NORTH AMERICA

Securities Claim Retention Reduction For Micro-Cap Insureds

Micro-cap companies are just as susceptible to long, costly, and disruptive securities litigation as their large-cap counterparts, but they may not have the same resources to absorb it. For these companies, better governance should mean better terms. Our Micro-Cap Securities Claim Retention Reduction Endorsement rewards qualifying micro-cap insureds for taking concrete steps to strengthen their defenses against securities litigation.

How the Retention Credit Works

1 INFORM

A key executive (CEO, CFO, General Counsel, Risk Manager, Treasurer, Controller, or their functional equivalent) attends at least one live session of Sompo's Executive Governance Program*, delivered by firms on Sompo's Preferred Securities Litigation Panel throughout the year.

2 DEFEND

If a securities class action is filed and noticed, the insured selects defense counsel from Sompo's Preferred Securities Litigation Panel

3 SAVE

The securities claim retention is reduced by up to 25% – real savings when it matters most.

Topics may include and are not limited to best disclosure practices, AI-disclosures and avoiding AI-washing, responding to shareholder activism and proxy contests, bolstering Board meeting minutes, ensuring independence and managing controlling-shareholder conflicts, sale-process governance and responding to unsolicited acquisition approaches, and others.

Target clients

- Publicly traded micro-cap companies with a three-year peak market capitalization under $300 million
- Broad appetite across all industry classes and risk complexities

Coverage & capacity

- Capacity up to $15M in the aggregate for primary and excess placements
- Admitted policy forms available in the U.S.
- Full suite of endorsements for coverage flexibility
- Complementary Management Liability products available
  - Employment Practices Liability, Fiduciary Liability, and Commercial Crime

Why Sompo?

- Industry-leading Public D&O carrier with deliberate appetite for micro-cap companies
- A+ financial rating
- Full staff of in-house claims attorneys specializing in securities litigation against publicly traded companies
- Established partnerships with the nation's top securities litigation defense firms

Value-added service

- Local underwriting authority - approximately 80 underwriters across 12 offices in the United States and Canada
- Market-leading response time and customer service
- Industry expertise across technology, life sciences, energy, retail, hospitality, manufacturing, professional services, and more

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Additional Suite of Micro-Cap Endorsements

COVERAGE ENHANCEMENTS

- Renewal Rate Lock
- Asset Acquisition Threshold amended - up to 50%
- Freedom of Information Protection Costs sublimit - up to $100K
- Crisis Event Coverage sublimit - up to $100K
- Nominal Defendant Costs Coverage added
- Side-A excess limit of liability for Independent Directors - up to $1,000,000
- Stacking of limits is permitted for a Claim against an Insured Person covered under both the D&O and EPL coverage sections

INSURED-FRIENDLY TERMS

- Severability of Exclusions added - no imputation to Insured Persons; Imputation Group applies only to the Company and its Subsidiaries
- Imputation Group limited to the Named Insured's CEO, CFO, or functional equivalent
- Severability of Application amended - Policy is non-rescindable for Non-Indemnifiable Loss
- Definition of Derivative Demand or Action amended to include Books & Records demands

EXCLUSION IMPROVEMENTS

- Favorable amendments to multiple exclusions, including Bodily Injury / Property Damage, Conduct, ERISA, Pending or Prior, Prior Notice, and Wage & Hour

Multinational

Our Multinational Business Unit provides companies with international exposures an industry-leading platform for risk management. Leveraging Sompo's licensing capabilities worldwide, including a network of partner carriers, we offer a convenient, consistent approach to accessing reliable commercial property & casualty insurance, compliant with local regulations in over 160 countries.

Claims

Our claims team is an integral component of the underwriting process, specifically aligned with each of our product lines and geographies. Committed to holding the highest industry standards, our in-house claims professionals work with our underwriters, risk control specialists, and distribution partners to build a collaborative relationship with each insured and to understand each client's changing needs.

About Sompo

We are Sompo, a global provider of commercial and consumer property, casualty, and specialty insurance and reinsurance. Building on the 137 years of innovation of our parent company, Sompo Holdings, Inc., Sompo employs approximately 10,000 people around the world who use their in-depth knowledge and expertise to help simplify and resolve your complex challenges. Because when you choose Sompo, you choose **The Ease of Expertise.**™

"Sompo" refers to the brand under which Sompo International Holdings Ltd., a Bermuda-based holding company, together with its consolidated subsidiaries, operates its global property and casualty (re)insurance businesses. Sompo International Holdings Ltd. is an indirect wholly-owned subsidiary of Sompo Holdings, Inc., one of the leading property and casualty groups in the world. Shares of Sompo Holdings, Inc. are listed on the Tokyo Stock Exchange.

A+ Financial Rating:
A.M. Best (Superior)
S&P (Strong)

To learn more please follow us on LinkedIn or visit sompo-intl.com.