

# How Directors and Officers (D&O) Insurance Completes Your Business Insurance Puzzle

As many as 31% of public, private and nonprofit organizations have reported a D&O claim in the past five years.

The numbers make it clear: your leadership and employees need the protection that D&O coverage offers. Your other policies may have gaps that leave your key personnel — and your organization — vulnerable. D&O insurance can help close those gaps.



## WHAT IS DIRECTORS AND OFFICERS (D&O) INSURANCE?

D&O insurance indemnifies directors and officers, employees and the greater company entity for their role in decisions made on behalf of the company. Claims related to D&O coverage could include accusations of negligent oversight or any other actions that affect the financial performance of the company.



## Employment Practices Liability (EPL) Insurance + D&O Insurance

### WHAT DOES EMPLOYMENT PRACTICES LIABILITY INSURANCE COVER?

EPL insurance protects you against claims of wrongful acts related to employment practices, such as discrimination, sexual harassment or wrongful termination.

### WHERE'S THE FIT?

Generally, a D&O insurance policy will indemnify named directors, officers and employees, and the greater organization, in the event of a lawsuit. However, the language of a D&O policy may not respond to an employment practices claim.

### WHAT YOU SHOULD KNOW

If your D&O coverage doesn't extend to claims related to employment practices, you should pair it with an EPL policy. Otherwise, your executives, employees and organization risk being denied coverage.

## Cyber Liability Insurance + D&O Insurance

### WHAT DOES CYBER LIABILITY INSURANCE COVER?

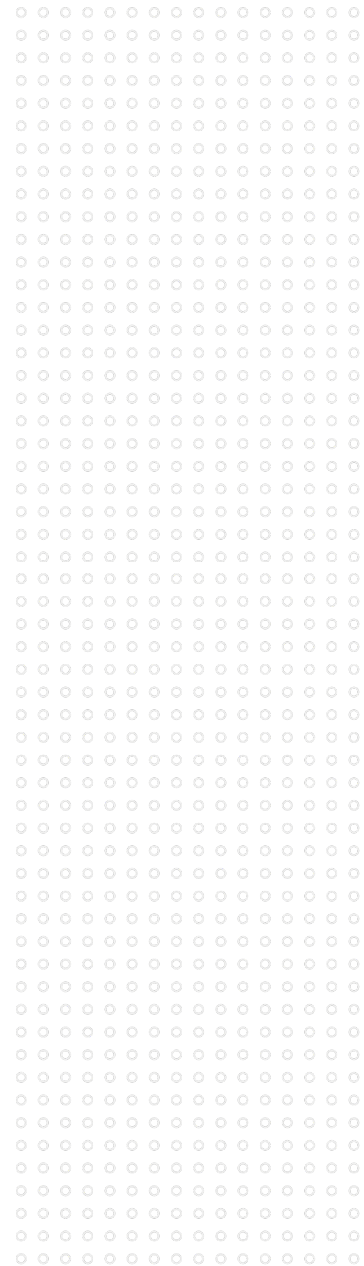
Cyber liability insurance provides for crisis management following a data breach. It may cover, for example, the expense of forensic investigation, a privacy attorney, notification of affected individuals, credit monitoring and PR costs.

### WHERE'S THE FIT?

More and more carriers are now excluding cyber risk in their D&O policies. As a result, D&O coverage on its own cannot be considered adequate protection for leadership against a lawsuit that arises from a breach or cyber attack.

### WHAT YOU SHOULD KNOW

HUB's coverage experts can navigate these exclusions, and pair standalone D&O and cyber policies to ensure gapless coverage for your leaders.





## Professional Liability Insurance + D&O Insurance

### WHAT DOES PROFESSIONAL LIABILITY INSURANCE COVER?

Professional liability insurance (also known as errors and omissions or E&O) protects individual professionals and firms against claims for failure to provide services as stated.

### WHERE'S THE FIT?

Most D&O policies exclude professional liability. A separate professional liability policy is required to indemnify a director or officer in the event of a claim related to the professional services they provide.

### WHAT YOU SHOULD KNOW

The language of your professional liability policy should be tailored to the unique professional services your business offers. An experienced broker will know how to construct the policy to best complement your existing D&O coverage.

## General Liability Insurance and Umbrella Policies + D&O Insurance

### WHAT DO GENERAL LIABILITY INSURANCE AND UMBRELLA POLICIES COVER?

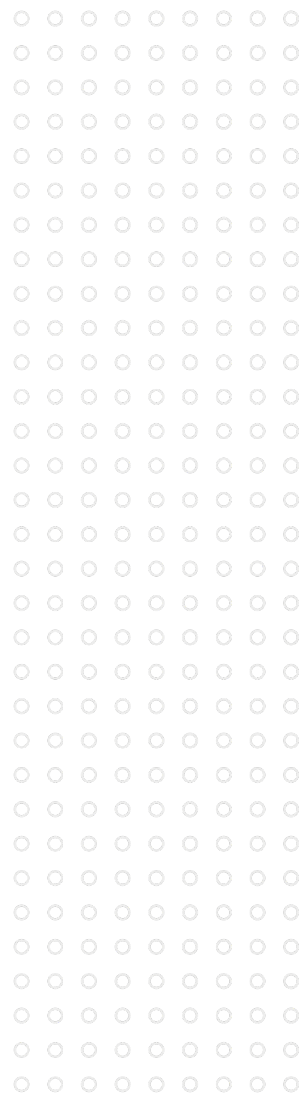
General liability insurance covers third-party bodily injuries, tangible property damage and advertising injuries. Umbrella policies augment other primary liability policies, expanding their limits and also broadening their coverage.

### WHERE'S THE FIT?

When a director or officer is named in a lawsuit related to physical or property damage, the company's general liability coverage usually provides protection. However, D&O insurance will respond if a company leader is sued for failing to maintain adequate general liability coverage.

### WHAT YOU SHOULD KNOW

If your company suffers a physical or property damage loss not related to the actions of a director or officer, your general liability policy will respond. However, if a director, officer, employee or company entity is named in the suit, you will need D&O coverage to ensure indemnification.





## Business Crime Bond Insurance + D&O Insurance

### WHAT DOES BUSINESS CRIME BOND INSURANCE COVER?

No business is safe from the crimes of fraud, theft, forgery and embezzlement. Business crime bond insurance provides financial protection for related losses.

### WHERE'S THE FIT?

D&O policies will not cover fraud, theft, forgery or embezzlement. Since there's no way to predict when such acts may be committed, a business crime policy is a crucial complement to D&O coverage.

### WHAT YOU SHOULD KNOW

Following a crime, you may face a suit from a shareholder, client or vendor alleging failure to prepare for or prevent the criminal act. Your D&O policy will come into effect if that lawsuit names a director, officer, employee or company entity.

## Fiduciary Liability Insurance + D&O Insurance

### WHAT DOES FIDUCIARY LIABILITY INSURANCE COVER?

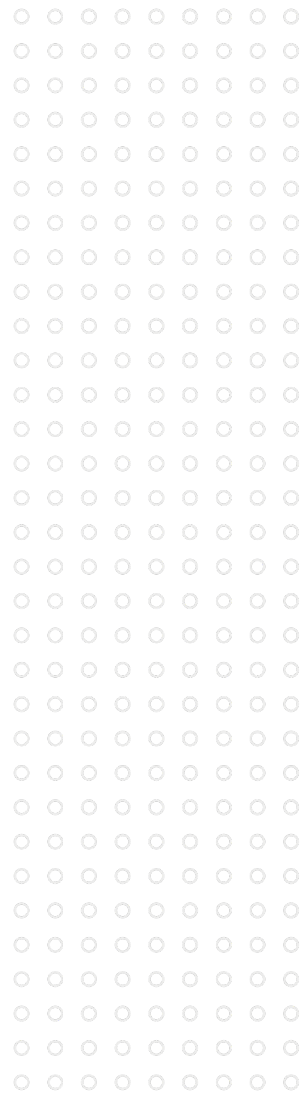
Employers and individuals (fiduciaries) who manage pension, savings, profit-sharing, employee benefits and health/welfare plans require fiduciary liability insurance to protect against claims of mismanagement or breaches of duty.

### WHERE'S THE FIT?

D&O policies carry an exclusion for violations of the Employee Retirement Income Security Act (ERISA) and similar laws. As a result, the D&O policy will not cover claims originating from a regulatory body, or those brought by individuals participating in a company's 401(k) plan, benefits or other employee welfare plans.

### WHAT YOU SHOULD KNOW

Because of the exclusions for violations of ERISA and similar laws, you need a separate fiduciary liability policy to complement your D&O policy and provide adequate protection for your fiduciaries.



## We're HUB

We help you prepare for the unexpected. With HUB, you have peace of mind that what matters most to you will be protected — through unrelenting advocacy and tailored directors and officers coverage solutions that put you in control.

Contact a HUB broker today at:

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