

# *AIG Investment Management Insurance<sup>SM</sup>*



## **SPECIALIZED COVERAGE FOR INVESTMENT ADVISORS AND MANAGED FUNDS**

Today's volatile market conditions, complex regulatory environment and increasingly sophisticated financial instruments have led to a rise in risk exposures for investment firms and funds—as well as for their general partners and affiliated service providers.<sup>1</sup> Among other liabilities, investment managers and funds can be sued for mismanagement, misrepresentation, breach of fiduciary duty and failure to provide adequate disclosure of market-related risks.

Investment Management Insurance (IMI) from AIG Executive Liability's Financial Institutions Group addresses the unique, evolving risks of a wide range of investment vehicles and professionals.

## **BROAD, FLEXIBLE PROTECTION**

AIG IMI can be customized to meet the distinct needs of investment advisors, mutual funds, exchange-traded-funds, hedge funds, general partners, distributors and management. The following coverages are available:

- ▲ Investment Advisor Professional Liability
- ▲ Fund Professional and Management Liability
- ▲ Investment Advisor Management Liability
- ▲ Distributor Professional Liability
- ▲ Cost of Corrections

Entity coverage is provided for advisors, funds and distributors to minimize policy gaps and ensure effective protection.

**ADDITIONAL  
COVERAGE FEATURES**



<sup>1</sup> Coverage for affiliated service providers provided by endorsement.

## KEY FEATURES

- ▲ AIG IMI provides built-in protection for:
  - ✓ Violation of investment guidelines and/or investment management contract
  - ✓ Breach of securities regulations
  - ✓ Shareholder class action suits
  - ✓ Allegations of lack of due diligence, unintentional misrepresentation, incorrect execution of orders, and suitability
  - ✓ Individual insureds that are the subject of a regulatory investigation
  - ✓ ETFs and hedge funds
  - ✓ Punitive damages, where insurable

## ADDITIONAL BENEFITS

- ▲ Policies also include:
  - ✓ Coverage for the management liability exposures of entity investment advisors
  - ✓ Final adjudication language
  - ✓ Order-of-payment provisions
  - ✓ Worldwide protection for any covered claim, including trading exposures
  - ✓ Pollution exclusion carve-out for non-indemnifiable loss
  - ✓ Broad definition of employee
  - ✓ Protection for advisory board members
  - ✓ Protection for domestic partners
  - ✓ Automatic excess independent director limit of \$1 million for non-indemnifiable loss<sup>2</sup>
  - ✓ Broad severability clause and non-indemnifiable loss coverage
  - ✓ Automatic coverage for funds registered under the Investment Company Act of 1940
  - ✓ 45-day post-policy reporting period
  - ✓ Insureds also are eligible to receive a quotation for netAdvantage<sup>®</sup>, Corporate Counsel Premier<sup>®</sup> and AIG Passport<sup>SM</sup>

<sup>2</sup> IF IDL Policy is currently in place, the \$1 million will sit excess of what is in force

**For more information, contact your local AIG Executive Liability representative. You can also e-mail [executiveliability@aig.com](mailto:executiveliability@aig.com) or visit [www.aig.com/aigexecutiveliability](http://www.aig.com/aigexecutiveliability).**

**AIG Executive Liability is a member company of American International Group, Inc. (AIG), a world-leading insurance and financial services organization with over 85 years of experience.**

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