

Insurance Law Update: First Chinese Special Representative Securities Action Spikes Demand for D&O Insurance, but Coverage Availability Remains Unclear

Publications

March 15, 2022

In their *Insurance Law Update*, Partner David Kroeger and Associate Huiyi Chen explain that purchasing directors and officers insurance (D&O) has not been standard practice for public companies in China – until recently. Indeed, the demand for such insurance has spiked due to the new Chinese Securities Law that went into effect in March 2020. The authors analyze China’s first “special representative” securities action brought against a public company and its directors and officers in 2021. In that case, Kangmei Pharmaceutical Co., Ltd. was liable for more than 2.4 billion CNY (around \$379 million USD) due to fraudulent accounting representations. “The significant price tag is only one of the noticeable factors that brought attention to the Kangmei ruling, and the shocking effect it exerted on the Chinese business and legal world is largely attributable to those who were found to be personally on the hook for that huge amount of damages,” the authors observe.

[Read the update here.](#)

Related Attorneys



Huiyi Chen

Partner

hchen@jenner.com

+1 312 840 7389



David M. Kroeger

Partner

dkroeger@jenner.com

+1 312 923 2861

Related Capabilities

Insurance Recovery and Counseling

Related Locations

Chicago

© 2026 Jenner & Block LLP. Attorney Advertising. Jenner & Block LLP is an Illinois Limited Liability Partnership including professional corporations. This publication, presentation, or event is not intended to provide legal advice but to provide information on legal matters and/or firm news of interest to our clients and colleagues. Readers or attendees should seek specific legal advice before taking any action with respect to matters mentioned in this publication or at this event. The attorney responsible for this communication is Brent E. Kidwell, Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654-3456. Prior results do not guarantee a similar outcome. Jenner & Block London LLP, an affiliate of Jenner & Block LLP, is a limited liability partnership established under the laws of the State of Delaware, USA and is authorised and regulated by the Solicitors Regulation Authority with SRA number 615729. Information regarding the data we collect and the rights you have over your data can be found in our Privacy Notice. For further inquiries, please contact dataprotection@jenner.com.

Stay Informed

