



PRESS RELEASE

AIG - ecoDa

Report on European directors' duties and liabilities published by ecoDa and AIG

BRUSSELS, 5 October 2015– A pan-European report has been launched today offering guidance and insight into the changing environment shaping European directors' duties and liabilities.

The Report has been produced by the European Confederation of Directors' Associations (ecoDa) with American International Group, Inc. (NYSE: AIG), the global insurance group.

Regulatory and political scrutiny of boards has led to an increase in the risks and potential liabilities faced by individual directors. The impact of this new environment is also felt in the rising number of directors' and officers' (D&O) insurance claims. The Report helps board members understand the extent of their liabilities in this complex and increasingly challenging new world.

The nature of directors' duties and liabilities and the manner in which they are enforced can be affected by the differences in board structures across Europe. Group structures make litigation cases even more complex. Complex supply chains with companies operating in many different countries mean that board members have to cope with different legal frameworks and different business cultures. This Report highlights the specific risks faced by directors in individual European jurisdictions and provides a rich variety of cross-border and national case studies.

The Report also analyses how D&O insurance can help board members manage these risks. It covers a large variety of situations like bankruptcy, insolvency, criminal liabilities, and shareholder activism. It also provides directors with solutions aimed at keeping them out of the firing line of litigators and regulators.

Roger Barker, Chair of the ecoDa/AIG Working Group, Director of Corporate Governance, IoD, said: "This Report is a wake-up call for professional board members. Board members have to ensure that they have the appropriate skills and knowledge before considering a non-executive position. The assumption that a director can't be liable if he or she acted in good faith is changing. It's no longer going to be a reasonable defence for a European board member to say 'I didn't intend for this to happen'. Instead he or she must be able to state: 'I implemented a good system and reasonable processes to guard against this'".

Mike Pryce, AIG, Head of Management Liability at AIG, said: "Board members should not underestimate the changing nature of risks they face. Well-informed directors who have their potential personal liability in mind will be better-placed to navigate the challenges of such an increasingly dense, legal and physical, risk based environment".

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Notes to editors

About the European Confederation of Directors Associations

The European Confederation of Directors Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Through its national institutes of directors (the main national institutes existing in Europe), ecoDa represents approximately 55,000 board directors from across the EU. ecoDa's member organisations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.

About AIG

American International Group, Inc. (AIG) is a leading international insurance organisation serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

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