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The Three Sides of D&O Coverage for Listed Companies

Listed companies face three categories of liability. Directors face personal exposure. Companies face entity exposure. And the company's obligation to indemnify creates its own liability.

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Side A Protects Directors Personally

Side A covers individual directors and officers for their personal liability when the company cannot or will not indemnify them.

Directors need protection independent of company indemnification

Side A activates when the company is insolvent or conflicts exist

Personal assets are protected when the company can't cover the loss

Side A is the only layer that protects directors directly. It's the most critical side for individuals.

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Side B Covers the Company's Indemnification

Side B covers the company's obligation to indemnify its directors and officers for losses they incur in their official capacity.

Reimburses the company when it indemnifies directors

Covers the company's legal obligation to protect its board

Reduces the drain on company assets when claims arise

Side B is how the company pays directors back. Without it, indemnification depletes company resources.

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Side C Covers the Company in Securities Claims

Side C covers the company itself as a defendant in securities claims and regulatory proceedings.

- **Protects company assets in shareholder lawsuits**
- **Covers company exposure in securities litigation**
- **Responds to regulatory investigation costs**

The company itself faces liability at IPO. Side C is what stands between the company and loss.

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All Three Sides Are Necessary

Listed companies need all three sides in balance.

Directors need Side A when company interests diverge

Company needs Side B for indemnification coverage

Entity needs Side C for securities liability protection

Missing one side leaves the entire structure exposed. Listed companies need all three.

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Independent Directors Face Unique Side A Exposure

In securities litigation and regulatory disputes, independent directors often face personal exposure that the company won't cover.

- **Company and board interests frequently diverge in public disputes**
- **Independent directors can't rely on company indemnification**
- **Side A protection is critical for board members without executive roles**

Independent directors carry personal risk. If you're independent, check the policy covers your exposure

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Go Public with Coverage that Protects Everyone

Listed companies faced increased exposure when they are public. A well-crafted D&O policy can protect the directors, the company and the independents directors from unforeseen claims.

The three sides aren't optional. They're the foundation of D&O protection at IPO.

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