

CODA Premier

Directors And Officers Liability Policy New Coverage Enhancements

- **Additional Limit for Independent Directors.** If the Policy's standard limit of liability is exhausted, the Policy now affords an additional limit of liability only for Independent Directors. The additional limit is excess of all other policies specifically excess of the CODA policy, subject to the DIC features of the CODA policy. A priority of payment provision maximizes the total amount payable under the CODA policy in the event covered Loss is subject to both the standard limit and the additional limit.
- **Insured vs Insured Exclusion.** This exclusion is further narrowed in several respects:
 - Exclusion not applicable to whistleblower activities
 - Exclusion not applicable to claims by Creditors Committee or its assignee
 - Exclusion applicable only if two or more executive officers of the Company for which the claim is brought (not other Companies) assist in prosecuting the claim
 - Exclusion not applicable if only EVPs assist in prosecuting the claim
- **Late Notice.** CODA may deny coverage due to late notice only if CODA is materially prejudiced by the late notice.
- **Outside Position Coverage.** Blanket non-profit outside position coverage is expanded to include service in any not-for-profit organization (not just §501(c)(3) organizations) and applies to service at the written request of the Company even if the service is not part of the person's regularly assigned duties.
- **Notice of Circumstances.** Circumstances identified in a valid notice of circumstances need not be "likely" to give rise to a future claim, but must only be "reasonably expected" to give rise to a future claim.
- **Penalties.** Certain penalties under the Foreign Corrupt Practices Act are expressly included as Loss.
- **Conduct Exclusions.** The fraud, personal profit and remuneration exclusions are triggered not only by a final adjudication of the illegal conduct, but also by a guilty plea or written admission under oath by the Insured, thereby preserving more limits for innocent Insureds.
- **Arbitration.** An arbitration involving a coverage dispute may occur in London, Bermuda, Toronto or Vancouver, at the election of the Insureds.



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- Subrogation. CODA may not subrogate against an Insured unless one of the conduct exclusions applies to that Insured.
- Claim Definition. “Claim” includes written but not oral demands, thereby reducing the risk of late notice to CODA.
- Defense Cost Advancement. CODA shall advance Defense Costs “on a current basis.”
- Employee Coverage. The co-defendant coverage for a non-officer employee applies to any full-time, part-time, seasonal or temporary employee if the employee is an Insured under the underlying policies.
- Domestic Partners. The spousal liability coverage includes domestic partners.

CODA Premier Independent Directors Liability

Independent Director Liability Policy New Coverage Enhancements

- Insured vs Insured Exclusion. This exclusion is further narrowed in several respects:
 - Exclusion not applicable to whistleblower activities
 - Exclusion not applicable to claims by Creditors Committee or its assigner
 - Exclusion applicable only if the executive officers of the Company for which the claim is brought assist in prosecuting the claim
 - Exclusion not applicable if only EVPs assist in prosecuting the claim
- Late Notice. CODA may deny coverage due to late notice only if CODA is materially prejudiced by the late notice.
- Outside Position Coverage. Blanket non-profit outside position coverage is expanded to include service in any not-for-profit organization (not just §501(c)(3) organizations) and applies to service at the written request of the Company even if the service is not part of the person's regularly assigned duties.
- Notice of Circumstances. Circumstances identified in a valid notice of circumstances need not be "likely" to give rise to a future claim, but must only be "reasonably expected" to give rise to a future claim.
- Penalties. Certain penalties under the Foreign Corrupt Practices Act are expressly included as Loss.
- Conduct Exclusion. The personal profit exclusion is triggered not only by a final adjudication of the illegal conduct, but also by a guilty plea or written admission under oath by the Insured, thereby preserving more limits for innocent Insureds.
- Arbitration. An arbitration involving a coverage dispute may occur in London, Bermuda, Toronto or Vancouver, at the election of the Insureds.
- Subrogation. CODA may not subrogate against an Insured unless one of the conduct exclusions apply to that Insured.
- Claim Definition. "Claim" includes written but not oral demands, thereby reducing the risk of late notice to CODA.
- Defense Cost Advancement. CODA shall advance Defense Costs "on a current basis."
- Domestic Partners. The spousal liability coverage includes domestic partners.



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CODA Premier Officers Liability

CODA Officers Liability Policy New Product

CODA is the first insurer to offer this innovative Side A policy which only covers current and former officers of a company. Similar to an Independent Directors Liability (IDL) policy for outside directors, this unique policy protects the insured officers against limit of liability erosion by reason of losses incurred by Independent Directors.

The Officer Liability Policy contains all of the extraordinary coverage features contained in CODA's standard Directors and Officers Liability Premier Policy, but the Policy's limit of liability is dedicated only for the benefit of officers. Coverage under the Policy extends to officers in their capacity as an officer or director of the Company, as well as other employees if the other employees are co-defendants with an officer.

The need for this specialized coverage today is very real in light of the increasing frequency of partial settlements, pursuant to which claims against some but not all of the defendant D&Os are settled.

As demonstrated by the highly-publicized settlement in the Enron D&O litigation, the proceeds of a standard D&O policy may be used to settle the claims against the outside directors without settling the claims against the officers, thereby leaving the officers with little or no insurance to defend and settle the remaining claims against them. The Officers Liability Policy not only protects against that situation, but also affords extremely broad Side A coverage for the Insured officers consistent with the standard CODA Premier policy, which is commonly recognized as the benchmark Side A policy form in the industry.



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