Directors and Officers Liability Underwriting Worksheet

**General Information**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Date: |  |
| Underwriter: |  | | |
| 4-eye: |  | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Insured Name/Company: |  | | | |
| **Expiring Program** | | | | |
| Expiring Date: |  | | | |
| Incumbent cedant: |  | | | |
| Reinsurance Basis: | Choose an item.  If Non-Proportional, the wording is ***Based on the Primary Layer and drop-down for all excess layers?***  Choose an item. | | | |
| Limit of Liability: |  | | | |
| 100% Gross Premium |  | | | |
| Labuan Re WL/SL: |  | | | |
| Labuan Re Exposure: |  | | | |
| Labuan Premium: |  | | | |
| Total deductions: |  | | | |
| ROE as of x/x/21 (policy inception) |  | | | |
| ROE as of x/x/x22 (date of review) |  | | | |
| **Fac RI Offer - New** | | | | |
| Producer: | Choose an item. | | | |
| Cedent: |  | | | |
| RI Brokers: |  | | | |
| SICS Policy #: |  | | | |
| Participated since: |  | | | |
| Reinsurance Basis: | Choose an item.  If Non-Proportional, the wording is ***Based on the Primary Layer and drop-down for all excess layers?***  Choose an item. | | | |
| Limit of Liability (100%): |  | | | |
| Gross EPI (100%): |  | | | |
| Renewal WL/SL: |  | | | |
| Labuan Re Exposure: |  | | | |
| Labuan Premium: |  | | | |
| Total deductions: |  | | | |
| **Company Profile** | | | | |
| Place of Incorporation: |  | | | |
| Date Incorporated: |  | | | |
| Years in Business: |  | | | |
| Website: |  | | | |
| # of Employees: |  | | | |
| Type of Company: | Choose an item. | | | |
| Nature of Business: |  | | | |
| NAICS code & Description |  | | | |
| Hazard Index (UW) |  | | | |
| Hazard Index (BUG) |  | | | |
| Documents used for review: | Prop Form Annual Report Factiva  Company Website | | | |
| Auditors: |  | | | |
| Claims & reported circumstances: |  | | | |
| Scope of Operations: |  | | | |
| Listed on Exchange:  (can be more than one) | Domestic  Overseas: NYSE (ADR 2) & Singapore Stock Exchange  *(if* ***ADR 3*** *in the NYSE/NASDAQ - DECLINE)* | | | |
| Geographical Spread: | Worldwide including USA  Domestic | | | |
| USA/Canada Exposure: | Exports only, no assets or offices in USA/Canada  Subsidiaries in Australia, India, Europe, and USA  <10% of total assets in Canada  Listed in USA  None | | | |
| Major Shareholder(s):  (indicate % threshold, name of major shareholder) | Excluded by Major Shareholder Exclusion  Yes  No | | | |
| Background of Directors and Officers:  (Indicate names and reps/nominees of major shareholder) | Composition includes background from the following disciplines:  Industry relevant (i.e  Legal Systems / Regulations  Accounting and Finance (esp. on Audit Committee)  Government representatives  Academicians – esp. the Shariah Committee  30% or more comprise of independent directors  Good attendance of Board Meetings. | | | |
| Corporate Governance / Risk Management / Board committees: | Audit Committee  Risk Management Committee/ ERM  Disclosure Committee | | Compensation Committee  Internal Controls Committee  Nomination Committee  Compliance Committee | |
|  |  | | | |
| Environmental, Social and Governance (ESG) Issues (i.e., ESG Score) | Completed ESG e-form?  Yes  No – currently not in scope.  Data in Sics  C1 – Climate Supporting  C2 – Transitioning  C3 – Transitioning  C4 – Watchlist  C5 – Watchlist | | | |
| Mergers and Acquisitions:  (Indicate value of deal and purpose) |  | | | |
| Contingencies: | No significant concerns  Litigation | | | |
| Peer Comparison/Market position: | Above average in peer sample in all areas of profitability, liquidity, leverage  perceived as a laggard – financial performance  no peer samples – it’s a government agency/statutory body  Above average in some areas, below average in others – to elaborate: | | | |
| **Financial Analysis & Performance** | | | | |
| Financial Year: |  | | | |
| Total Assets: |  | | | |
| Total Borrowings: |  | | | |
| Intangible: |  | | | |
| Total Liabilities: |  | | | |
| Total Revenue: |  | | | |
| Shareholders’ Equity: |  | | | |
| Free Cash Flow position:  [Cash flow from Operations – Capex] |  | | | |
| Net Profit/Loss Before Tax: |  | | | |
| Total Comprehensive Income: |  | | | |
|  |  | | | |
| Dividend: |  | | | |
| Contingent Liabilities: |  | | | |
| Dividend payout ratio on profit |  | | | |
| Gross Margin (min 20%) |  | | | |
| ROA (min 5%) |  | | | |
| ROE (min 15%) |  | | | |
| Current ratio (min 1) |  | | | |
| Quick ratio (min 1) |  | | | |
| Equity ratio (%) |  | | | |
| Debt/Equity ratio (max 1) |  | | | |
| Interest Coverage (min 2x) |  | | | |
| Altman Z-score (min 1.8) |  | | | |
| Press Review:  (Can be more than one, provide brief details if there are potential notifications) |  | | | |
| Major Risk Exposures: | Professional Indemnity – excluded  Product Liability – excluded  Internal control deficiencies  Others: e.g., breach of fiduciary duties / mismanagement of funds / poor decisions on investments | | | |
| **Pricing Analogy** | | | | |
|  | | | | |
| **Quoting year** | | | | |
| Class of Insurance: |  | | | |
| Period of Insurance / Reinsurance: |  | | | |
| Cedant/Reinsured: |  | | | |
| Reinsurance Basis: | Proportional  Non-Proportional  If Non-Proportional, the wording is ***Based on the Primary Layer and drop-down for all excess layers?***  Yes  No | | | |
| Limit of Liability (aggregated): |  | | | |
| Gross Premium (100%): |  | | | |
| Total Deductions: |  | | | |
| Labuan Re’s Written Line: |  | | | |
| Cedant’s Retention: |  | | | |
| Retention: |  | USA | | Non-USA |
|  | Insured Persons Protections |  | |  |
|  | Investigation Costs |  | |  |
|  | Company Reimbursement |  | |  |
|  | Loss from any Company Securities Claim |  | | |
|  | Loss from any Company EPL |  | |  |
|  | Loss from any other causes |  | |  |
| Retroactive date: |  | | | |
| Pending or Prior Date: |  | | | |
| Territory and Jurisdiction: |  | | | |
| Terms and Conditions: | D&O claim-made wording, to be agreed  Extensions/Endorsements   1. Company Employment Practice Liability: Sub-limit: RM5,000,000 any one claim and in the aggregate 2. Regulatory Crisis Event Costs: Sub-limit: RM500,000 any one claim and in the aggregate 3. Investigation Costs: Sub-limit: RM1,000,000 any one claim and in the aggregate 4. Excess Limit Protection Individual Excess Limit: RM1,000,000 per Policyholder Aggregate Excess Limit: RM5,000,000 for the period. 5. Outside Directorship 6. Assets & Liberty Expenses: Sub-limit: RM1,000,000 any one claim and in the aggregate 7. Bail Bond & Civil Bond Expenses: Sub-limit: RM1,000,000 any one claim and, in the aggregate, 8. Public Relations Cost Extension: Sub-limit: RM500,000 any one claim and in the aggregate 9. Extradition Cost: Sub-limit: RM1,000,000 any one claim and in the aggregate 10. New Subsidiary Automatic Cover – Threshold: 25% of total Asset Size 11. Automatic Discovery Period – 90 days 12. Extended Discovery Period – why are there two levels of premium for the same period?   a) 1 year at 150% of Annual Premium  b) 1 year at 75% of Annual Premium   1. Lifetime Run Off for Retired Insured Person 2. Emergency Cost: Sub-limit: RM1,000,000 any one claim and, in the aggregate, 3. Continuous Cover 4. Investigation Costs for Derivative Demands: Sub-limit: RM500,000 any one claim and in the aggregate 5. Tax Liability: Sub-limit: RM500,000 any one claim and in the aggregate 6. Pollution with Defense Costs: Sub-limit: RM1,000,000 any one claim and in the aggregate 7. 60 Days Contribution Warranty   **Exclusions**   1. Prior Acts Exclusion 2. Known Wrongful Acts exclusion 3. Bodily Injury & Property Damage exclusion 4. Absolute Professional Indemnity exclusion. 5. North America Exclusion 6. ERISA exclusion 7. SEC exclusion 8. Insolvency exclusion (including creditors and liquidators) 9. 20% Major Shareholders exclusion 10. Outside Directorship Liability (with listing of Securities in the United States of America, Canada or any of their territories or possessions) 11. Payment & Gratuities exclusion 12. Money Laundering exclusion 13. Virtual Currency Exclusion 14. Sanction Limitation & Exclusion Clause 15. Communicable Disease Exclusion 16. Cyber liability Exclusion 17. To maintain all existing specific matters and entities exclusions i.e., per expiring policy | | | |
| Reinsurance Conditions: | Reinsurer: **Labuan Reinsurance (L) Ltd**   1. Sanctions Limitations & Exclusion Clause 2. Cyber Loss Absolute Exclusion (IUA 09-081 17.05.2019) 3. Reinsurance Premium Payment Warranty 90 days 4. Claims Control Clause | | | |
| Subjectivity & Additional Information: | 1. No known claim prior to inception. 2. Receipt, review, and acceptance of the completed proposal form. 3. To maintain all existing specific matter exclusions as per expiring policy. 4. A full copy of the expired policy wording for review and acceptance. | | | |
| Validity of Non-Binding Indication: | This indication is subject to the condition precedent that no material change in the risk occurs between the date of this letter and the inception date of the proposed policy. In the event of such change in risk, the Insurer may in its sole discretion, whether this indication has been already accepted by the Insured, modify and/or withdraw this indication.  This indication will remain open for 30 days | | | |
| **Underwriter Comment on the risk** | | | | |
| Industry: |  | | | |
| Financial: |  | | | |
| Board of Directors’ background: |  | | | |
| ESG (score): |  | | | |
| Concerns: |  | | | |
| **Underwriter’s Recommendation:** | | | | |
| Participation: | Yes  No/Decline | | | |
| Proposed Written Line: |  | | | |
| Labuan Re Exposure: |  | | | |
| Labuan Re Premium (Gross & Net): |  | | | |
| Total RI deductions: |  | | | |
| Cession to QS Liability: | Yes  No | | | |