



## D&O Liability Information Guidance

### Information requirements for locally admitted D&O liability insurance

#### Countries around the globe have developed local marketplaces for directors and officers (D&O) liability insurance, each distinct in its own way.

Insurance laws, originally enacted for property and casualty insurance, may also apply to D&O liability insurance transactions. Furthermore, local market regulations often require that specific information be submitted in order to issue a locally admitted D&O liability insurance contract.

Failure to meet a country's information requirements can result in a delayed, inefficient insurance transaction process, with the possible result that the corporation may not have the coverage in place when it is needed. In addition, local country regulators are increasingly more active in enforcing local insurance laws and assessing fines or penalties for noncompliance.

Chubb cannot "waive" country-specific information requirements when that information is mandated by law.

**Our global expertise allows us to be a resource to agents and brokers in supporting their efforts to help customers produce this information.**

#### Local country-specific information Chubb may need from you

Once the countries where the company has D&O liability exposure have been identified, we encourage the customer to understand, early in the process, each applicable country's information requirements for placing locally admitted policies, because Chubb's standard application may not automatically collect this information. No two countries are exactly alike, and some require more information than others in order to complete the insurance transaction and bind the coverage.

To help facilitate the process of placing locally admitted D&O liability insurance—and help avoid unwanted delays—Chubb requires information related to the corporation's risk profile, local country regulations, and administration requirements.

What follows is information commonly required by countries that often is not provided as part of the standard policy application process:\*

#### The Corporation's exposure information

- The entities the corporation wants to insure in each country—in almost all cases a specific local company address is required.
- The corporation's total revenues, assets, and employees for each of the local entities the corporation is seeking to insure.
- If the entity for which insurance is being sought is a joint venture, the corporation's ownership percentage for the entity.

Note: A possible source of corporate exposure information is the property/casualty submission, which generally asks for location-based information.

\* These are broad categories. Also, because no two countries have the same requirements, this listing may not be complete for any one country.

## Local country information

- Whether billing, premium payment, and tax collection will be handled locally and allocated to the home country or handled in the corporation's head office—It is important to determine if there is a choice for centrally managing a transaction or if these items must be handled in the home country.
- Whether the local country is tariff-rated—Some countries employ fixed insurance premium rating tables that must be followed to provide a quote, and premiums, which are based on the specific risk data submitted, must be in compliance with the local tariff.
- Whether the local country can accept the already-submitted parent company application or requires a separate local application—Although in many cases a local application is not required, specific information may be required that is not gathered on the application submitted by the parent company in the home country.
- Local taxes and/or fees—The corporation needs to consult with a tax expert to ensure that local country requirements are understood and met. If taxes are not properly remitted, a revenue department may levy fines or penalties.

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## Administrative information

- Whether the insured corporation is required to countersign a local policy—If the country requires a local signature before issuing a policy, the counter signer's name must be given at the time the purchase decision is made. Local law may enable a broker to sign off or require someone in the corporation's local office to sign.
- The one person in the corporation who will coordinate all correspondence, local policy handling, and premium and tax payments—Provide the contact's name, address, phone number, and email address.

## May a Chubb underwriter assist you?

The complex web of country regulations for locally admitted D&O liability insurance underscores the importance of having coverage from an experienced insurer.

If you desire, a Chubb underwriter with multinational expertise may be able to meet in person with the corporation's senior management team, board of directors, legal team, and local agent or broker. With owned offices in 27 countries and affiliates in 120 more countries, chances are a Chubb D&O underwriter with multinational expertise is nearby.



**Chubb Group of Insurance Companies | [www.chubb.com](http://www.chubb.com)**

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Form 11-01-0181 (Rev. 4/11)