



PRODUCT HIGHLIGHTS

PRIVATE COMPANY PROTECTION PLUS

Benefits of this Program

Philadelphia Insurance Companies' (PHLY) Private Company Protection Plus Policy PI-PRD-2 with Private Company Enhancement Endorsement (PI-PRD-126 [08/23]) was created to meet the comprehensive needs of privately held companies in a wide selection of industries. Coverage includes Directors & Officers Liability, Employment Practices Liability, and Fiduciary Liability.

Key Benefits

- Flexible limit options available starting at \$500,000. Coverage limits can be purchased on an individual or shared limit basis
- Optional selection of counsel - Insured may choose defense counsel or tender the defense to the carrier
- 100% allocation of defense costs if duty to defend provision opted
- Defense costs outside the limits available by separate endorsement for select risks (additional underwriting required)
- Modified consent to settle clause – 90%/10% with a retention reduction of the lesser of \$25,000 or 50% of the applicable retention for acceptance of first settlement offer
- Broad definition of Claim includes: arbitration, mediation, regulatory and administrative proceedings, EEOC & DOL investigations, extradition, subpoena, search warrant, target letter, Wells Notice and requests to toll the statute of limitations
- Broad definition of Defense Costs includes e-discovery costs and trial attendance reimbursement extension in the amount of \$500 per day/\$15,000 aggregate
- Definition of Loss expanded to include fines and penalties under both Foreign Corrupt Practices Act and the UK Bribery Act
- Definition of Subsidiary expanded to include any entity that the Named Corporation owns 50% or more of outstanding shares or has management control; or exactly 50% and management control in case of a joint venture
- Newly acquired or created Subsidiaries during the policy period are automatically covered with no requirement to notify carrier
- Pre-claim expenses recognized against the applicable retention in an amount of the lesser of \$25,000 or 50% of the retention
- Full severability for Individual Insureds of all policy exclusions
- State Amendatory inconsistency liberalization clause
- Definition of Application limited to last 12 months of submitted materials
- 90 Day Notice/Claim Reporting provision with knowledge limited to CEO, Chairperson of the Board, CFO or General Counsel
- Worldwide Coverage territory
- Full suite of Risk Management Services available via **PHLY** Gateway Risk Management Platform, including Loss Assistance Hotline with free legal consultation
- All coverages are also available on a standalone basis

Directors & Officers Liability

- Securityholder Derivative Demand Evaluation Coverage included at \$500,000 limit
- Side-A Excess (Individual Insureds Liability) Coverage included at \$1,000,000 limit
- Side-A, Side-B and Securityholder Carvebacks on the following Exclusions: Intellectual Property Exclusion, Antitrust Exclusion, Breach of Contract Exclusion, Products Exclusion, and Pollution Exclusion.
- "For" wording and Securityholder Carvebacks on Bodily Injury & Property Damage Exclusion, as well as Carveback for violations of the UK Corporate Manslaughter and Corporate Homicide Act of 2007
- IPO exclusion includes carveback for roadshow activities and failure to undertake or complete public offering
- Full severability for Individual Insureds for the application and all policy exclusions
- Former officer (1 Year) carveback and whistleblower carvebacks within Insured vs. Insured exclusion
- Creditor committee, debtor-in-possession, included as an Insured
- Subrogation clause amended to state carrier will only subrogate against Individual Insureds after a final adjudication establishes fraudulent or criminal act or illegal profit gaining
- Order of payments with priority placed on indemnifying Individual Insureds
- Definition of Individual Insured broadened to include Advisory Board Members, Foreign Equivalents, Board Observers, De Facto Directors and Lawful Spouses/Domestic Partners
- Automatic Outside Directorship Liability (ODL) Coverage for broadly defined not-for-profit entities

Additional D&O Coverages available by separate endorsement and additional underwriting:

- Books and Records Costs Sublimit
- Asset Protection Costs Sublimit
- Appraisal Costs Sublimit
- Sarbanes-Oxley 304 costs Sublimit
- Healthcare Regulatory Fines and Penalties Coverage
- Amended Retention Provision to recognize Side-A/Difference-In-Conditions policy
- Amended definition of D&O Wrongful Act to include acts of a controlling or selling shareholder

PRIVATE COMPANY PROTECTION PLUS - *continued*

Employment Practices Liability

- Comprehensive 24-point definition of Employment Practices Act which includes: violation of employment discrimination laws, retaliation, wrongful discipline, constructive discharge, sexual or workplace harassment of any kind, and more
- Extends coverage for harassment, discrimination, and other employment-related claims by employees on social media/internet (on or off the job)
- Definition of employee can include full-time, part-time, seasonal, leased, temporary, interns, volunteers and independent contractors
- Third Party Liability Coverage included with broad definition of Third Party
- Other Insurance Clause – Primary Language
- “For” wording applied to Bodily Injury/Property Damage exclusion, with Employment claim carveback

Additional EPL Coverages available by separate endorsement and additional underwriting:

- Wage and Hour Defense Sublimit
- Workplace Violence Defense Sublimit
- Immigration Claim Expense Coverage

Fiduciary Liability

- Definition of Fiduciary Liability Act to include status provision and settler extension
- Omnibus Welfare Plan Coverage
- Broad definition of Loss includes: civil fines or penalties imposed under Section 502 (i), HIPAA, PPA, PPACA, and the 15% or less tax penalty imposed under Section 4975 included at a limit of \$250,000 (higher limits available with additional underwriting).
- Coverage for IRS voluntary settlement program claims included at a limit of \$250,000 (higher limits available with additional underwriting).
- Defense Coverage for Managed Care claims included at a limit of \$250,000 (higher limits available with additional underwriting).

Bell Endorsement

- Includes \$50,000 limits each for Business Travel Accident Benefit, Donation Assurance, Emergency Real Estate Consulting Fee, Identity Theft Expense, Image Restoration and Counseling, Key Individual Replacement Expenses, Kidnap Expense, Terrorism Travel Reimbursement, and Workplace Violence Counseling. \$25,000 limits for each Conference Cancellation, Fundraising Event Blackout, Political Unrest (\$5,000 per employee), Temporary Meeting Space Reimbursement, and \$1,500 Travel Delay Reimbursement

Crisis Management Enhancement Endorsement

- \$25,000 limit for crisis management emergency response expenses incurred because of an incident giving rise to a “crisis”

Documents Required for Proposal

- Completed application
- Most recent financial statement/audit, if Directors & Officers coverage sought or Employment Practices monoline with more than 200 employees
- Currently valued insurance company loss runs for the current policy period plus 4 prior years

Service

- Clients are serviced by both our Home Office staff as well as our Regional Offices located throughout the country

Carrier

- These coverages are underwritten by Philadelphia Insurance Companies, rated A++ (Superior) by AM.Best; Nationally recognized as a member of Ward’s Top 50; Forbes Magazine has recognized PHLI as one of the 400 Best Big Companies in America

Payment Terms

- Installments available for accounts that generate at least \$2,000 in premium

For more information about our products and services, please visit us at PHLY.com

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The PHLI *Difference*

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