

Notable Definitions & Exclusions (list is not exhaustive)

- Definition of Claim: includes: (i) written demands for monetary, non-monetary or injunctive relief; (ii) civil, criminal administrative, regulatory or arbitration proceedings; (iii) derivative demands; (iv) requests for extradition; and (v) civil, criminal, administrative or regulatory investigations of an Insured Person – there are triggers that apply to sub points (ii to iv) (e.g., service of complaint, investigative order)
- Definition of Loss: includes damages, settlements, judgments, Defense Costs, Liberty Protection Costs and Pre-claim Inquiry Costs; however, Loss does not include: (1) fines or penalties; (2) taxes; (3) any amount in which you are not financial liable; and (4) matters that are insurable by law
- Definition of Wrongful Act: includes any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by a Director or Officer, and also includes any matter claimed against a Director or Officer solely by reason of his or her status as such
- Contractual Liability Exclusion: excludes loss arising out of, or based upon, actual or alleged contractual liability (essentially breach of contract), but the exclusion is limited *solely* to the Company and has a carve back or safe harbor for liability that would have existed absent the contract
- Fraud Exclusion: you cannot insure fraud as a matter of public policy but allegations of fraud are not enough – the carrier will provide Defense Costs until the fraud has been proven by a final, non-appealable adjudication
- Professional Liability Exclusion (aka Errors & Omissions Exclusion): excludes loss arising out of, or based upon, the performance or failure to perform professional services for others, but it has a carve back for Securities Claims – XXX carries separate Professional Liability Insurance
- Antitrust Exclusion: excludes loss arising out of any antitrust, business competition, unfair trade practices or tortious interference in contractual relationships, but the exclusion is limited *solely* to the company and has a carve back for \$250K in Defense Costs