



## ForeFront Portfolio 3.0<sup>SM</sup> Coverage Features

ForeFront Portfolio 3.0<sup>SM</sup> is a comprehensive insurance solution designed specifically to help small to mid-sized private companies cope with a range of potentially devastating threats to their financial well-being. Companies can select from a portfolio of nine optional, integrated, flexible coverages, including their choice of combined or separate limits of liability available for the liability coverage parts.

### Coverage Parts

#### Directors & Officers and Entity Liability

Helps protect against the exposures associated with the management actions and decisions of a company's directors and officers.

#### Employment Practices Liability (EPL)

Helps protect against allegations stemming from employment-related wrongdoing and helps mitigate EPL exposures through optional state-of-the-art loss prevention services, where permitted.

#### Fiduciary Liability

Helps protect companies, their benefit plans, and their fiduciaries against exposures resulting from breaches of fiduciary duty and allegations of errors and omissions in the administration of benefit plans.

#### Miscellaneous Professional Liability

Helps protect a diverse segment of professional service providers against allegations of errors and omissions.

#### Employed Lawyers Liability

Helps protect companies and their in-house attorneys from allegations of errors and omissions in connection with the provision of legal advice and services.

**CyberSecurity** (including cyber liability and five optional first-party coverages, most notably privacy notification and crisis management expense)

Helps protect companies from the costs associated with cyber risks.

#### Crime

Helps protect companies from the costs associated with employee theft and third-party crime.

#### Kidnap Ransom and Extortion

Helps protect companies against a wide range of expenses associated with incidents of kidnapping and extortion, including the cost of optional crisis management services, where permitted.

#### Workplace Violence Expense

Helps protect companies against a wide range of expenses associated with incidents of workplace violence, including the cost of optional crisis management services, where permitted.

### General Terms & Conditions

#### For All Coverages:

- Automatic coverage for newly created and acquired subsidiaries without a reporting requirement.
- Coverage continues through reorganization until the parent organization emerges from bankruptcy.
- Streamlined claims notice provision: Notice to Chubb of loss under any coverage part is deemed to be notice under the entire policy.
- Non-cancelable by Chubb, except for nonpayment of premium.

#### For Liability Coverage Parts:

- Enhanced reporting provision when renewed with Chubb.
- Coverage for insured persons' spouses and domestic partners for such insured persons' wrongful acts.
- No settlement provision. Subject to the applicable aggregate limit of liability, no cap on Chubb's liability in the event the insured refuses to consent to a recommended settlement.
- "Loss" includes punitive, exemplary, and multiplied damages, where permitted by law, in the venue most favorable to the insured.
- Coverage for sold subsidiaries, whether sold before or during the policy period, continues during the policy period for acts committed during time as a subsidiary.
- Bilateral extended reporting period; any insured has right to purchase.
- Coverage is fully non-rescindable.

### Directors & Officers and Entity Liability

- Broad definition of "insured" includes the parent organization, subsidiaries, directors, or officers including foreign equivalents, members of advisory boards, board of managers and management committees, employees, and volunteers worldwide.
- Automatic nonprofit outside directorship coverage for insured persons.

- \$500,000 sublimit for security holder derivative demand evaluations cost coverage.
- Optional additional \$500,000 "Side A" dedicated limit for executives.
- Broad definition of "claim" for insured persons includes written demands for monetary or non-monetary relief; civil and criminal proceedings; formal regulatory, administrative, and arbitration proceedings; requests for extradition; and "Side A" subpoena defense costs coverage.
- Definition of "claim" for organization includes formal administrative or regulatory proceedings when named as co-defendant with insured persons.
- Civil fines and civil penalties coverage where insurable for insured persons, including Foreign Corrupt Practices Act (FCPA) civil penalties.
- Streamlined "insured v. insured" exclusion includes exceptions for financial impairment, former executives after one year, claims brought outside the United States and Canada, whistleblower and employment claims against insured persons, and non-executive employee shareholder claims.
- Conduct exclusions include final non-appealable adjudication language.
- Private placement and failed initial public offering (IPO) coverage.
- Provides a full "Side A" carveback to the pollution exclusion.
- Guaranteed IPO quotation including coverage for road show presentations.

### Employment Practices Liability

- Third-party coverage included.
- Separate aggregate limits for employment claims and third-party claims available.
- "Claim" definition clearly states when a claim is deemed to have been made.
- With respect to administrative, regulatory, or tribunal proceedings, if the insured is not issued a notice of the charge, we deem the claim to be made when the insured receives such notice of charge.
- Broad definitions of "employment discrimination" and "employment harassment" include genetic information and bullying, respectively.
- Coverage for independent contractors expanded to include those independent contractors that are subject to an agreement between an entity on behalf of the independent contractor and the organization.
- Broad definition of "loss" includes liquidated damages awarded pursuant to the Family Medical Leave Act and coverage for back pay, front pay, and claimant's attorney's fees.
- "Workplace tort" definition includes employment-related invasion of privacy, including unauthorized disclosure of employee's medical information [violation of the Health Insurance Portability and Accountability Act (HIPAA)], credit information in violation of the Fair

Credit Reporting Act, or information obtained through employment-related background checks. Also includes employment-related false imprisonment when alleged as part of an employment claim for an employment-related wrongful act.

- "Third-party wrongful act" definition includes harassment (not just sexual harassment).
- Definition of "wrongful employment decision" includes wrongful or negligent employee reference.
- Broad definition of "wrongful termination."
- Definition of "retaliation" includes violation of any law, including Section 806 of Sarbanes Oxley.
- Labor management relations exclusion includes carveback for retaliation.

### Fiduciary Liability

- Coverage for claims made against the insured for a wrongful act by any natural person for whose wrongful acts the insured becomes legally liable.
- Amended pollution exclusion with carveback for diminution of securities owned by a plan.
- Definition of "claim" includes arbitration and mediation proceedings and requests for extradition of an insured person.
- Definition of "insured" includes committees established by an organization with respect to a sponsored plan.
- Final adjudication for fraud and profit exclusions.
- Provides order-of-payments schedule in the event of the organization's bankruptcy.
- No exclusion for failure to collect contributions.
- Voluntary settlement program coverage with sublimit of \$150,000.
- In addition to pre-judgment and post-judgment interest, "loss" includes:
  - HIPAA civil penalties coverage with sublimit of \$150,000.
  - Coverage for civil penalties under 502(c) of ERISA with sublimit of \$50,000.
  - Coverage for civil penalties under 502(j) and 502(l) of ERISA.
- Investment loss carveback to benefits-due provision.
- Broad definition of "sponsored plan" includes plans not subject to ERISA, any fringe benefit or excess benefit plan, and Voluntary Employee Beneficiary Associations (VEBAs).
- Broad definition of "insured person" extends to members of the advisory board of an organization.
- Optional coverage available by endorsement for Patient Protection and Affordable Care Act civil penalties, IRS Section 4975 penalties, and additional limit of liability for defense cost coverage.

## Miscellaneous Professional Liability

- Claims-made coverage with “as soon as practicable” reporting requirement for renewing policies, and reporting within 90 days after policy expiration for policies that are not renewed.
- Duty-to-defend coverage with a 100% defense costs allocation provision.
- Broad definition of “insured person” includes volunteers as well as part-time, temporary, and seasonal employees.
- Broad definition of “claim” includes written demands for non-monetary relief, arbitration and mediation proceedings, and requests to toll or waive statute of limitations.
- “Wrongful act” expressly includes allegations of personal injury (as defined in the policy).
- Coverage for consequential damages arising out of bodily injury and property damage, with carveback for emotional distress resulting from personal injury (as defined in the policy).
- Conduct exclusions include final non-appealable adjudication language.
- Full severability with respect to the application for insured persons.

## Employed Lawyers Liability

- Broad definition of “insured” includes employed lawyers, legal assistants, notaries public, foreign equivalents of the foregoing, and temporary and independent contractor attorneys.
- “Professional services” includes *pro bono* legal services and a broad definition of “moonlighting legal services,” with no requirement that the organization consent to such additional legal services.
- Definition of “claim” includes written demands, civil proceedings, criminal proceedings, formal administrative or regulatory proceedings, arbitration or mediation proceedings, requests for extradition and bar association or other similar proceedings concerning the eligibility of an employed lawyer to practice law.
- Broad definition of “loss” includes civil penalties assessed against an employed lawyer pursuant to the Foreign Corrupt Practices Act.
- Fraud and unentitled profits exclusion includes final adjudication language.
- Coverage extension for subpoena defense costs.
- No exclusion for claims brought by an insured person in his or her capacity as a whistleblower.
- Coverage for personal injury (as defined in the policy) includes malicious prosecution and abuse of process.
- Coverage for consequential damages arising out of bodily injury and property damage.
- No exclusion for claims brought by an insured person who has not served in the capacity of an insured person for at least one year.

- No exclusion for claims brought by or on behalf of the insured organization in the event of financial impairment.
- Insured person against whom the claim is made must consent to the settlement.

**ACC Member Coverage Enhancements** (available by endorsement to general counsel departments that include at least one member of the Association of Corporate Counsel):

- “Professional services” includes outside nonprofit directorship liability coverage for legal services provided by an employed lawyer while serving in the capacity of a director, officer, or similar position of a nonprofit organization.
- Insured may settle claims within the applicable retention, subject to the agreement of the applicable insured person(s) against whom such claim is made.
- Insured may select legal counsel subject to qualifications, jurisdiction, and Chubb’s billing and reporting requirements.
- Notice of available loss control services.

## CyberSecurity

- Combines third-party (liability) and first-party (expense) coverages into one worldwide module.
- Coverage for direct loss, expenses, and legal liability resulting from cyber security breaches.
- Coverage for privacy notification expenses even if the notification is voluntary on the part of the insured.
- Coverage for crisis management expenses, which includes costs associated with retaining legal counsel and information security forensics investigators.
- Extra expense coverage has no deductible and may be triggered even if there is actual or potential system impairment.
- Includes acts by rogue employees.
- Coverage for disclosure liability may be triggered if there is actual or *potential* access to private information.
- Premier privacy enhancement provides coverage for paper (in addition to electronic) records, accidental disclosure (errors or mistakes) by the insured, confidential employment information, and confidential corporate information.

## Crime

- Broad definition of “employee” includes contractual independent contractors; full-time, part-time, seasonal, leased, and temporary employees, interns, and volunteers; employees on military leave; and former and retired employees who work as consultants for the organization.
- Client coverage includes property held by the client, for which the client is legally liable.
- Up to 180-day proof-of-loss notification requirement.

- Coverage for any currency (not just U.S. or Canadian).
- "Securities" includes revenue and other stamps in current use, casino chips, tokens, and tickets.
- No need to identify a dishonest employee in order to allow a comparison between the insured's inventory records and actual physical inventory count to prove the amount of loss.
- Sublimit for reproduction costs coverage for lost or damaged records.
- Valuation includes the cost of posting a lost instrument bond.
- Option for personal accounts coverage.
- Option for guaranteed renewal (in three-year annual installments).
- Optional coverage for additional U.S. tax paid for foreign loss.

### Kidnap Ransom and Extortion

- Additional insuring clauses include disappearance investigation expense, express kidnap costs, and hostage crisis costs.
- Broad definition of "employee" includes independent contractors, in addition to any executive and full-time, part-time, seasonal, leased, and temporary employees, interns, and volunteers.
- Coverage for the cost of temporary security measures to protect an insured person or property.
- Coverage for "expenses," including:
  - Rest and rehabilitation expenses for 90 days.
  - Independent security guard expenses for 90 days.
  - Salary paid to an employee or relative who assists in kidnap negotiations and the rehabilitation of an employee following release from a kidnapping, wrongful detention, or hijacking.
  - Cost to retrain employee after his/her release from any kidnapping, wrongful detention, or hijacking.
  - Emergency political repatriation expenses, including coverage for temporary business travelers.
- Business income coverage for all perils.
- Option for unlimited consultant fees coverage when The Ackerman Group is the consultant.

### Workplace Violence Expense

- Definition of "workplace violence" includes acts of potentially deadly force.
- Coverage for the cost of crisis mental health specialists.
- No requirement for a temporary restraining order in stalking threat incidents.
- 90-day coverage for independent security guard services.
- Only a 24-hour waiting period for business income coverage.
- \$50,000 loss-of-life benefit per employee.
- Includes coverage for the cost of plastic surgery.



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

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Form 14-01-1063 (Rev. 10/11)