



# **REIT** **Wise** March 31 - April 2 **2015**



**NAREIT's Law, Accounting  
& Finance Conference**

**JW Marriott Desert Ridge Resort & Spa  
Phoenix, AZ**




**D&O Liability Insurance Program**



**March 31, 2015**

# D&O Liability Insurance Program

## Agenda

-  Coverage Enhancements
- Preparing for Your D&O Renewal
- Selecting Your Primary D&O Carrier
- Conclusion
- Q&A

# New Coverage Enhancements

- The updated “Arch Essential Enhancement Endorsement<sup>sm</sup> for Members of NAREIT<sup>®</sup>” will include:
  - Removal of the plaintiffs’ counsel fee exclusion for bump-up claims
  - Coverage for Plaintiffs’ Attorney Fees Paid by the REIT in a Derivative Lawsuit
  - Waiver of Retention for Class Certification Event Study Costs in a Securities Claim
  - Other Favorable Terms:
    - Narrower Prior Notice Exclusion
    - Narrower Conduct Exclusions
    - Additional Carve-backs to the REIT vs. Insured Exclusion
    - And More...

# Preparing for Your D&O Renewal

## Key Underwriting Topics

- ✓ Stock Performance (vs. REIT Index and Peer Group)
- ✓ **Mergers & Acquisitions (“Bump-Up” Claims)**
- ✓ Development and Redevelopment Exposure
- ✓ Operations (Major Tenants, Geographic Exposure, Lease Expirations)
- ✓ **Joint Venture / Limited Partner Disputes**
- ✓ Capital Structure (Leverage, Equity/Debt Offering History)
- ✓ Dividend History
- ✓ Financial Results vs. Guidance
- ✓ **Shareholder Base (Activist / Hedge Fund Investors)**
- ✓ Insider Sales / 10b5-1 Trading Plans / Margin Accounts
- ✓ International Exposure (FCPA)
- ✓ **Cyber Security**
- ✓ Executive Compensation / Proxy
- ✓ **Accounting and Regulatory Compliance (i.e. – SEC, IRS)**
- ✓ Corporate Governance / Management Changes

# Selecting Your Primary D&O Carrier

- ✓ Best in Class Language protecting YOUR Board
  - ✓ Integrated Claims Model
    - Underwriting and Claims work closely together
    - Experience handling wide variety of real estate related claims, not just SCAs
  - ✓ Deep understanding of REIT structure
  - ✓ Consistent Underwriting Approach
  - ✓ Commitment to REIT Industry
  - ✓ Financial Strength
  - ✓ Focus on Best-in-Class Service

# Conclusion

- Commitment to the REIT community for over 20 years
- NAREIT D&O policy available only to NAREIT corporate members
- *The **only** Primary D&O policy form endorsed by NAREIT*
- Exclusive program administrator
- Strong underwriting partners
- Additional management liability options available

# Contacts

## CRYSTAL & COMPANY

The integrity of independence.

Ken Gamble	212-504-5873 or <a href="mailto:kenneth.gamble@crystalco.com">kenneth.gamble@crystalco.com</a>
Stephen Kelly	212-504-5847 or <a href="mailto:steve.kelly@crystalco.com">steve.kelly@crystalco.com</a>
Melissa Lishner	212-504-5829 or <a href="mailto:melissa.lishner@crystalco.com">melissa.lishner@crystalco.com</a>



Brian Chiolan	646-563-6372 or <a href="mailto:bchiolan@archinsurance.com">bchiolan@archinsurance.com</a>
Michael Chu	646-563-6373 or <a href="mailto:michu@archinsurance.com">michu@archinsurance.com</a>
Jeffrey Zaffino	646-563-6353 or <a href="mailto:jzaffino@archinsurance.com">jzaffino@archinsurance.com</a>