

# Management Liability Insurance

Company leaders are held to a high standard of accountability given their responsibilities and high-profile roles. Increasingly, owners, directors and executives of private companies are facing litigation by a variety of stakeholders — including employees, customers, competitors, creditors, shareholders and regulators. For many private companies and their executives, the costs of defending against such claims could be devastating. If their decisions are challenged through wrongful act allegations or a lawsuit, you need coverage in place to protect their personal assets and the financial interests of the company.



## Experienced team

With experts in six offices across Canada, Sovereign<sup>®</sup> has a local presence, and brings in-depth knowledge of provincial laws and regulations.



## High-value protection

Our coverages offer comprehensive, flexible protection, and our precise language wordings are adapted to new, unique, and emerging risk exposures.



## Exceptional claims service

We're known for our claims service. Our experienced, dedicated claims team handles your claim efficiently and keeps you informed throughout the process.



## Targeting/ Specializing In:

Small to mid-sized companies with limited foreign exposures.  
We service clients across all industry classes; our appetite is focused on partnering with and protecting clients within proven and viable industries with strong business plans and resources.

# Sovereign Secure Pro

Protection for the personal liability of directors and officers, as well as protection for the company, is essential to prudent risk management. Recognizing this, Sovereign has created Sovereign Secure Pro: Management Liability, a modular policy designed specifically for private and not-for-profit companies.



## Four core insurance modules:

- ▶ Directors & Officers Liability (D&O)
- ▶ Employment Practices Liability (EPL), including Third Party Coverage
- ▶ Fiduciary Liability
- ▶ Crime

## Four key D&O coverage extensions:

- ▶ **Investigative Costs:** Covers costs arising from an investigation in response to a derivative demand.
- ▶ **Inquiry Costs (informal investigation coverage):** Separate limit covers pre-claim costs in response to a request or demand by an enforcement or investigative authority for an insured person to appear and answer questions or produce documents.
- ▶ **Side A Excess:** Provides a separate excess limit for non-indemnifiable claims against insured persons.
- ▶ **Retired Executives Automatic Extended Reporting Period (ERP):** Provides an automatic 12-month coverage extension for retired directors and officers to report a claim.

## Coverage Highlights

- ▶ Protects all essential exposures under one policy
- ▶ Policy form includes options for combined or separate limits
- ▶ Modular structure allows for choice of coverage under one comprehensive form
- ▶ Claim reporting within relaxed timelines
- ▶ Automatic runoff and no gaps in coverage for past subsidiaries and employee benefit plans
- ▶ Automatic coverage with no threshold for acquired or created subsidiaries and benefit plans
- ▶ Narrow exclusions
- ▶ No retention in many scenarios

<sup>1</sup> Source: Trends impacting Directors' & Officers' liability in 2020 - Iridium Risk services - energy news for the Canadian oil & gas industry. (2020, June 22). Retrieved March 26, 2021, from <https://energynow.ca/2020/03/trends-impacting-directors-officers-liability-in-2020-iridium-risk-services/>



## Key coverages designed to help protect your business

### Directors & Officers Liability (D&O)

Helps protect directors and officers and/or the company from lawsuit losses (or the advancement of defense costs), for alleged wrongful acts in their capacity as directors and officers. Coverage may extend to defense costs arising out of criminal and regulatory investigations/ trials. Intentional illegal acts are not typically covered under D&O policies.

### Fiduciary Liability

Helps protect directors, officers, employees and employers who are alleged to have breached their fiduciary duty or made mistakes in the management or administration of employee retirement and benefit plans.

### Employment Practices Liability (EPL) – including Third Party Coverage

Helps cover legal costs incurred to defend claims involving: discrimination; wrongful termination; wrongful or constructive dismissal; misrepresentation, discrimination, libel, slander and defamation of character; breach of employment contract; sexual harassment; hostile and abusive work environment; unwelcome sexual advances.

### Crime

Helps protect businesses from losses due to business-related crime. Policy protection may cover cash, assets, merchandise, or other property loss when someone perpetrates fraud, embezzlement, forgery, misrepresentation, robbery, theft, or any other type of business-related crime on the company.

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