

Zurich Directors and Officers Liability Insurance

The Quick Reference Guide provides a snapshot of the changes that have been made in comparison between the current Zurich Directors and Officers Liability Insurance policy and the New Directors and Officers Liability Insurance policy.

The new Zurich Directors and Officers Liability Insurance policy will be effective from:

- New Business – 6 May 2015;
- Renewals – 6 May 2015 attaching on or after this date.



Note: This information is intended as a guide only. Please review the whole document for full details of coverage provided.

Legend: ✓ = Was included ✗ = Not included

Section of Document	NEW 'Zurich Directors and Officers Liability Insurance'	EXISTING 'Directors and Officers Liability Insurance'
Compliance reference	PCUS-009856-2015	PCUS-004209-2010
Insuring Clauses		
Structure	There are now 5 Insuring Clauses with the addition of Insuring Clauses for 'Outside entity executive excess cover' and 'Investigation costs cover'. Prior Insuring Clause 4 'Overseas entity liability' is no longer an Insuring Clause and is now available as an extension by endorsement upon request	
1.1 Directors and Officers liability cover	Covers <i>non-indemnified financial loss</i> Now includes cover for <i>pre-claim costs</i>	✓ ✗
1.2 Company reimbursement cover	Covers <i>indemnified financial loss</i> Now includes cover for <i>pre-claim costs</i>	✓ ✗
1.3 Company securities claims cover	Amended to clarify intent	✓
1.4 Outside entity executive excess cover	New Coverage – We will pay to or on behalf of an <i>outside entity executive</i> any <i>non-indemnified financial loss</i> and <i>pre-claim costs</i> or the <i>company</i> any <i>indemnified financial loss</i> , which arises from a <i>claim</i> made against such <i>outside entity executive</i>	✗
1.5 Investigation costs cover	New Coverage – We will pay to or on behalf of an <i>insured person</i> and the <i>company</i> for <i>investigation costs</i> which arise from an <i>investigation</i>	Previously an <i>insured person</i> only

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Extensions		
2.1 Additional limits for directors or officers and outside entity executives	Enhanced coverage by providing cover to <i>directors or officers</i> and <i>outside entity executives</i> is entitled to an additional <i>limit of liability</i> in respect of <i>non-indemnified financial loss</i> subject to the maximum aggregate amount specified in the <i>schedule</i>	Previously <i>outside entity executives</i> only
2.2 Company reputation cover	New extension – We will pay to or on behalf of the <i>company</i> any <i>company reputation protection expenses</i> incurred, with our prior written consent, the reasonable fees, costs, charges and expenses incurred by an external public relations or crisis management consultant specifically to mitigate the adverse publicity or potential adverse publicity to the <i>company</i> as a direct result of the <i>company crisis</i> , subject to the maximum aggregate amount specified in the <i>schedule</i>	✗
2.3 Continuous cover	Amended to clarify intent	✓
2.4 Emergency costs and expenses	Now applies to <i>pre-claim costs</i> and <i>company reputation protection expenses</i> . Applies until conduct finally established by written admission or final non-appealable adjudication	✗ ✓
2.5 Environmental mismanagement and pollution	Amended to clarify intent	✓
2.6 Extended reporting period	Amended to clarify intent	✓
2.8 Insured persons protection cover	New extension – We will pay to or on behalf of any <i>insured person asset and liberty protection costs</i> and <i>prosecution costs; extradition costs</i> which arise from any <i>extradition claim</i> made against such <i>insured person</i> ; <i>personal expenses</i> and <i>personal reputation protection expenses</i> arising from a <i>personal reputation crisis</i>	✗
2.11 Runoff cover for outside entity executives	Amended to clarify intent	✓
2.12 Runoff cover for past subsidiaries	Amended to clarify intent	✓
2.13 Tax liability	Amended to clarify intent	✓
2.14 Workplace health and safety	Amended heading only to clarify intent	Previously 'Occupational health and safety'
Estates, heirs, legal representatives	The prior Extension 8. has been deleted, however enhanced coverage provided by including with the definition of <i>insured person</i> to include any lawful spouse or civil union partner or de facto partner (including same sex relationships), estate, heir or legal representatives of any <i>insured person</i>	✓
Fines for corrupt practices	The prior Extension 12. has been deleted, however enhanced coverage by broadening the definition of <i>financial loss</i> which includes fines and pecuniary penalties which an <i>insured</i> is legally obligated to pay (including fines for corrupt practices)	✓
Non-Disclosure and Misrepresentation waiver	The prior Extension 18. has been deleted as an extension and now included as condition 5.13 'Non-disclosure and misrepresentation waiver'	✓

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Portable directors and officers insurance ongoing coverage	The prior Extension 21. has been deleted, however is still available as an extension by endorsement upon request	✓
Preservation / presumption of right to indemnity	The prior Extension 22. has been deleted and now included as condition 5.8 'Failure of the company to indemnify insured persons'	✓
Prosecution costs	The prior Extension 23. has been deleted, however providing cover including <i>asset and liberty protection costs</i> and <i>prosecution costs</i> are covered under Extension 2.8 'Insured persons protection cover' clause 2.8.1	✓
Retired directors and officers	The prior Extension 23. has been deleted, however providing cover under Extension 2.6 'Extended reporting period'	✓
Definitions		
3.1 Asset and liberty protection costs	Newly added – To aid with new the Extension 2.8 'Insured persons' protection cover' for expenses payable	✗
3.2 Associated company	Enhanced coverage by increasing the ownership threshold to no more than 50% of the issued share capital or voting rights, but is not a <i>subsidiary</i>	Previously 20%
3.4 Change in control	Amended to clarify intent	✓
3.6 Claim	Amended to clarify intent and includes a <i>pre-claim event</i> is included has a <i>claim</i>	✓
3.9 Company crisis	Newly added – To aid with Extension 2.2 'Company reputation cover' and provides a trigger that cover responses to a negative statement specifically regarding and referencing the <i>company</i> that is included in any press release or published in any print or electronic media outlet in respect of a <i>claim</i>	✗
3.10 Company reputation protection expenses	Newly added – To aid with Extension 2.2 'Company reputation cover' for expenses payable	✗
3.14 Defence costs	Amended to clarify intent	✓
3.15 Deprivation of asset and liberty proceeding	Amended heading only to clarify intent	✓
3.20 Environmental mismanagement claim	Amended to clarify intent	✓
3.21 Expenses	Newly added – To aid with the connectivity with the Companion Directors and Officers Defence Costs and Expenses Liability Insurance policy	✗
3.26 External administrator	Newly added – To clarify intent	✗
3.29 Financial loss	Amended to clarify intent	✓
3.33 Indemnified financial loss	Newly added – To aid with the operation of Insuring Clause 1.2 'Company reimbursement cover'	✗
3.35 Insured person	An <i>insured person</i> now includes an <i>employee</i> of the <i>company</i> , other than a <i>director</i> or <i>officer</i> , in relation to any <i>investigation</i> to enhance coverage	✗
3.37 Interrelated wrongful acts	Newly added – To clarify intent	✗
3.38 Investigation	Amended to clarify intent	✓
3.42 Non-indemnified financial loss	Newly added – To aid with the operation of Insuring Clause 1.1 'Directors and Officers liability cover'	✗
3.44 Official body	Amended to clarify intent	✓

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3.45 Outside entity	An <i>outside entity</i> can now include a 'for profit entity' to enhance coverage and to qualify as <i>outside entity</i> is more than 20% ownership by the <i>policyholder</i>	✗
3.48 Personal reputation crisis	Newly added – To aid with Extension 2.4 'Emergency costs and expenses' and provides a trigger that cover responses to a negative statement specifically regarding and referencing the <i>insured person</i> that is included in any press release or published in any print or electronic media outlet in respect of a <i>claim</i>	✗
3.49 Personal expenses	Newly added – To aid with Extension 2.4 'Emergency costs and expenses'	✗
3.50 Personal reputation protection expenses	Newly added – To aid with Extension 2.4 'Emergency costs and expenses'	✗
3.53 Pre-claim costs	Newly added – To aid when a <i>pre-claim event</i> occurs	✗
3.54 Pre-claim event	Newly added – in respect of cover for legal advice related to raids, <i>self reports</i> and requests for production of documents from an <i>official body</i>	✗
3.55 Prior known fact	Amended to clarify intent	✓
3.57 Prosecution costs	Amended to clarify intent	✓
3.60 Securities claim	Amended to clarify intent	✓
3.61 Self report	Newly added – To aid when a <i>pre-claim event</i> occurs	✗
3.63 Statutory charge	Newly added – To aid with the connectivity with the Companion Directors and Officers Defence Costs and Expenses Liability Insurance policy	✗
3.70 Wrongful act	Amended to clarify intent	✓
Exclusions		
4.2 Conduct	Amended to clarify intent	✓
4.3 Insured vs insured US claims only	Amended heading only to clarify intent	✓
4.4 Prior and pending	Amended heading and format to clarify intent	✓
Environmental event	Deleted 'Environmental event' exclusion. Extension 2.5 'Environmental mismanagement and pollution' including the definition for <i>environmental mismanagement claim</i> is clear on the boundaries of coverage provided within the policy	✓
Outside entity executive – Prior and Pending	Deleted 'Outside entity executive – Prior and Pending' exclusion, noting the prior Insuring Clause 4 'Overseas entity liability' is no longer an Insuring Clause	✓
Prior notice	Deleted the standalone 'Prior notice' exclusion and have included within Exclusion 4.4 'Prior and pending'	✓
Subsidiary	Deleted Subsidiary exclusion. Pre-acquisition <i>wrongful acts</i> are carved out of the definition of <i>subsidiary</i>	✓

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Conditions		
5.2 Cancellation	In the event there are any notified, reserved or paid circumstances or <i>claims</i> under this policy, the <i>policyholder</i> will have the right to cancel this policy, but without the right to a return of premium	Original intent
5.3 Change in control and public offering	Amended to delete the prior condition, so that we will no longer limit the refund of premium to 80% of the unexpired premium if a <i>change in control</i> event occurs	Refund limited to 80%
5.4 Confidentiality	Amended to clarify intent	✓
5.5 Connectivity with the Companion policy	New Condition – This condition aides with the connectivity with the Companion Directors and Officers Defence Costs and Expenses Liability Insurance policy	✗
5.8 Failure of the company to indemnify insured persons	New Condition – Previously extension 22. 'Preservation / presumption of right to indemnity' and has been amended to clarify intent	✗
5.12 Newly created or acquired subsidiaries	Amended heading only to clarify intent	✓
5.13 Non-disclosure and misrepresentation waiver	New Condition – Previously extension 18. 'Non-disclosure and misrepresentation waiver'	✓
5.14 Notifications – claims, crises, investigations	A new notification provision applies to a <i>company crisis</i> under the new extension 2.2 'Company reputation protection extension'	✗
5.16 Other insurance and indemnification	Amended to clarify intent, to dovetail with Insuring Clause 1.4 'Outside entity executive excess cover'	✗
5.19 Severability and non-imputation	Amended to clarify intent	✓
5.20 Subrogation	Amended to clarify intent	✓
International program policies	Deleted and replaced with Section 6 'Worldwide cover and global liberalisation'	✓
Worldwide cover and global liberalisation		
6.3.3 Notice and authority for international programs	Amended to clarify intent	✓
6.3.5 Master program	New Added – To clarify intent	✓

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