

## SAMPLE ACCEPTABLE COURSE OUTLINE

### DIRECTORS AND OFFICERS LIABILITY

8:30 – 8:55	<b>I. Recent history of D&amp;O liability exposure</b>
	A. Trends in D&O claim frequency and severity
	B. Major problem areas
	1. Federal securities laws
	2. Mergers/acquisitions
	3. Pollution claims
	4. Financial institutions claims
	5. Third-party claims
	C. Recent large settlements and judgments
8:55 – 9:20	<b>II. Legal concepts underlying the D&amp;O exposure</b>
	A. Basic legal duties of Directors and Officers
	1. Duty of obedience
	2. Duty of loyalty
	3. Duty of care
	B. To whom duties are owed
	C. Common defenses
	D. Recent legislation limiting director liability
9:20 – 9:30	<b>BREAK</b>
9:30 – 10:20	<b>III. Common exclusions</b>
	A. Public policy exclusions
	1. Dishonesty
	2. Gaining an illegal profit or advantage
	3. Section 16(b) of the Securities Exchange Act
	4. Return of excessive remuneration
	B. Intended to be covered elsewhere
	1. Libel and slander
	2. Nuclear energy
	3. Employment practice
10:20 – 10:30	<b>BREAK</b>
10:30 – 11:20	<b>IV. Case study</b>
	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.