



CorporateGuard Directors and Officers Liability 5.0

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Welcome to CorporateGuard Directors and Officers Liability 5.0

AIG is one of the world's leading D&O insurers and CorporateGuard has, for many years, been our flagship directors and officers liability product in the UK.

Designed for public and private organisations in all sectors, our latest CorporateGuard 5.0 version has been upgraded to provide clearer and stronger protection for directors and their companies.

Here are highlights of CorporateGuard 5.0's new features.

For a detailed plain English analysis of CorporateGuard 5.0 wording see our [Policy Tour](#)



Structure

The opening sections of CorporateGuard 5.0 have been put into logical and transparent formats, making it easy to identify and assess specific coverages for individuals and entities.

“ We make the structure of CorporateGuard 5.0 as accessible and as logical as we can to provide clarity of coverage for brokers and reinsurance for directors.”

For a detailed plain English analysis of CorporateGuard 5.0 wording see our [Policy Tour](#)

Section 1 Insurance Covers (Insured Person) Loss

All seven grants of cover for individuals' loss brought together in this section.

(These used to be spread around the insurance cover sections and the extension sections.)

Section 2 Company Reimbursement

Clear and strongly visible company reimbursement cover, which applies to all the types of individuals' loss that the policy covers.

(Cover now applies to all insured person losses covered by the policy, not just those that used to be referred to in the main management liability cover.)

Section 3 Insurance Covers (Company Loss)

All grants of cover for organisations' loss brought together in this section.

(These used to be spread around the insurance cover sections and the extension sections.)



Covered individuals

CorporateGuard 5.0's description of insured employees is widened to cover more possibilities involving actual or alleged de facto directorships or involving non-directors with the allegedly wrongful acts of directors.

“ We carefully address how employees should share in the protection for directors. And we tackle the danger of a director having to act as the company's insolvency officer.

”

- **De facto director cover** is provided not only for individuals who actually are de facto directors but also for employees who are alleged to be de facto directors.
- Employees are covered for claims in which they are a **co-defendant with a director or officer** even if they are not alleged to have participated in the director's or officer's wrongful act.
- Employees are covered for claims **alleging they participated in a director's or officer's wrongful act** even if the director or officer is not a defendant in the same proceedings.
- Exclusion of cover for a company's insolvency officer (e.g. liquidator) does not apply to **a director who becomes a company's insolvency officer** as part of their duties as director (a particular possibility of non-UK jurisdictions).

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Investigations

CorporateGuard 5.0 brings together all the usual types of covered investigations and pre-claim inquiries under the one definition of “Investigation”.

“ In recent years insurers have broadened the range of covered investigations and “pre-claim” inquiries, but with some confusion and inconsistency which we resolve by treating them all together under the one definition of “Investigation”.

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Investigations and pre-claim inquiries

All types of investigation and pre-claim inquiry come together under “Investigation” for consistency:

- Consistency of costs provided and of timing of conduct (e.g. a pre-claim inquiry first occurring during a discovery or run-off period is now covered if the conduct it relates to occurred prior to the discovery or run-off period).
- The non-executive director additional limit now applies for pre-claim inquiries as well as investigations.

Insolvency investigations

(for which the policy covers an insured person’s legal or professional fees for being advised and represented)

- Cover is drafted to align closely to insolvency legislation and processes (in particular section 236 Insolvency Act 1986).
- Cover is provided whether or not the investigation may be expected to give rise to a claim.

Derivative investigations

- Cover for an insured person’s legal fees for being advised and represented.
- Cover for a company’s legal fees for determining whether to commence the action demanded by the shareholder.



Fines and penalties

CorporateGuard 5.0 offers ground-breaking fines and penalties cover:

“ In recent years it has become clear that under UK law criminal fines can be insurable in certain situations. We lead the way in assuring cover for insurable criminal fines as well as insurable civil fines.”

Any civil fine or penalty that is insurable under the law of the policy or of the jurisdiction in which it is imposed.

Any criminal fine or penalty that is insurable under the law of the policy or of the jurisdiction in which it is imposed, provided it is not for deliberate, intentional, reckless or grossly negligent conduct.

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Witness assistance

CorporateGuard 5.0 is original in providing cover for legal costs of an insured person when they are a witness in a case against another insured.

“D&O policies traditionally help directors in their defence. We think a policy should also assist for the unpleasant situation where a director is required as a witness against their company or a colleague.”

Witness assistance cover

- Subpoena Costs: the policy covers an insured person's legal or professional fees for giving evidence sought by subpoena in a covered claim against another insured person or the company.
- Prosecution Witness Costs: the policy also covers an insured person's legal or professional fees for advice and representation when examined by an official body or in court as a prosecution witness in a covered criminal prosecution of another insured person or the company.



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Stronger costs cover

CorporateGuard 5.0 includes extended and new costs coverages.

“Defence costs and investigation costs are must-haves of a D&O policy, but we have also worked carefully on improved provision for other costs.”

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Global collective settlement costs

There is no sub-limit for a company's legal fees to reach settlement of a securities claim under legislation such as the Dutch Act on Collective Settlements.

Interpretive lawyer costs

The fees of lawyers in an insured's home jurisdiction for interpreting advice from foreign lawyers are now given for all kinds of claim not just securities claims.

Relative costs

Cover is provided for costs of a close relative to accompany an insured person to a claim hearing abroad and observe that hearing.

Schooling costs

The provision for costs an insured person cannot pay because of a confiscation order is extended to education and training costs of adult dependents as well as those of non-adult dependents.

Public relations costs

Please see the “Crises and reputations” page.



Crises and reputations

CorporateGuard 5.0 provides wide crisis protection for companies with new ESG events and wide reputational cover for individuals.

“ D&O policies commonly covered PR costs to publicise the successful defence of a claim, but the reality is that the act of being sued or prosecuted in the first place can generate bad publicity. We have extended cover to allow for much earlier PR intervention and mitigation of reputational fallout.

”

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Crisis protection for companies

(legal fees, public relations consultant fees and various expenses in the event of a crisis)

- Four ESG-related events have been added to the policy definition of “crisis”: greenwashing, bullying, slavery and corruption.

Reputation protection for individuals

(public relations consultant fees for insured persons)

- Cover is provided not only for publicising an insured person’s successful defence of a claim but also for public statements in the early days of a claim.
- Reputation protection costs are now given for media allegations of criminal conduct or breach of regulation as well as allegations of breach of fiduciary duties. In an emergency they can be incurred without the insurer’s consent.



Financial institutions

As ever, we have a version of our flagship D&O policy specifically adapted to insuring directors and officers of financial institutions.

“ With deep financial institutions underwriting expertise, dedicated claims adjusters and a major multinational presence, **AIG** is a world leading insurer of financial institutions from national lenders and asset managers to insurance companies and global banks. ”

The matters described in the preceding pages of this brochure apply to both the Commercial Institutions (“CI”) and Financial Institutions (“FI”) versions of CorporateGuard Directors and Officers Liability 5.0. The versions are very much alike to each other.

The key differences are:

- The FI version does not cover subsidiaries which are investment vehicles
- The FI version has a professional services exclusion
- The definitions of Outside Entity differ

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