



Retired Directors Assurance

*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- ⦿ Standard D&O policies can be rescinded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





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