

CORPORATEGUARD

Investment Management
Insurance

If different insurance products cover a fund's various liabilities, allocating responsibility between insurance companies can be a major headache. Problems can also arise because of different policy terms, conditions, limits and retentions. That confusion can create coverage gaps and add greatly to the time and expense of dealing with a claim. To combat the problem, AIG UK offers a single comprehensive "umbrella" product for investment managers, investment advisors and investment funds.

COVERS

Four insuring clauses cover:

1. *Civil liability and defence costs arising from investment advisory services*
2. *Civil liability, directors & officers cover and defence costs in the management or operation of an investment fund*
3. *Directors and Officers liability and defence costs*
4. *Crime - protecting the business and the funds from direct financial losses suffered as a result of employee infidelity or third party crimes*

PI and D&O covers are triggered by any investigation, proceedings or a written demand alleging any act, error or omission

Advancement of defence costs

Includes cover for costs incurred by a regulator for which the insured person is liable

Standard employment practice liability insurance for individuals and the option to cover the corporate entity

Automatic cover for defamation claims

COVER EXTENSIONS

Automatic vicarious liability cover

Emergency costs of up to 10% of the limit of liability without the insurer's prior consent

Bilateral discovery period offered as standard if the policy is not renewed

Insured persons are entitled to up to £200 per day to attend court as a witness in connection with a claim

Covers legal liability for stockbroker's inability to complete a transaction due to fraud, loss of documentation, or being deceived as to the identity of a person

Kidnap response costs if an insured person is kidnapped, hijacked or wrongfully detained

Costs of verifying, reconstituting or removing computer programs which have given rise to a payment under the policy

INSURED

Automatic cover for approved persons, outside entity directors, domestic partners, administrators, and executors

Automatic new fund and subsidiary cover, provided the fund or subsidiary in question meets pre-determined criteria

VALUE ADDED SERVICES

Additional value-added risk management services, including pre-loss regulatory and governance advice; including the DLA loss avoidance and mitigation package.

POLICY FORM AND LIMIT

Full retroactive cover. 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.

A member company of American International Group, Inc.

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.

CORPORATEGUARD

Investment Management Insurance

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| Single policy wording | Avoids the problems of allocating liability between insurers, different policy limits, definitions, exclusions, retentions and conditions. Reduces the risks of any gaps in cover. |
| Comprehensive insuring clauses | Cover for professional indemnity and directors and officers civil liabilities and crime for the investment manager and funds. In addition, standard cover for the insured person extends to employment practice violations and defamation. |
| Insureds | Automatic cover for approved persons, outside entity directors, domestic partners, administrators, and executors. Extensive definition of employee is extended further under 1.4 to cover solicitors retained by the insured, trustees and fiduciaries of the insured's pension plans, companies or people to whom the insured has out-sourced services, ex-employees for 60 days and unidentifiable employees. |
| Blanket cover | Recognises the potential complexities of separating managerial actions from professional actions brought by shareholders and investors who may be one and the same. |
| Emergency costs | Up to 10% of the limit of liability if the insurer's prior consent cannot be obtained. |
| 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. |
| Bilateral discovery period | 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. |
| Risk management services | Pre-loss regulatory and governance advice and post-loss public relations expenses. |
| Kidnap response costs | Payable if an insured person is kidnapped, hijacked or wrongfully detained. |
| Automatic new fund and subsidiary cover | Provided the fund or subsidiary in question meets pre-determined criteria. |
| Fewer exclusions | Investment banking, market abuse, money laundering and market fluctuation exclusions deleted. War and terrorism exclusion deleted for insuring clauses 1-3 and diluted for insuring clause 4. |

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Fax: 0117 921 5379

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GLASGOW
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Fax: 0141 303 4440

LEEDS
Tel: 0113 242 1177
Fax: 0113 242 1746

MANCHESTER
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NEWCASTLE
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READING
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