

## MANAGEMENT LIABILITY COVERAGE

### TRAVELERS EXECUTIVE CHOICE™ FOR CANADIAN PUBLIC COMPANIES

Every day, newspapers are filled with articles about companies being sued over mergers and acquisitions, signs of financial weakness and conflicts of interest. Courts are overflowing with shareholders, competitors, customers and governmental entities making damaging claims against a public company's directors and officers — many times resulting in seven-figure verdicts against businesses, and directors and officers who thought they were in the right.

Protecting your business' assets and your management team's personal assets is important and can assist in attracting and retaining qualified board members. Management liability insurance through our *Travelers Executive Choice™ for Canadian Companies* product line can give you confidence and peace of mind if a potentially damaging suit threatens to put your business in a tailspin.

#### Travelers delivers management liability protection under one policy

- Directors and officers (D&O) individual coverage for non-indemnifiable loss *with the option to add:*
  - Coverage for your company's indemnification obligation for covered claims because of Management Practices Acts by one or more of your directors or officers
  - Coverage for your company's liability for a securities claim can also be purchased
- Coverage for directors and officers who serve as a director, officer, manager, trustee or other equivalent position for a non-profit entity
- Defence costs for covered claims seeking non-monetary relief
- Broad definition of subsidiary includes owned or controlled non-profit and joint ventures

#### Superior flexibility

- Menu-driven format allows you to tailor coverage options to your specific needs
- Limits of liability up to \$25 million
- Choice to have our experienced Travelers claim attorneys and claim specialists manage the defence of your claims, or to defend your own claims
- Option to maintain a separate limit of liability or to share limits with your Employment Practices Liability and Fiduciary Liability Insuring Agreements

#### Direct coverage for the business itself

- Our Company Liability Coverage provides direct coverage for the company for securities claims
- Directors or officers do not need to be named as co-defendants to activate Company Liability Coverage
- Optional coverage for investigative costs up to \$100,000 incurred in the investigation of derivative claims

## Other coverage features

- Claim is broadly defined to include written demands for monetary and non-monetary relief, civil proceedings, some criminal proceedings, arbitration proceedings or formal administrative or regulatory proceedings commenced by the receipt of an arbitration petition, notice of filed charges or similar legal document
- The policy is not cancellable by Travelers except for non-payment of premium
- An automatic 30-day reporting period
- Worldwide coverage
- Coverage for punitive or exemplary damages awarded in Canada if such damages are insurable under the law
- Insured verses insured exclusion includes an exception for claims brought by a trustee in bankruptcy
- No reporting requirement and automatic coverage for acquired subsidiaries that are smaller than a specified threshold for Management Practices Acts taking place after the acquisition date
- For larger acquired companies, automatic coverage is provided for 90 days, or the remainder of the policy period, whichever is less, for Management Practices Acts taking place after the acquisition date with the option to obtain a quote to extend coverage for the remainder of the policy period
- If your company is acquired, the policy continues until the end of policy period for Management Practices Acts committed prior to the date of acquisition (a coverage quotation can be provided for an additional three-year extension for such run-off of coverage)

## Quality service

- Our decentralized underwriting – provided through our Vancouver, Calgary, Toronto and Montreal offices – allows for efficient, expert service
- Our dedicated claim service is staffed by professional liability claim attorneys and claim specialists

## Travelers - experienced, reputable insurance carrier

At Travelers, we insist on quality, making us one of the most respected companies in North America. We are known for our superior products and services, and for developing effective insurance solutions to address specific industry risks. In fact, we were the first domestic carrier in the United States 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
- We are continually ranked on the Fortune 500 list of the largest U.S. companies
- Independent rating services, including A.M. Best, Moody's and Standard & Poor's, consistently give us high ratings for our claims-paying ability
- We are the second-largest commercial property-casualty insurer in North America

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

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