

Executive Armour

New. Improved. Individual protection tailored for Canadian executives.

An organization does not use a one-size-fits-all mold when hiring executives. So why would a one-size-fits-all insurance policy be sufficient in protecting them? That's why we've created Executive Armour, our new "Side A" Excess and Difference-in-Conditions policy, made in Canada, for Canadian companies and their worldwide operations.

Executive Armour is tailored to meet the needs of executives based in Canada. It is built on our longevity in the sector, our global franchise, our technical expertise, and our knowledge gained listening to clients and handling their claims all over the world.

Key Highlights



Affirmative coverage for clean-up costs resulting from pollution in direct response to *Northstar* and the decision in *Baker et al. v. Director, Ministry of the Environment*.



Broad fines and penalties coverage, including specific protection in respect of Canada's Anti-Spam Legislation.



Difference-in-conditions coverage that includes a drop-down "for any reason".



Access to Passport®, a global service platform that helps multinationals secure a coordinated, global insurance program with locally-admitted insurance for their international operations.

Securing dedicated Side-A D&O protection should be a top priority for private company executives who risk erosion of their policy limits due to the broad entity coverage afforded by their primary D&O policies.



TRENDS IMPACTING TODAY'S EXECUTIVES IN CANADA

- Politically oriented commissions carried out in the public spotlight are on the rise.
- Regulators across borders have been mandated, and are supported by the legislation, to ensure that businesses operate fairly.
- Incentivized self-reporting and whistleblowing will increase investigation activity as regulators 'outsource' investigations to the business themselves.
- Investor skepticism of market representations will rise, fueled by continuous economic uncertainty and a growing number of insolvencies.
- Shareholder activists can now take their campaigns viral, intensifying their ability to sway public opinion and tarnish reputations.
- Stakeholders, regulators and law makers are demanding transparency, ethical business conduct and individual accountability.

Who it's for: Executive Armour is available to public and private companies, not-for-profit entities and financial institutions.

Increasing political, regulatory and criminal scrutiny across borders

Executive Armour provides cover for:

- Emerging risks associated with Brexit, including residency and repatriation costs.
- A range of regulatory enforcement measures, including affirmative coverage for clean-up costs resulting from pollution in direct response to *Northstar* and the decision in *Baker et al v. Director, Ministry of the Environment*.
- Directors' personal liabilities for civil fines and civil penalties, including specific protection in respect of Canada's Anti-Spam Legislation.
- Pre-claim verifiable requests or demands for information by enforcement bodies.
- Individuals targeted in investigations.

Call for individual accountability

Executive Armour provides:

- Lifetime discovery cover for former directors for their actions while they were "in office".
- An additional limit to defend against third party efforts to restrict insured persons from gaining access to Executive Armour's limit of liability.
- Non-rescindable, non-cancellable cover.
- Severability of exclusions and claims cooperation so that individual directors are not prejudiced by the actions of others.
- A narrow conduct exclusion with:
 - "For" language.
 - A limitation to illegal personal profit or deliberate criminal or fraudulent acts.
 - Applicability only if there is a final non-appealable adjudication in the underlying actions.
 - An exception for defence costs.

STAYING AHEAD OF THE TRENDS IMPACTING TODAY'S EXECUTIVES IN CANADA

Recessionary exposures, investor skepticism

Executive Armour provides cover for:

- Directors called into enquires about the company's solvency.
- Directors' personal liabilities for unpaid corporate taxes.
- Access to a six-year discovery following bankruptcy or insolvency at no additional premium.

Increasing shareholder activism going viral

Executive Armour provides cover for:

- Costs of a public relations firm to protect a director's reputation from any negative statement included in any press release or published by any print or electronic media outlet.

Additional Highlights:

- Multiple limit reinstatement options available by addendum.
- Access to full Executive Armour policy limits for expressly followed underlying sublimits.
- For-profit outside directorship liability.
- No exclusions for:
 - Pending or prior litigation.
 - Pollution or clean-up costs.
 - Bodily injury or property damage.
 - Pension liability.
 - Claims brought by one insured against another insured.
 - Compensation and labour liability.
- Broad subsidiary coverage, with no restriction for partnerships and auto acquisition cover.
- Express recognition that an underlying limit may be eroded through payment of loss by others.
- Flexible claims reporting provisions - failure to notify must materially prejudice AIG before it will prejudice cover under Executive Armour.
- Definition of "Wrongful Act" includes a director acting in his/her capacity as a fiduciary of any employee benefit plan sponsored by an organization.

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Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>

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