

ACCEPTABLE COURSE OUTLINE

DIRECTORS AND OFFICERS LIABILITY

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| 25 minutes | 8:30 - 8:55 | I. Recent history of D&O liability exposure <ul style="list-style-type: none">A. Trends in D&O claim frequency and severityB. Major problem areas<ul style="list-style-type: none">1. Federal securities laws2. Mergers/acquisitions3. Pollution claims4. Financial institutions claims5. Third-party claimsC. Recent large settlements and judgments |
| 25 minutes | 8:55 - 9:20 | II. Legal concepts underlying the D&O exposure <ul style="list-style-type: none">A. Basic legal duties of Directors and Officers<ul style="list-style-type: none">1. Duty of obedience2. Duty of loyalty3. Duty of careB. To whom duties are owedC. Common defensesD. Recent legislation limiting director liability |
| | 9:20 – 9:30 | BREAK |
| 50 minutes | 9:30 - 10:20 | III. Common exclusions <ul style="list-style-type: none">A. Public policy exclusions<ul style="list-style-type: none">1. Dishonesty2. Gaining an illegal profit or advantage3. Section 16(b) of the Securities Exchange Act4. Return of excessive remunerationB. Intended to be covered elsewhere<ul style="list-style-type: none">1. Libel and slander2. Nuclear energy3. Employment practice |
| | 10:20 – 10:30 | BREAK |
| 50 minutes | 10:30 - 11:20 | IV. Case study
Review of ABC Corporation's stockholder lawsuit alleging mismanagement by the corporation's board of directors and senior management. Study includes review of facts, company's defense and participation in defense by the insurer. |

Reasons for acceptability:

1. Sufficient detail on subject matter covered.
2. Sufficient detail on amount of time spent on each topic.
3. Insurance policy content is a topic that qualifies for credit.
4. Breaks are noted on the outline. Ten minutes per hour of instruction are recommended.
5. Case study is described. It is useful to include the case study materials with the outline.