

Public Offering of Securities Insurance for Directors, Officers and Company Liability

Factsheet

Public Offering of Securities Insurance (POSI) protects the directors, officers and the Company, as well as certain additional Insureds, in your business against securities claims arising from their actions and decisions in their official capacities in connection with a public offering of securities of the Company.



This includes damages awarded in civil courts and in administrative or regulatory proceedings, and the potentially substantial defence costs incurred in criminal, administrative or regulatory charges or investigations.

In the light of the significant increase in liabilities for directors and officers in connection with a public offering of securities of the Company, our aim is to provide a focused product that responds to those issues. We want to work with companies who are looking to achieve the highest standards across all areas of their business, in particular Corporate Governance and risk management. If your company can demonstrate its commitment to continuous improvement in these areas, it would have a significant impact on us being able to offer more favourable terms.

What do we cover?

We're a market-leader in D&O liability underwriting, offering you one of the most comprehensive POSI insurance products currently available. Our cover responds to the potential exposures of global organisations and their directors and officers in connection with a public offering of securities of their Company. We can offer you capacity up to \$30 million in respect of global companies.

Highlights of our cover include:

- primary attachment point
- comprehensible wordings tailored to meet your needs
- broad definition of 'claim'
- worldwide coverage, includes cover for USA subsidiaries and USA

- wide definition of 'insured,' which includes the underwriters of the public offering (to the extent the Company)
- stock market offerings and listings
- strong advancement of 'defence costs' language
- investigation and enquiry costs
- no pollution exclusion
- entity coverage for securities offerings
- severability of the submission
- non-rescindable/non-avoidable language for Insured Persons – non-indemnifiable loss.

Risk selection

Our aim is that your company understands the rationale behind the pricing and the key elements we look at to make our assessment. We are looking for those companies which can demonstrate 'best practice' across all elements of their business practices, procedures and governance.

The risk analyses we carry out use a wide range of data, both internal and external. Some key areas we'll look at are records of the Board of Directors' performance, the mix between non-executive and executive board directors and other commitments they have, analysis of the financial statements, analysis of the offering documents, reviews of all corporate governance procedures, audit process and Code of Ethics. We believe the approach and culture of senior management in your business is a significant influence on the more tangible aspects of risk management.

Beyond the product – superior service and commitment

Service is a crucial component of our offering – we want to give you peace of mind and confidence when dealing with us. Our service covers both New Zealand and global programmes.

Underwriting

Dedicated D&O underwriting professionals possess the industry experience and understanding to provide secure and resourceful solutions to meet customers' needs – in New Zealand and globally.

Specialist in-house claims team

Financial Lines insurance is a complex area that requires specialised claims resources. A Financial Lines claim will often require detailed technical analysis in order for an insurer to respond with its position on indemnity.

Our experienced Financial Lines claims team provides us with the resources to not only manage the complex coverage issues in-house, but also to provide our insureds with years of valuable experience in defence management. We can assist our insureds to resolve their claim in a practical, cost-effective and satisfactory manner.

Global programmes

Our Global Service Team is responsible for managing all the activities associated with New Zealand-designed international programmes around the Zurich network in an effective way.

Our core capabilities include:

- local expertise, global reach
- managing international policy issuance, where you pay local taxes overseas and in New Zealand
- compliance with overseas fiscal laws
- general and tailored reports for greater operational effectiveness.

Zurich Multinational Insurance Application (MIA)

MIA helps resolve the uncertainty around the application of licensing laws and premium tax requirements applicable in more than 170 countries where cross-border risk is written. This is critically important to provide protection for any multinational company that has directors and officers in multiple jurisdictions.

A solid foundation

Zurich Financial Services is an insurance based financial services provider with a global network. Founded in 1872, the company's headquarters are in Zurich, Switzerland. Zurich employs approximately 60,000 people serving customers in more than 170 countries. It is the second largest insurer of global corporate business.

In excess of 2,000 global programmes are handled for large corporate customers encompassing over 17,500 local policies issued by our extensive global network.

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