



# Private Choice Encore! For T.E.C. Version 2.0

*Enhanced Private Company Management  
Liability Coverage Specifically Designed for  
Technology and Emerging Companies*



This policy form provides vital management liability protection for your technology and emerging company clients. Coverages include: Directors & Officers and Entity Liability (D&O), Employment Practices Liability (EPL), Fiduciary Liability, Crime and Kidnap/Ransom & Extortion Coverage (KRE) in a comprehensive all-in-one package product.

### Custom-Tailored Policy

Limits of Liability can be customized to help achieve a balance between your client's risk profile and the realities of their budget or to meet a requisite of their venture capital, institutional funding or leveraged buyout.

- Elect one or more coverage parts (note: the Crime coverage part must be purchased in conjunction with at least one other coverage part)
- Purchase a separate limit for each coverage part or a single aggregate limit for all liability coverage parts
- Select varying limits for each coverage part

### State of the Art Coverage

This management liability protection addresses the significant exposures facing the managers of high-growth and emerging-technology companies in today's complex legal environment.

### Superior Claims Management Features:

- No settlement provision "Hammer Clause"
- Ability of your client to nominate their preferred law firm as defense counsel
- No mandatory arbitration provision
- Option to tender defense to insurer

### Key Coverage Features:

- Subsidiary coverage, subject to a 30% acquisition threshold
- Broad notice of takeover provision
- Worldwide coverage
- Coverage includes members of the Insured's Medical, Scientific, or Technology Advisory board(s)
- 60 day post-policy extended reporting provision
- Coverage for controlled joint ventures and limited liability companies
- Partnership Manager Coverage for controlled partnerships
- Spousal Liability Extension includes Domestic Partners
- Coverage for foundations, charitable trusts and political action committees (to the extent they are controlled by the Named Entity or its subsidiaries)
- Punitive and exemplary damages coverage (with "most favorable venue" provision)

### D&O Coverage

- Derivative demand investigation costs coverage (\$250,000 sublimit)
- \$500,000 Side A reinstated limit for claims against managers (other than original claim), at no additional premium
- Narrow "securities offering" Exclusion
- Broad private placements coverage with no reporting requirements

- Guaranteed IPO coverage quote
- "Road Show" coverage
- Claim definition includes "criminal" and "arbitration" proceedings
- Eight exceptions to the insured vs. insured exclusion
- State-of-the-art Application Severability (including non-rescindable Side A)
- Security holder related exceptions to the entity-only professional services and intellectual property exclusions
- Up to \$1 million for defense expenses as an exception to the entity-only antitrust exclusion

### Employment Practices

- Audits by the Office of Federal Contract Compliance included in the definition of claim
- No fraud/conduct exclusion
- Definition of "Third Party" includes customer, vendor, service provider or other business invitee (if coverage elected)

#### Broad definition of Employment Practices

##### Wrongful Act:

- Wrongful dismissal, discharge or termination
- Failure or refusal to hire or promote
- Sexual or other workplace harassment
- Employment discrimination
- Invasion of privacy
- Employment-related defamation
- Retaliation

##### Broad definition of employee:

- Temporary, seasonal or part-time
- Leased or loaned employees
- Volunteers
- Independent contractors (to the extent the company provides indemnification)

### Fiduciary Coverage

- Extended definition of claim (including fact-finding investigations by the Department of Labor or the Pension Benefit Guaranty Corporation)
- Limited ERISA section 502 (i) and 502 (1) penalties coverage
- Definition of "Insured Plan" includes:
  - Government-mandated programs (except workers' compensation)
  - Welfare and pension benefit plans sponsored by the company (ESOP coverage available by endorsement)
  - Non-ERISA plans sponsored by the company (including excess benefit plans)
- IRS voluntary settlement program coverage (\$100,000 sublimit)

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