

## *Directors and Officers Liability Insurance Coverage*

*2005*

### *Primary Directors & Officers Liability Coverage*

- Provides liability coverage for Directors and Officers from claims arising from decisions including, but not limited to:
  - Mismanagement of business
  - Self-dealing and conflicts of interest
  - Failure to deliver services
  - Failure to disclose information
  - Disclosure of materially false or misleading information
  - Violation of state and federal laws
- Limit Each Claim: \$10 million
- Limit Each Policy Period: \$10 million

### *Excess Directors & Officers Liability Coverage*

- Provides an additional layer of coverage to the primary Directors & Officers Liability Coverage
- Limit \$5 million in excess of \$10 million, Inclusive of Defense Costs

### *Outside Directorship Liability*

- Provides liability coverage for Chugach directors who represent Chugach on the board of directors of an outside organization (APA, NWPPA, NRECA)
- Provides a separate and distinct limit independent of Chugach's Directors and Officer's liability limit
- Limit Each Claim: \$10 million
- Limit Each Policy Period \$10 million

### *Directors & Officers Elite Side A Coverage*

- New coverage Chugach obtained in 2005 due to evolving legislation and stricter corporate governance standards
- Designed for companies that want to provide both their management and independent directors with additional protection and is nonrescindable and noncancelable.
- This coverage personally protects a director in the event:
  - Chugach is insolvent and cannot indemnify its directors and officers against claims made against them
  - The law prevents the company from indemnifying its directors and officers
  - Chugach is also sued and the limits on Chugach's D&O policy are consumed
  - Chugach fails or refuses in writing to indemnify the director or officer, even if it has an obligation to do so and is financially solvent
- Limit Each Claim: \$5 million in Excess of \$15 million Primary Limit Inclusive of Defense Costs
- Each Policy Limit: \$5 million in Excess of \$15 million Primary Limit Inclusive of Defense Costs