

The background of the entire page is a photograph of three business professionals. On the left, an older man with grey hair and glasses, wearing a dark blue suit, is looking at a tablet. In the center, a younger man with dark hair and a beard, also in a dark suit, is pointing at the tablet. On the right, a woman with long dark hair, wearing a light blue shirt and a grey blazer, is smiling and looking at the tablet. They are standing in a modern office with large windows in the background.

Alta Signa: PUBLIC OFFERING OF SECURITIES

www.altasigna.com

Public Offering Of Securities



At a certain point in a company's life there comes the point where you will think about taking the next step and "go public".

A public offering is the sale of equity shares or other financial instruments to the public in order to raise capital. In this instance it can be an initial public offering and debts or equity rights issues.

Public Offering of Securities Insurance (POSI) protects the company directors, the organisation and any controlling or selling shareholders against claims that arise from the issuance of a prospectus. Company directors responsible for the prospectus are exposed to civil and criminal liabilities if the offering document is inaccurate, incomplete or misleading.

One of the key benefits of POSI insurance is that the risk of "going public" is ring-fenced from the conventional D&O programme.

The insurance policy protects the liability of directors, officers and the company involved in the issuing of a prospectus. Liabilities in relation to the prospectus and relating to prior negotiations, discussions and decisions in connection with the offering are covered.

Cover may be extended to include the financial and legal advisors involved in the drafting of the prospectus and the securities placement.

Under certain circumstances the premium for a POSI can be deducted from the proceeds of the offering.

Unlike a conventional D&O policy, a POSI is multi-year policy arising from a single transaction.

What type of exposures can a company executive typically insure against?

- Litigation by a shareholder alleging misstatements in the prospectus upon which investment decisions were made
- Litigation by a shareholder alleging failure to disclose material information in the prospectus
- Breach of warranty in the placing agreement/underwriting agreement

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- Potential long-term contractual liabilities arising from the offer or listing
- Legal expenses in respect of regulatory investigations
- Shareholder derivative actions
- Crisis management expenses
- Claims for misrepresentation in the lead up to the offering (roadshow activity)

What is the Alta Signa insurance product range for company executives?

Alta Signa provides a full range of products for company executives, offering Directors & Officers Liability insurance, Financial Institutions, Asset Management, Professional Indemnity Insurance, Crime Insurance, Side-A Difference in Conditions insurance and Pension Trustees Liability insurance. The products can be tailored to fit a diverse range of business needs.

What maximum limit of liability does Alta Signa offer?

Alta Signa can underwrite up to a maximum line size of €10 million per any one loss and in the annual aggregate.

What is the Alta Signa risk appetite for POSI/IPO?

At Alta Signa, our sweet spot for the Public Offering of Securities Insurance are primary and secondary securities' offerings that do not involve a US regulatory SEC registration.

We remain wary of public securities offerings with underlying company assets that are marked by volatile or speculative valuations. Of most concern to us are companies operating in the commodities and mining sector, oil & gas exploration, pharmaceuticals and life sciences, technology, commercial property development and sports.

We very much like public offerings where the selling shareholders retain a long-term interest in the company, where existing shareholders are not excessively diluted, and where management uses the proceeds to invest in the future, not to simply pay off excessive amounts of financial debt.

In terms of insurance covers, we prefer to participate on excess risk placements and avoid any primary risk exposures.

Product Sheets:

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Why Alta Signa?

- Flexible products that can be tailored to suit a client's specific insurance requirements
- Multi-lingual underwriting team with in-depth understanding of the financial institutions sector
- Quality of service based on speed, transparency, collaboration, flexibility, knowledge and innovation
- Experienced and qualified claims team
- Financial strength and stability of its risk carriers



connect@altasigna.com

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