

Liberty Private Advantage Liability (PAL) Features and Highlights



Key “Built-in” Coverages Include

- “Claims made” within the **policy period** and reported as soon as practicable
- Non-rescindable “Side A” Insuring Agreement
- Additional \$1,000,000 “Side A” Limit of Liability for **executives**¹
- Excess personal coverage for outside directorships available under both “Side A & B Cover” for any **executives** in their capacity as members of the board of directors, trustees or equivalent position of any not-for-profit or charitable organization
- Coverage for **insured entity public relations costs** incurred to manage a **crisis**
- Coverage for **insured entity investigation costs** for a **derivative demand**
- “Conduct” exclusions (e.g. fraud, illegal benefit) subject to final, non-appealable judgment or adjudication
- **insured entity** vs. **insured** exclusion includes carveouts for:
 - **claims** brought or maintained outside the United States, Canada or other common law jurisdiction
 - **claims** against **insured individuals** not acting in that capacity at any time during the past 2 years
- Pollution exclusion amended – carveouts for:
 - “Side A” non-indemnified **claims**
 - “Side B” **defence costs** reasonably incurred to defend **pollution claims** against **insured individuals**
- Personal Coverage for Statutory Liabilities in Bankruptcy
- Termination Exclusion not applicable to the portion of a **claim** that exceeds the amount the **Insured** has reasonably and in good faith offered prior to arbitration or litigation
- Bodily Injury, Property Damage (BI/PD) exclusion not applicable to:
 - emotional distress, humiliation or mental anguish or injury resulting from libel, slander, defamation or disparagement or from a violation of an individual’s right of privacy caused by **wrongful employment practices**
 - **defence costs** on account of any **claim** under section 217.1 of the *Criminal Code*, R.S.C. 1985, c. C-46, Bill 168, the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007, or any similar legislation
- **Loss** includes **defence costs**, damages, judgments, settlement amounts, **statutory liabilities**, pre-judgment and post-judgment interest, legal fees and costs awarded pursuant to judgments and where insurable by law, civil penalties against an **executive** under the US Foreign Corrupt Practices Act and administrative fines and penalties against an **executive** under Canada’s Anti-Spam Legislation
- NIL deductible for “Side A” **claims**, **defence costs** for “Side B” and “Side C” resulting from **claims** occurring in Canada (except from a **claim based on wrongful employment practices**) and **investigation costs** or **public relations costs**

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Other Key Features

- Duty of Liberty to Defend
- Broad definition of **executive** includes any past present or future:
 - duly elected, appointed, “de facto” or “deemed” director, officer, trustee, advisory board member or board observer of the board, or equivalent governing body
 - senior management where insured entity provides indemnification by agreement or applicable by-laws no less broad than that provided to its directors/officers/trustees
 - management or executive committee member of any partnership, limited partnership or joint venture which is a **subsidiary**
 - member of a management board or equivalent position of a limited liability company which is a **subsidiary**
 - individuals who hold titles, positions or capabilities equivalent to the positions of an executive for a company incorporated within Canada or the United States of America, operating in a **foreign jurisdiction**
 - **employed lawyer**
- **Claim** includes alternative dispute resolution (ADR)
- Broad definition of **subsidiary**
- No “hammer clause”
- Priority of payments given to **insured individuals** for “Side A” non-indemnified **claims**
- Automatic 60 day coverage extension if **policy** not renewed/replaced (other than non-payment of premium) for any **wrongdoing** that occurred prior to the effective date of termination and only if there is no replacement policy obtained providing coverage anytime during this 60 day period
- Bi-lateral **discovery period** of 1 Year is available
- Acquisition clause – automatic coverage for newly acquired or created **subsidiaries** with assets less than 35% of **company’s** assets and 90 day extension of coverage for newly acquired or created **subsidiaries** with assets that exceed 35% of the **company’s** assets with respect to any **wrongdoing** that occurred after such acquisition or creation
- Broad severability
- **policy** may not be cancelled by **Liberty** except for non-payment of premium
- 90 days’ notice required by **Liberty** for non-renewal
- Territory – **claims** made anywhere in the world
- Global liberalization – **claims** adjusted using more favourable terms of a **Liberty** registered policy in a foreign jurisdiction for certain coverages and conditions
- Coverage for **loss** resulting from **extradition**

This highlight sheet is a summary of coverage only and is not intended to, nor provides an interpretation of or position with respect to any policy issued or any claim made. Any coverage available under the policy is subject to all terms, conditions and exclusions in the Liberty Private Advantage (PAL) Policy and any Endorsements attached thereto and all such terms, conditions and exclusions shall apply. Please read the policy carefully. Should you have any questions, please consult with legal counsel or a qualified broker.

ALL TERMS IN BOLD ARE AS DEFINED IN THE POLICY – Liberty Private Advantage Liability (PAL) – (02/16)

¹ If policy limit is less than \$1m, additional Side A limit is equivalent to policy limit