

# Product Profile

## CorporateGuard Public Offering of Securities Insurance (POSI) - Corporate Liability Insurance

Public Offering of Securities Insurance (POSI) insures companies (and their directors and officers) against litigation arising from a company's capital raising (for example shareholder claims and regulatory investigations brought in connection with the raising). The policy can cover equity or debt issues, both initial raisings and secondary offerings. Cover is also available for the underwriter of the offering where indemnity to the underwriters has been granted under warranties in the underwriting agreement. Additionally, coverage is automatically granted for controlling shareholders, as well as selling shareholders (with no major shareholder exclusion being included in the policy).

### COVERS

- Non-rescindable policy for individuals (unless fraud)
- Defence costs, damages (including punitive and exemplary damages), settlements and civil or criminal fines and penalties (if insurable at law) for "Prospectus Claims"
- Cover for the Directors and officers for Prospectus Claims
- Cover for the Issuing Company for Prospectus Claims
- Cover for the Underwriter of the raising (for warranties assumed under the underwriting or replacement agreement)
- Cover for Controlling Shareholders for Prospectus Claims
- Cover for Selling Shareholders for Prospectus Claims
- No Major Shareholder Exclusion
- Liabilities arising from negotiations and decisions made in connection with the offering, including in any 'Road-Show'
- Affirmative cover for SEC 1933(US) Rule 144A Shareholder Claims
- Legal fees and expenses up to full policy limit for attendance at any investigation into the affairs of the company with regards the capital raising (subject to individual risk profile)
- Full severability of proposal form and conduct exclusion
- No Insured vs Insured exclusion
- No Pollution exclusion
- Public Relations Expenses (sub-limited)
- World-Wide Cover

### COVER EXTENSIONS

- Media Management Fees – of a Public Relations Firm in the event that the offering is delayed or cancelled
- Regulatory Crisis Response Cost cover – in the event of a raid by a government regulator
- Emergency Costs Cover – automatic cover for legal fees incurred in the event of an emergency
- Data Protection and Privacy Cover – protection for breaches of privacy laws in relation to the content of the prospectus
- Excess Limit – Additional excess limit available for directors in the event of a catastrophic claim (including 'ring-fenced' protection for Non-Executive Independent Directors only)
- Inquiry Costs – Regulatory investigation costs provided in the event that a Director is investigated with regards the capital raising (with no 'Wrongful Act' allegation required)

### Value Added Services

- Additional regulatory crisis response cover (sub-limited)
- Public Relations expenses (sub-limited)

### Insured

- Includes past, present, and future Directors and Officers (extending to employees if acting in a managerial capacity), shadow directors, the Issuing Company, any Controlling Shareholder, and Selling Shareholder, and the Underwriter of the capital raising
- Automatic cover for domestic partners and / or lawful spouses of any Director

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### Policy Form and Indemnity Limit

- Full retroactive cover on a 'claims made' basis
- Policy limits of up to USD50million (subject to individual risk profile)
- Policy Period is aligned to the duration of the exposure period. In Asia, this is typically up to six (6) years
- Reimbursement of all defence costs within thirty (30) days of receipt of sufficiently detailed invoices

### Exclusions

- Fraud ('final adjudication' or 'formal written admission' only)
- Prior and pending Claims and circumstances
- US Public Securities (ex Rule 144A of the Securities Act of 1933 (US))
- Trustees
- Underwriter Professional Indemnity
- Economic Sanctions

### Broker Facts

- 'Ring Fences' exposures from securities offerings
- Affirmative cover for all parties involved in the capital raising
- Premium may be paid with proceeds from raising itself

### Can include all parties involved in prospectus

Covers Directors and Officers, controlling shareholders, selling shareholders, the issuing company, and securities underwriters to the extent that the issuing company (or its Directors and Officers) are liable for indemnifying them.

### Transactional product – lasts as long as the exposure

POSI is purchased specifically for the transaction. Limits of Liability, and terms and conditions of the policy are tailored to be bespoke for the specific requirements of each transaction. Cover protection remains in force as long as the legal exposure remains (often up to six (6) years in Asia, and three (3) years in the US).

### Ring-fences potentially large exposures

Dollar amounts involved in a capital raising can be significant. Individuals involved in such an offering (for example Directors and Officers of the issuing company) face legal exposures that could easily exhaust coverage available under any applicable Directors and Officers (D&O) Liability insurance policy that the issuing company already purchases. The POSI policy protects against this, by 'ring-fencing' the associated prospectus liability risks from the D&O policy, as well as providing tailored, longer term guaranteed protection, given the term of the insurance can be for up to six (6) years.

### Worldwide scope

Reflecting trans-national financial markets, POSI can cover financial transactions throughout the world, including the US where legal exposures are particularly onerous.

### Fewer exclusions

Bodily injury and Property Damage, Pollution, and Major Shareholder Exclusions all deleted in their entirety.



Bring on tomorrow

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This product profile is intended as a guide to coverage benefits only. Scope and precise breadth of policy coverage is subject to the specific terms and conditions of the policy wording.

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