



LEPPARD

Directors Liability Insurance

D&O

Your peace of mind in leading a business

Redefining Directors and Officers Liability Insurance

In South Africa, as elsewhere in the world, business directors are increasingly exposed to liability claims for a number of reasons.

Now more than ever, business leaders face an increasing weight of responsibility, new risks and continually evolving legislation. Stakeholders have high expectations of business leaders and place them under huge scrutiny. The true test of a director no longer lies in what they know, but rather in what they ought to have known.

The consequence? It's significantly easier to hold directors and officers liable in their personal capacity for any poor business decisions.

The D&O Landscape

Directors & Officers insurance is inherently complex and policy wording has historically been highly technical and full of hard to understand legal jargon. Cover is rigid and compartmentalised and hasn't evolved in line with changing risks and expectations on the insured.

A Simplified and Smarter Approach

Leppard are leading the market with a product evolution built for today's business leaders and setting a benchmark for the future of D&O insurance through simple, inclusive, and comprehensive cover.

With more than 30 years' experience in Liability Insurance, Leppard has a dedicated team who understand the key risks and exposures for business leaders and their reputations.

Our expertise challenges what has been, to create a straightforward, uncomplicated and relevant Directors Liability Insurance. Our aim is to empower leaders with clarity and transparency on how to best safeguard their business and reputation.

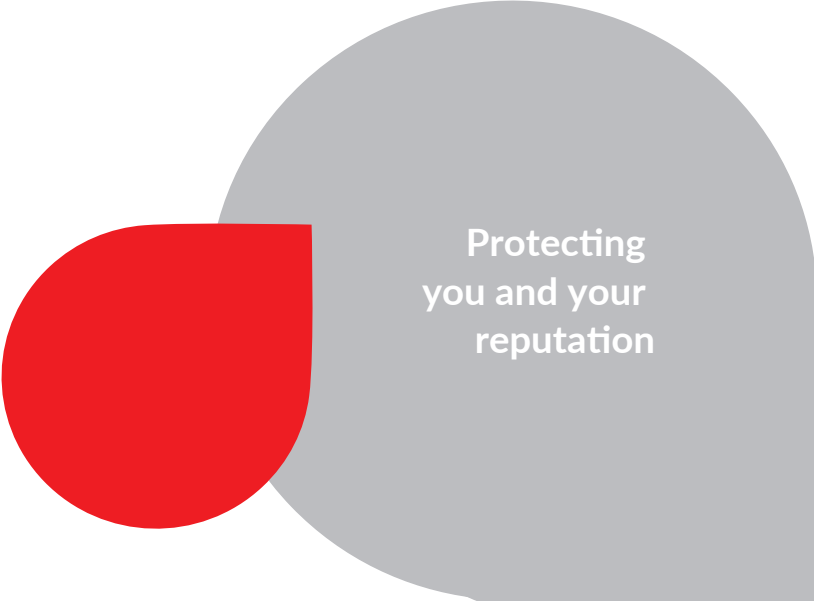
**If it's not
excluded,
it's covered**

Our policy is accessible and easy to navigate. You don't need a law degree or a lifetime in insurance to understand the plain language product cover.

Leppard's Innovative Solution

- Moves away from traditional D&O cover with rigid divisions into Sides A, B and C
- Provides a unified, seamless policy for directors, officers and the business in one framework, that ensures broader, more comprehensive protection
- No extensions - embeds traditional extended protections directly into the core policy wording
- Eliminates restrictive exclusions
- Creates a product that enhances coverage and broadens indemnity

What this means is that we still cover the traditional D&O fundamentals whilst incorporating modern risk elements directly into our Directors Liability Insurance policy. Giving you and your business the protection it needs.



**Protecting
you and your
reputation**

The Traditional D&O Approach

Side A: cover for directors and officers when the company can't indemnify them

Side B: reimbursement to the company when it does indemnify them

Side C: cover for securities claims against the company

Multiple "extensions" that can add complexity and confusion

Restrictive exclusions

Leppard's Redefined Directors Liability Insurance

- **Unified cover without the need to navigate separate sections**
- **Seamless, integrated protection for the individual and the business**
- **Extended protections are automatically included**
 - The protections traditionally offered by extensions are now built into our definitions and coverage clauses. For example:
 - Director Duty
 - Costs and Expenses
 - Employee Dispute Legal Costs
 - Breach
 - These terms are defined to automatically respond to legal proceedings brought against a director for their actions or decisions, unless a specific exclusion applies
- **More comprehensive cover without restrictive exclusions**
 - No Major Shareholder exclusion: shareholder claims are covered, regardless of equity percentage
 - No Insolvency exclusion: cover applies even in distressed financial scenarios
 - No Company vs Insured exclusion: claims brought by the company against its own directors or officers are covered

Included Covers and Indemnity

• Indemnity to Others:

- Broadened indemnification includes the following individuals:
 - Spouses: coverage extends to lawful spouses or partners impacted solely by their association with the insured
 - Managers: indemnification for employees in managerial or supervisory roles
 - Estates: protection extends to the estates of deceased directors or officers
 - Past Directors: includes individuals who previously held directorial roles
 - Retired Directors: coverage for directors no longer serving the company

• Expanded Scope of Costs and Expenses:

- The policy encompasses additional critical expense categories, ensuring a robust response to crises:
 - Mitigation costs: proactive measures to reduce the financial impact of potential claims
 - Public Relations costs: fees for managing adverse media coverage or reputational risks
 - Crisis Management costs: expenses related to navigating crises effectively, safeguarding both the company and its directors

Looking for These Coverages?

COVERAGE	WHERE IT CAN BE FOUND
<u>Directors and Officers Individual Cover</u>	Purpose of this policy, Page 2 - We agree to indemnify any Director.
<u>Company Reimbursement Cover</u>	Purpose of this policy, Page 2 - We agree to indemnify the Company where the Company has agreed to indemnify a Director.
<u>Securities Claims Liability Cover</u>	Purpose of this policy, Page 2 - We agree to indemnify the Company's liability to pay compensation because of a Security Claim.
<u>Non-Executive Directors</u>	The South African Companies Act, 2008 (Act No. 71 of 2008) does not explicitly define the term "non-executive director." Instead, it provides a general definition of "director," which includes both executive and non-executive directors and so our definition of Director extends to include Non-Executive Directors
<u>Spousal Liability</u>	Indemnity to others, Clause 36.2 - Any Director's lawful spouse, civil partner or person deriving a similar status by reason of applicable laws.

Looking for These Coverages?

COVERAGE	WHERE IT CAN BE FOUND
<u>Employment Practice Liability</u>	Purpose of this Policy, Clause 36.1 - We agree to indemnify a Director for Employee Legal Disputes. Employee Dispute Legal Costs: costs and expenses incurred by the Company to employ external legal advice and services, subject to our prior approval, as a result of a formal process commenced by an Employee, during the Policy Period, relating to a breach of the Company's employment policies and procedures or the laws concerning the contract of employment of the Employee with the Company.
<u>Estates and Legal Representatives</u>	Indemnity to others, Clause 36.1 - Any person who was a Director, or their estate, as if the person is a current Director.
<u>Retired Directors</u>	Indemnity to others, Clause 36.1 - Any person who was a Director, or their estate, as if the person is a current Director
<u>Extradition Costs</u>	Costs and Expenses - this would be considered a cost to defend the Director and therefore included.
<u>Public Relation Expenses</u>	Costs and Expenses.
<u>Injury and Damage Defence Costs</u>	Clause 35.6.2 - An amount that a Third Party is awarded by judgment, enforceable award, or agreement concerning bodily injury, illness or death of any person, or for loss of, damage to or destruction of any tangible property including the loss of use. This clause specifically excludes any compensation payable in respect of Injury and damage but the costs and expenses remain covered.

Looking for These Coverages?

COVERAGE	WHERE IT CAN BE FOUND
<u>Pollution Defence Costs</u>	Clause 35.6.1 - An amount that a Third Party is awarded by judgment, enforceable award, or agreement concerning actual or alleged Pollution. This clause specifically excludes any compensation payable in respect of Pollution but the costs and expenses remain covered.
<u>Securities Liability</u>	Purpose of this policy, Page 2 - The Company's liability to pay compensation because of a Security Claim.
<u>Shareholder Derivative Actions</u>	As Shareholder claims are not excluded, cover would be provided to Directors for claims made by shareholders
<u>Outside Directorship Liability Extension</u>	This cover is provided by the Definition of Other Company: an entity, and specifically named in the Schedule, where the Director named in the Schedule serves, strictly at the behest of the Company, on the Board of the entity. This cover is at the Underwriters discretion and the Other company will be named in the schedule along with the Director who sits on the Board of the other company
<u>USA / Canada</u>	The policy covers claims made for breaches by a Director anywhere in the world, with the exception of USA / Canada; this extension can however be added to the policy by an Endorsement if required.
<u>Safety Legislation and Corporate Homicide</u>	Clause 35.6.2 - An amount that a Third Party is awarded by judgment, enforceable award, or agreement concerning bodily injury, illness or death of any person, or for loss of, damage to or destruction of any tangible property including the loss of use. This clause specifically excludes any compensation payable in respect of Injury and damage but the costs and expenses remain covered.



Who We Insure

- Private Companies
- Public Entities (Although JSE listed entities on an Excess of Loss basis only)
- Closed Corporations
- Non-Profit Organisations
- Multinational Entities, where the head office is domiciled in South Africa
- Open Cast and Underground Mining Companies
- Financial Institutions (Banks, Insurers, REITs (Real Estate Investment Trusts))

Our Capacity

- Maximum limit per risk is R150m although R500m can be deployed across an Excess of Loss programme on a ventilated basis.

Simple, Inclusive And Comprehensive

Leppard's innovative policy design sets a new standard in D&O liability by offering straightforward and adaptable unparalleled protection. Our product offers real world thinking that is relevant for today and ready for tomorrow's challenges, minimising confusion for policyholders, enabling leaders to focus on their management duties and giving them the confidence to make good decisions without being too risk averse.

Our expert team is ready to serve you



DO

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