MARSH

Initial Public Offerings

Directors and officers insurance considerations before going public.

Going public can be an exciting time for any company, but heightened scrutiny from regulators and shareholders can bring a significant increase in risk exposure for the company and its board. Insurance solutions to mitigate the potential impact of that risk should be carefully considered before, during, and after an initial public offering (IPO).

Key risks through the lifecycle of an IPO process

7.Liability
Breaches of indemnity given to your sponsor, whether the company and underwriter(s) exercised due diligence in connection with IPO.

6.Liability
The timing of the sale, if preceding a stock drop, even if coincidental, can attract attention of the plaintiff's lawyers for violation of laws.

5.Liability
Whether the market price of the company's common stock was artificially inflated during the class period due to material misrepresentations and/or non-disclosure.

1.Liability
Breaches of commercial representations, warranties, and/or indemnities in the prospectus.

2.Liability
Breaches of listing requirements, misrepresentations, and/or failure to disclose material facts in the offering registration statement and draft prospectus.

3.Liability
Misrepresentations and/or failure to disclose material facts in the IPO registration statement, 'roadshow' presentations, and prospectus.

4.Liability
Breaches of commercial representations, warranties, and/or indemnities contained in the prospectus/listing particulars.

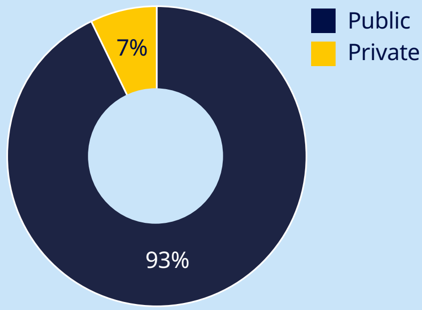
Insurance considerations

Before launching an IPO, businesses should work with their insurance advisors to build a D&O insurance programme that addresses their critical risks before, during, and after an offering. Working alongside your board, we will use our extensive claims experience to educate on the risk. We will use our placement expertise to ensure that the D&O programme placed is fit for purpose to protect both the company and personal assets of senior management. We:

- Provide a health check of your existing D&O programme to ensure coverage terms, structure, and size of programme and insurer partners are appropriate for the period leading up to launch.
- Utilise benchmarking, pricing, and loss data based on an unrivalled volume of placements and claims to ensure programme limits and structure are appropriate for your listing ambitions.
- Provide access to Marsh's suite of proprietary and innovative coverage solutions including:
  - Marsh's Delta D&O policy wording which is designed specifically for investment-backed companies and builds in cover for pre-IPO risk.
  - Public offering of securities insurance (POSI) which will operate to ring-fence listing exposure and provide protection for a wide variety of stakeholders through the IPO process and thereafter.
- Work alongside external counsel or your general counsel team to customise your current D&O wording to be bespoke for your particular circumstances.
- Provide global connectivity enabling specialist knowledge of risk associated with IPOs anywhere in the world.
- Have a dedicated financial lines multinational team to manage local policy requirements.
- Support negotiation of non-disclosure agreements (NDAs) with insurers to ensure sensitive transaction details are protected and optimal coverage terms are obtained.

Heightened risk post IPO

Our UK claims data shows that of the over $1 billion insurance recoveries made by Marsh's clients under directors and officers (D&O) policies in the last 10 years, only 7% was in respect of private companies, with 93% of payments being in respect of claims and investigations into public companies and/or their senior management.



Dedicated 10-person UK IPO team who are all D&O experts with experience placing large-cap IPOs.

Access to up to **$500 million** of D&O capacity globally.

Services globally 42% of the Fortune 500, 43% of the FTSE100, 74% of the ASX50, and 72% of EURO STOXX 50.

More than 1,300 financial lines and industry specialist colleagues globally.

Over **2,000 D&O claims** under management in the UK.

Contacts

Helen Haggie
Head of Management Liability UK
+44 (0)78 2408 4467
helen.haggie@marsh.com

Sandra Lago Ridsdale
Senior Vice President – Management Liability
+44 (0)73 8540 4049
sandra.lago@marsh.com

Charles Ringrose
Senior Vice President
+44 (0)73 9212 2187
charles.ringrose@marsh.com

Luke Vevers
Growth Leader, Financial Institutions
+44 (0)73 8501 9518
luke.vevers@marsh.com

About Marsh

Marsh, a business of Marsh McLennan(NYSE: MMC), is the world's top insurance broker and risk advisor. Marsh McLennan is a global leader in risk, strategy and people, advising clients in 130 countries across four businesses: Marsh, Guy Carpenter, Mercer and Oliver Wyman. With annual revenue of over $24 billion and more than 90,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective. For more information, visit marsh.com, or follow on LinkedIn and X.