
- Comprehensive outside position Non-Profit Entity coverage

Quality service

- Our de-centralized underwriting allows for efficient, expert service – provided through our Vancouver, Toronto and Montreal offices
- Our dedicated claim service team is staffed by professional claim counsel and claim specialists

Travelers, an experienced market leader

We insist on quality, making us one of the most respected companies in North America. Travelers, and its related Companies, is known for our superior products and services, and for developing effective insurance solutions to address specific industry risks. In fact, we are the first carrier in North America to offer directors and officers liability coverage – back in 1964.

Our strength is backed by:

- A commitment to offering effective insurance products and services in Canada since 1866
- A.M. Best** has assigned Travelers Guarantee Company of Canada a financial strength rating of A+ (Superior)
- A consistent ranking on the Fortune 100 list of the largest U.S. companies

*Subject to certain conditions and limitations found in the endorsement

**For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of May 15th, 2009, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com.

To learn more about Travelers Executive Choice Advantage 500 for Public Companies, contact your local Travelers Financial and Professional Services underwriting office.

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Travelers Guarantee Company of Canada

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