



Retired Directors Assurance

WEBINAR HOST

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Retired Directors Assurance Underwriting Services
(RDAUS)

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1:00 P.M.

www.retiredirectors.com



Retired Directors Assurance

WEBINAR GOALS

This webinar will focus on Retired Directors Assurance (RDA), which is a policy that was designed to fill the gap created when a director retires or resigns from a board. Exposures, RDA policy and coverage application will be discussed in detail.



Retired Directors Assurance

WHAT IS RETIRED DIRECTORS ASSURANCE?

*IT IS AN INDIVIDUAL SIX YEAR
NON CANCELLABLE POLICY*

DESIGNED TO COVER THE ACTIONS OF A
RETIRED DIRECTOR WHEN CORPORATE
INDEMNIFICATION AND/OR TRADITIONAL D&O
COVERAGE DOES NOT RESPOND FOR ANY
REASON

STANDARD SOURCES OF PROTECTION

RETIRED DIRECTOR OR OFFICER

Personal Assets






Indemnification

Insurance



Retired Directors Assurance

PROBLEMS, EXPOSURES AND GAPS FACED BY A RETIRED DIRECTOR

-  Retired directors have a five year statute of limitations under Sarbanes-Oxley for all actions undertaken prior to retirement.
-  Traditional D&O policies are one-year contracts that cover a multitude of people and entities over many years with no renewal guarantee. The coverage limits are not dedicated to a retired director and have a high probability of erosion.
-  A retired director no longer has a voice in the direction of the company or insurance purchases.
-  A retired director has no guarantee of indemnity and/or the ability of the entity they served to fund a claim following retirement.
-  A retired director's legal interests may conflict with those of current management.



WHY PERSONAL ASSETS ARE NOT ENOUGH

- ◉ When a retired director has to utilize his or her own assets to fund a claim there is no partner (insurance carrier) or control over legal expenses

WHY INDEMNITY IS NOT ENOUGH

- ◉ Indemnity agreements cannot be guaranteed or prefunded
- ◉ Indemnity agreements could be amended after a director retires
- ◉ A merger/acquisition, divestiture, bankruptcy, change in management, etc. may undermine the integrity of funds and obligations
- ◉ Length of time required to resolve litigation may outpace funding
- ◉ Courts may not allow indemnification in certain cases



WHY STANDARD D&O INSURANCE IS NOT ENOUGH

- ⦿ D&O policies are one year contracts with no guarantee of renewal
- ⦿ Terms and conditions can change annually
- ⦿ The limit of liability is shared by a number of people including the corporation
- ⦿ The limit of liability covers a expanded period of time (past, present and future)
- ⦿ Traditional D&O policies contain numerous exclusions
- ⦿ Policy limits may be eroded with claim notices not related to a retired directors actions
- ⦿ Legal interests may conflict with those of current management
- ⦿ Standard D&O policies can be rescinded



STANDARD SOURCES OF PROTECTION

RETIRED DIRECTOR OR OFFICER

Personal Assets
LAST LINE OF DEFENSE








Indemnification

Insurance



Retired Directors Assurance

THE SOLUTION – THE RDA POLICY

-  Policy is a six year individual form issued in the name of the retired director
-  Provides up to \$10,000,000 of personal protection for all actions undertaken during tenure as director
-  Policy has no deductible or coinsurance provision
-  Policy cannot be canceled or rescinded at any time
-  Policy allows the retired director to select counsel
-  Policy provides director six years of advisory services and contact points
-  Policy is issued by a A+XV Insurance Group



THE APPLICATION

RETIRED DIRECTORS ASSURANCE APPLICATION FOR PUBLIC COMPANY DIRECTORS AND OFFICERS

I. APPLICANT

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Home E-Mail: _____

Company Served (hereinafter, the "Company"): _____

Title: _____ Ticker Symbol: _____

Date of Retirement: _____



THE APPLICATION

RETIRED DIRECTORS ASSURANCE APPLICATION FOR PUBLIC COMPANY DIRECTORS AND OFFICERS

II. APPLICANT AND COMPANY INFORMATION

1. Have you ever been charged with, investigated for or alleged to have committed a violation of any securities law? Yes No. If Yes, please provide details.
2. Have you ever been named as a defendant in any representative actions, class actions, or derivative suits? Yes No. If Yes, please provide details.
3. Has there been or are there now pending any investigations, suits, claims or proceedings in which you are named or involved? Yes No. If Yes, please provide details.
4. The Applicant has no knowledge or information of any act, error or omission which might give rise to a CLAIM under the proposed policy, except as follows: (Attach complete details.) If the Applicant has no such knowledge or information, state "None": _____.



THE APPLICATION

RETIRED DIRECTORS ASSURANCE APPLICATION FOR PUBLIC COMPANY DIRECTORS AND OFFICERS

II. APPLICANT AND COMPANY INFORMATION

It is agreed with respect to Questions 3 and 4 above, that if any such investigation, suit, claim or proceeding exists (whether known or not known by the Applicant), or if any such knowledge or information exists, then any and all such investigations, suits, claims and proceedings and any and all CLAIMS arising from any such investigations, suits, claims, proceedings, knowledge, or information are excluded from the proposed coverage.



THE APPLICATION

RETIRED DIRECTORS ASSURANCE APPLICATION FOR PUBLIC COMPANY DIRECTORS AND OFFICERS

III. INSURANCE INFORMATION

5. Limit of Liability requested: \$10,000,000 \$5,000,000 Other \$ _____

6. Please list the Company's current D&O or Executive Liability insurance total limit of liability and the expiration date:

Total Limit: _____ Expiration Date: _____





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