

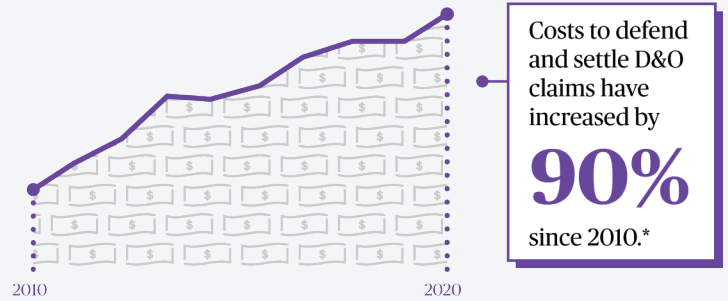
# Protecting Private Companies from Financial Loss

## Mitigate your management liability exposures

As a leader in management liability insurance, Chubb is determined to provide you with the tools and information needed to mitigate and prevent future losses. In the following infographic, we've highlighted seven key areas of corporate risk to be aware of when evaluating potential gaps in your insurance program.

### Directors & Officers Liability

Corporate executives and members of private company boards are exposed to legal liability with virtually every decision or action they make in their capacity as a director or officer (D&O). In alignment with just about everything else in the economy today, the costs to settle and defend a D&O matter has risen significantly over the past decade.



\*Chubb's internal data shows that D&O claim loss costs have increased by 90% between 2010 and 2020 on an on-level premium basis.

Retaliation made up over **55%** of all charges received and was the most frequently alleged basis of discrimination in Equal Employment Opportunity Commission (EEOC) cases.<sup>1</sup>



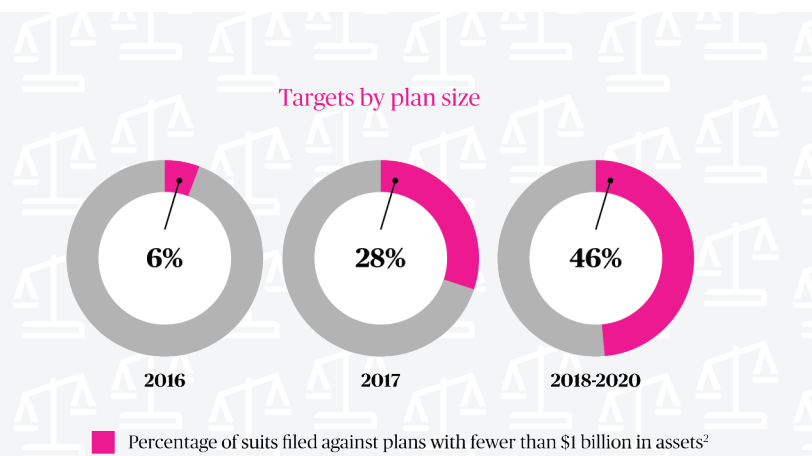
### Employment Practices Liability

Companies in every industry increasingly face potential litigation from employee-related claims such as harassment, wrongful termination, breach of contract, discrimination, or retaliation. Companies and employees navigate a dynamic work environment that includes understanding the equal employment opportunity (EEO) laws, as well as what to consider retaliation.\*

\*<https://www.chubb.com/us-en/business-insurance/employment-related-retaliation.html>

### Fiduciary Liability

The alarming rise in the number of lawsuits filed over excessive fees in retirement plans is a potential exposure for all types of plan sponsors in all types of industries. Initially these suits targeted large plans well over \$1B in assets, but companies with much smaller plans have recently been targeted.



## Employed Lawyers Liability

In-house counsel may be asked to take on services that used to be delegated to outside firms, which can put them at risk of additional liability exposures, especially to non-client third parties.

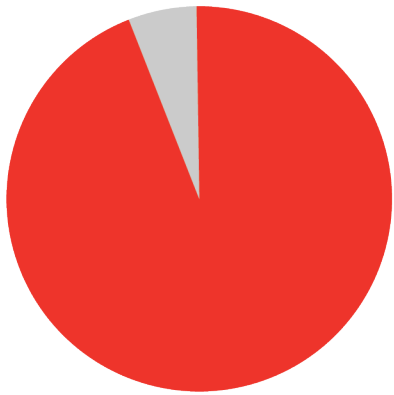


Chief Legal Officers (CLO) still spend about

**1/3rd**

of their time providing legal advice.<sup>3</sup>

CLOs also spend a significant amount of time on board matters and governance issues (12%), contributing to strategy development (12%), and advising other executives on non-legal issues (12%).



More than **95%** of perpetrators have no prior criminal record.<sup>4</sup>



## Crime

Business owners are often shocked to learn that their most trusted employees have betrayed them and committed fraud. Fictitious employees, dummy accounts payable, non-existent suppliers, and the outright theft of money, securities, and property are all types of fraud that have a lasting and detrimental impact. Fraud and embezzlement occur in even the best work environments with losses spanning not just months, but years.

## Kidnap, Ransom & Extortion

Companies can be targeted by kidnapers or extortionists, even if travel as we know it has changed. The FBI has warned of an uptick in virtual kidnapping scams, targeting employees and their families with realistic-sounding threats of kidnapping to extract a quick payment.<sup>6</sup>



The risk of extortion, including virtual kidnapping scams, has increased

**78%**

in the United States according to the FBI.<sup>5</sup>

According to a study conducted by the FBI, nearly

**75%**

of assailants had a known connection to the location chosen to attack.<sup>7</sup>



## Workplace Violence Expense

Disgruntled employees and former employees represent a specific threat that can be difficult to manage, especially if there are few signs of trouble that may go unnoticed.

# The ForeFront Portfolio<sup>SM</sup> is a comprehensive management liability insurance solution specifically designed to help companies not only survive, but thrive despite the most complex threats of litigation, extortion, and other white-collar crimes that may expose their bottom line.

Tailored to meet the individual needs of private companies, not-for-profit organizations, and healthcare organizations, The Forefront Portfolio is comprised of seven optional coverage parts, working either as a standalone policy or seamlessly together, providing companies choice and flexibility to help manage their individual and corporate exposures.

Visit [www.chubb.com/us/managementliability](https://www.chubb.com/us/managementliability)

<sup>1</sup><https://www.eeoc.gov/statistics/charge-statistics-charges-filed-eeoc-fy-1997-through-fy-2020>

<sup>2</sup>[https://www.chubb.com/content/dam/chubb-sites/chubb-com/us-en/business-insurance/fiduciary-liability-educational-materials/documents/pdf/2021-09-15\\_Excessive\\_Litigation\\_over\\_Excessive\\_Fees.pdf](https://www.chubb.com/content/dam/chubb-sites/chubb-com/us-en/business-insurance/fiduciary-liability-educational-materials/documents/pdf/2021-09-15_Excessive_Litigation_over_Excessive_Fees.pdf)

<sup>3</sup><https://www.acc.com/clo2021>

<sup>4</sup><https://acfepublic.s3-us-west-2.amazonaws.com/2020-Report-to-the-Nations.pdf>

<sup>5</sup>[https://www.ic3.gov/Media/PDF/AnnualReport/2020\\_IC3Report.pdf](https://www.ic3.gov/Media/PDF/AnnualReport/2020_IC3Report.pdf)

<sup>6</sup><https://www.fbi.gov/news/stories/virtual-kidnapping>

<sup>7</sup><https://www.fbi.gov/file-repository/pre-attack-behaviors-of-active-shooters-in-us-2000-2013.pdf/view>

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