



Management Liability Practice

You invest in your executives.
Protect your people, partner with Gallagher.

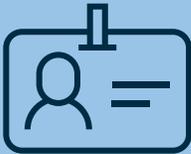
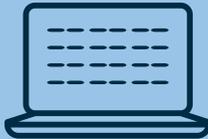


Gallagher

Insurance | Risk Management | Consulting

Your partner in management liability

Our Management Liability Practice specializes in providing management liability placement services on a global basis. Our expertise includes:

<p>Directors and Officers Liability</p> 	<p>Employment Practices Liability</p> 	<p>Pension and Welfare Fund Fiduciary Liability</p> 	<p>Professional Liability & Errors and Omissions</p> 
<p>Employee Dishonesty (Crime) and Fidelity Bonding</p> 	<p>Kidnap, Ransom, and Extortion</p> 	<p>Cyber/Internet Liability</p> 	<p>Representations & Warranties, Tax Liability & Contingent Liability Insurance</p> 

Excellence in client service



Gallagher was named by the Ethisphere Institute as one of the World's Most Ethical Companies, for the seventh consecutive year.

"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

"I cannot recommend Gallagher enough. They are the best - they are expert, they are client-focused, and they do not settle for less than full client satisfaction. My only regret is that we didn't work with them sooner."

- SVP & GC of a publicly-traded professional services firm

As your partner, we do the following:

1

Take the time to understand your risk and your objectives to craft an appropriate risk solution.

2

Apply our industry knowledge and proprietary loss modeling to establish prudent risk management and risk transfer objectives for your business.

3

Use our coverage insight and strong national carrier relationships to obtain optimal management liability terms, conditions, and pricing.

4

Customize our claims advocacy approach and services to achieve the best possible claim results for you.

5

Take on research and analysis projects that reduce your risk management team's workload.



A holistic approach— Your total cost of risk

Our practice team utilizes the following tools to manage all factors that contribute to your total cost of risk:



- 1 Insurance Premiums**
The entry point for CORE360.™ This is your cost to buy coverage from an insurance company. It also includes our compensation as your broker.
- 2 Program Structure**
Represents how the individual pieces of your program work together, as well as how you balance the risk and reward of product choices across the control continuum.
- 3 Coverage Gaps**
Represents the potential costs from any gaps or hidden exclusions in your existing policies.
- 4 Uninsured & Uninsurable Losses**
Represents the potential or actual cost of any risks you knowingly or unknowingly leave uninsured.
- 5 Loss Prevention & Claims**
Represents your participation in a loss, as well as how you minimize costs through appropriate loss control programs and claims management.
- 6 Contractual Liability**
Represents the costs resulting from improperly transferring a risk or unknowingly assuming liability.

INTERNATIONAL D&O RISK MATRIX

Ensuring local policies are purchased in countries in which the insured operates is a growing concern. Our International D&O Matrix assesses these risks, analyzing and illustrating local legal and regulatory environments to advise in which countries the insured should place a local D&O policy.

RISK & INSURANCE QUESTIONNAIRE (RISK IQ)

Our Questionnaire helps guide our risk management discussions with you around policy language, structure, and claims handling.

CLAIM ADVOCACY

Our nine claim advocates, who are mostly attorneys, consult you when handling claims and serve as your advocate to maximize your insurance recovery.

WHITE PAPERS AND ARTICLES

Our Advisor articles and in-depth white papers provide insight on emerging claim trends, judicial precedent, coverage issues, and actionable loss control strategies to mitigate your exposures.

GALLAGHER COVERAGE ADEQUACY RATING (GCAR)

We evaluate our clients' specific D&O programs using our Gallagher Coverage Adequacy Rating (GCAR) tool and illustrate how their coverage stacks up in the market. Scoring the quality of your coverage provides a solid metric to board members.

GALLAGHER OBJECTIVE ANALYSIS OF LIMITS (GOAL)

Our three-pronged approach allows you to make sound purchasing decisions by considering your unique risk characteristics, insight as to what your peers purchase, and a historical view of claims.

Gallagher Management Liability Practice

With unparalleled experience, our team provides a consultative approach to consistently deliver results for our clients.



Making data-driven purchasing decisions

We believe that D&O risk transfer analysis starts with an objective view from three distinct angles. Our GOAL methodology is comprised of three important tools:

GOAL

Gallagher
Objective
Analysis of
Limits



1. STATISTICAL LOSS MODEL: DOME™

(or our "D&O Modeling Evaluation") is:

Personalized:

Takes your unique risk characteristics into account to then predict the settlement value of a future claim against you.

Relevant:

Incorporates metrics used by the plaintiff's bar to model loss values associated with class-action securities litigation related to allegations of inadequate or inaccurate disclosures. The loss model routinely undergoes assumption updates to ensure this relevancy.

Accurate:

Recent testing proved a 93% correlation with actual claim results.

2. HISTORICAL CLAIMS ANALYSIS:

Reviews historical D&O claims from similarly situated companies to evaluate the potential impact of such losses to your company. This analysis considers securities class actions, derivative claims and regulatory investigations. Looking backward provides a complementary counterpoint to DOME's predictive modeling.

3. BENCHMARKING:

Looks at peer data regarding current coverage purchasing patterns.

We synthesize the results of our GOAL tools to make an objective recommendation of limits.

From there, we consider other subjective factors that play a role in your purchasing decision. You play a vital role in this process, and we tailor our overall recommendation to you.

GOAL methodology for other lines of coverage

We have other proprietary models that combine with Historical Claims Analysis and Benchmarking to objectively determine limits for other management liability lines of coverage. These models include:

PENSION AND WELFARE PLAN FIDUCIARY LIABILITY MODEL

Proprietary loss model based on total plan assets, defined benefit plan assets, and 401(k) plan values

EMPLOYMENT PRACTICES LIABILITY (EPL) MODEL

Utilizes an EPL loss database to model risk relating to both single plaintiff exposure and discrimination class-action claims

Highly effective model- given the size of EPL claims are directly related to the size and diversity of the insured organization, the model carefully relates exposure to the number of employees, type and mix of employees, and location of operations

COMMERCIAL CRIME/ FIDELITY INSURANCE MODEL

Based on an exposure index developed by Surety Association of America (SAA) in cooperation with the American Institute of Accountants

Model incorporates current assets (including inventory) and a review of your required bond limit according to the Employee Retirement Income Security Act of 1974 (ERISA)

CYBER INSURANCE MODEL

Quantifies your technology, media, and professional liability exposures based on your specific risk profile and risk control strategies

A series of complementary quantitative loss models combine to assess risk



GOAL

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Objective
Analysis of
Limits

We understand your goals to effectively manage risk and make prudent purchasing decisions. We deploy these tools to give you the peace of mind to do just that.

Reduce Your Risk. Contact Us Today.

U.S. Management Liability Leadership

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Gallagher at A Glance

Gallagher has been designing solutions to meet our clients' unique needs for 90 years. We pioneered many of the innovations in risk management used by businesses in all industries today. We believe that the best environment for learning and growing is one that remembers the past and invents the future.

- Founded in 1927 by Arthur J. Gallagher and still run by the founding family.
- A global corporation with a strong heritage and culture we have 24,500+ employees.
- Divisions specializing in retail insurance brokerage operations, benefits and HR consulting, wholesale distribution, and third-party administration and claims processing
- More than 710 offices in 34 countries and revenues of \$4.2 billion as of 2016.
- Offering client-service capabilities in more than 150 countries around the world through a global network of correspondent brokers and consultants.



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