

Hedge Fund One Insurance

As a leading provider of D&O insurance and a long-established provider to the financial services markets, AIG UK has the expertise to offer risk management and insurance protection against these risks. Hedge Fund One combines a tailor-made D&O policy for hedge funds, with capacity up to \$25,000,000, and the services needed to better understand, assess and mitigate those risks.

COVERS

Two insuring clauses

(i) Damages and defence costs of the Fund's Directors and Officers

from a wrongful act, error or omission in their managerial or fiduciary capacity

(ii) Reimbursement of the Fund to the extent the Fund has indemnified its Directors and Officers for (i) above

The cover is triggered by any claim, proceedings or a written demand alleging any act, error or omission or any investigation, whether or not there is such an allegation

Advancement of defence costs

Legal fees and expenses up to the full policy limit for attendance at any investigation into the affairs of the company

Full limit of defence costs for pollution claims

Full severability of proposal form

Full insured v insured cover for non-collusive claims

EXTENSIONS

Bilateral discovery period

Costs of an insured's representation at an official investigation
Express extradition cover for directors and officers plus related costs for public relations, psychological counselling and tax advice

Damages and defence costs of the Fund's directors and officers from a wrongful act, error or omission relating to corporate governance compliance and disclosure standards

Key man insurance: public relations costs and headhunting costs to manage the implications of losing key personnel and to find replacements

Public relations expenses to mitigate damage to professional reputations caused by a claim

Prosecution costs coverage to overturn a judicial order

6 year discovery period for retired directors

Fees and expenses following a kidnap incident

Bail Bond and Civil Bond expenses

INSUREDS

Includes past or current directors or officers of the fund

VALUE ADDED SERVICES

Additional regulatory crisis response cover up to £50,000 Pre-loss regulatory and governance advice, including the DLA loss avoidance and mitigation package

POLICY FORM AND LIMIT

Full retroactive cover on a claims-made basis. Policy limits up to \$25,000,000

Scope and terms are subject to the terms and conditions of the policy. A specimen policy is available on request

THIS INFORMATION IS INTENDED FOR INSURANCE BROKERS AND OTHER INSURANCE PROFESSIONALS

This insurance is underwritten by AIG UK Limited which is authorised and regulated by the Financial Services Authority (FSA number 202628). This information can be checked by visiting the FSA website (www.fsa.gov.uk/register). Registered in England: company number 1486260. Registered address: The AIG Building, 58 Fenchurch Street, London, EC3M 4AB.

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These are brief product descriptions only. Refer to the policy for full terms and conditions applicable. Any scenarios are given as brief examples which may give rise to claims. These descriptions should not be relied on to justify coverage in any situation.

Hedge Fund One Insurance

Comprehensive insuring clause	Cover for managerial liabilities of the Fund's directors and officers
Full investigations cover even when no wrongful act is alleged	A frequent source of claims and an area of cover that is often sub-limited, but Hedge Fund One provides cover up to the full policy limit
6 year run-off cover for retired directors	Gives peace of mind to those who retire that they have cover for the primary limitation period in respect of liabilities incurred while they acted in an insured capacity
Valuable extensions	<ul style="list-style-type: none"> • Broad cover for claims between insureds • Damages and defence costs of the Fund's directors and officers from a wrongful act, error or omission relating to corporate governance compliance and disclosure standards • Prosecution costs coverage to overturn a judicial order • Fees and expenses following a kidnap • Bail Bond and Civil Bond expenses
Extradition costs cover extension	Full policy limit is available to resist an extradition request from any jurisdiction, including the US. In addition the policy will cover related costs of up to £250,000 for public relations expenses; up to £25,000 for psychological counselling and up to £25,000 for professional tax advice
Insureds	Automatic cover for all directors and officers of the fund and subordinate funds
Key man insurance	Public relations costs and headhunting costs to manage the implications of losing key personnel and to find replacements
Public relations expenses	In a professional environment, reputation is often your most valuable asset. A reputation can be severely damaged by allegations of mismanagement; Hedge Fund One provides the means to mitigate that damage
Regulatory crisis response cover	A specific fund of £50,000 is available to use at the insured's discretion in face of regulatory crisis (such as a dawn raid). This is over and above specific investigative cover.
Advancement of defence costs (as case proceeds not just when it ends)	Important for the individual insured to ensure their personal assets are not at stake
Mitigation and avoidance services	DLA offer Hedge Fund One clients the option to register for bespoke presentations in governance best practice, regulatory crisis management and periodic regulatory bulletins

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Fax: 0117 921 5379

CROYDON

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Fax: 020 8680 7158

GLASGOW

Tel: 0141 303 4400
Fax: 0141 303 4440

LEEDS

Tel: 0113 242 1177
Fax: 0113 242 1746

MANCHESTER

Tel: 0161 832 8521
Fax: 0161 832 0149

NEWCASTLE

Tel: 0191 206 4091

READING

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Fax: 0118 964 2680

WATFORD

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