

Directors & Officers (D&O) Liability Insurance for public companies

Protecting the people driving your business

Your business depends on its people... and it's vulnerable to claims against them. Liability risks, especially those facing corporate leadership, can lead to adverse outcomes that could potentially put your entire company in jeopardy.



Litigation and costs on the rise



\$13 million

Median securities class action settlement in 2020 was \$13 million* (highest in the last 10 years).¹

* Excluding the American Realty Capital Properties settlement of \$1.025 billion.



30 = A “Mega” mess

There were 30 “mega” MDL (maximum dollar loss) filings in 2020... more than twice the historical average.²



**334 =
Trouble x 2**

334 new securities class action cases filed in 2020 – almost double the 1997-2019 average.³



55%

Settled 2020 cases with an accompanying derivative action (second-highest rate in past decade).⁴

A changing world of risks

D&O claims have shifted from regulatory matters to a wide range of risks, ranging from technology breaches to social issues. The current risk landscape includes:



Increase in securities litigation⁵



Rise in event-driven litigation⁶



More legal action against a smaller number of public companies⁷



Growth in defense counsel rates

Zurich D&O

Ready for always-evolving exposures

Our experience meeting the changing primary and excess coverage needs of our customers shapes our D&O coverage. Our insurance solutions are aligned with customer-focused teams of specialists working to help protect leadership of publicly traded companies from increasingly complex and globally connected exposures. With Zurich, you get:

- Coverage with the flexibility to evolve as conditions change
- Extensive International program capabilities across more than 215 countries with local claim expertise in many of these countries
- Alternative risk structuring solutions

Industry-leading claims capabilities⁸

- Integrated Underwriting and Claims teams with industry-specific focus
- Deep claims experience, including handling regulatory investigation
- Award-winning claims handling⁹
- 7100 Claims professionals around the world
- Claims professionals authorized to respond with timely, effective actions

Insurance and legal knowledge working hand-in-hand

- Experienced attorneys handling claims
- Broad legal knowledge to minimize need for monitoring counsel
- A reputation for engaging in productive dialogue with our insureds to resolve claims and all attendant issues

Our learning never stops so we can advise on quickly changing, event-driven litigation (e.g., pandemic-related issues).



A full view of protection for your leadership

Our D&O Liability Insurance is part of a full suite of management liability solutions that includes:

- Crime Insurance
- Fiduciary Liability Insurance
- Employment Practices Liability Insurance (EPLI)

A reputation you can count on

- A+ rating for financial strength¹⁰
- Customer advocacy scores 40 points higher than the industry average¹¹

Find out more about Directors and Officers Liability Insurance and Zurich's other Management Liability solutions at:
zurichna.com/insurance/mgmtliab.



References

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3. Ibid.
4. "Securities Class Action Settlements: 2020 Year in Review." Cornerstone Research. 2021.
5. "Securities Class Action Filings: 2020 Year in Review." Cornerstone Research. 2021.
6. Mendoza, Elisa and Jeffrey Lubitz. "Event-Driven Securities Litigation: The New Driver in Class Action Growth." ISS Securities Class Action Services. 1 December 2020.
7. "Securities Class Action Filings: 2019 Year in Review." Cornerstone Research. 2020.
8. Based on Zurich North America Closed Claims Net Promoter Score of 83, January 2018 - June 2020. "Best in Class" NPS threshold for insurance industry: 51 (2020). Source: Medallia.
9. 2016 Contact Center World Gold award for Best Contact Center and Silver award for Best Customer Service.
10. Ratings as of December 31, 2020. A.M. Best's and Standard & Poor's ratings are under continuous review and subject to change and/or affirmation. The ratings represent the overall financial status of the individual member companies of Zurich in North America, including Zurich American Insurance Company, and are not a recommendation of the specific policy provisions, rates or practices of each issuing insurance company.
11. Zurich Transactional Net Promoter Score: 82, January 2018-May 2021. Insurance industry NPS average: 37 in 2020. Source: Medallia.

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