

Investment Management Insurance (IMI 05-17)



As the investment management industry continues to evolve and regulatory requirements and oversight increase, AIG responds with a new Investment Management Insurance product. AIG's IMI Gold now combines key covers already available under its market-leading Gold Complete product suite with the familiar, single policy modular structure.

Insured:

- Broad definition of Fund including managed investment scheme, trust, investment trust, mandate, partnership, sub-fund or sub-trust.
- Broad definition of Director or Officer including de facto director, natural person general partner in a Fund, an Employee, member of any committee approved by the board, natural person Trustee of a fund, and natural person superannuation trustee, committee member or administrator of a pension, employee benefit, profit-sharing, welfare benefit Plan maintained by an Insured Entity.
- Broad Definition of Insured Person applies to all three Sections and includes Employee and a person undertaking work experience.
- Subsidiary definition includes Joint Ventures under Policyholder's effective management and control when the policy commences.

Enhancements and new features:

- Ability to backdate continuity
- Company Securities Cover for Insured Entity and Fund
- New cover Statutory Fines & Penalties under Management Liability Section
- Management Liability lifetime run-off for retired Insured Persons
- Cover for Pre-Claim Inquiry Costs for any Insured under Management Liability and Professional Liability Sections
- Management Liability Section now includes Derivate Investigation Hearing Costs, Insolvency Hearing Costs, and Occupational Health & Safety Incidents
- Automatic Discovery Period extended from 60 days to 90 days
- Definition of Investment Advisory Services extended to include responsible entity services
- Different Retentions available for different Sections of the Policy
- Diminution of value/market fluctuation exclusion removed
- Cover may be available for Direct Financial Loss as a result of Social Engineering and Impersonation Fraud
- Professional Financial Services Exclusion under Management Liability does not apply to Claim alleging failure to supervise

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Modular structure with three insuring Sections for maximum flexibility:

- PI: Professional Liability of the investment manager and any fund
- D&O: Management Liability of the Directors and Officers
- Crime: Direct Financial Loss as a result of employee infidelity or third party crime
- Advancement of defence costs

Definition of Loss includes awards of damages (including but not limited to Compensation Orders and punitive and exemplary damages).

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- Established Misdeeds Exclusion diluted by removing requirement of dishonest conduct, where such conduct is not condoned and results in legal liability
- Claim brought by Regulatory/Official Body -Exclusion removed
- Management Liability Section now includes Circumstance/Claim Mitigation Costs Extension
- Bail Bond and Civil Bond Premium cover under Asset and Liberty Costs extended to all three Sections
- Public Relations Expenses extended to Management Liability and Professional Liability Sections
- Regulatory Crisis Response available for Insured Persons under Management Liability and Professional Liability Sections
- Loss of Documents is now a stand-alone extension without a sublimit
- War & Terrorism, Infrastructure, ERISA, and US Claims brought by Insured exclusions removed
- Emergency Costs increased to 20% of policy limit
- Insured Person Investigation Costs sublimit removed and now covered up to full policy limit

Quick broker facts

One single policy – three modules	Includes Management Liability, Professional Civil Liability and Crime Protection Sections with General Terms and Conditions as well as definitions standardized across all three Sections.
Statutory Fines & Penalties	Cover for Insured Persons against Statutory Fines & Penalties up to full policy limit.
Broader cover against actions by an Official Body	Sub-limit available to respond to Pre-claim inquiries, as well as cover for Investigations by an Official Body, and Critical Regulatory Events, such as on-site raids by an Official Body.
Occupational Health & Safety	New Cover feature ensures actions against Insured Persons arising from Occupational Health & Safety Incidents covered up to full policy limit.
Company Securities Cover	Company Securities cover is available for the Insured Entity or Fund.
Social Engineering and Impersonation Fraud Protection	Cover may be available for Direct Financial Loss as a result of Social Engineering and Impersonation Fraud.
Fewer exclusions	The broadest IMI cover in the market now has even fewer exclusions.
Life-time run-off	Assurance that run-off cover does not expire for managers who resign from the company voluntarily.
Emergency Costs	Retrospective approval for defence costs if the Insurer's written consent cannot be obtained. Limit increased from previous 10% of policy limit to 20%.
Backdated Continuity	Provides cover for prior matters in the event of innocent non-disclosure in accordance with the terms & condition of a previous policy.
Circumstance/Claim Mitigation Costs	New cover feature enabling proactive action to head off potential claims against an Insured Person before an actual claim has materialised.
Investigation Costs	Insured Person investigation costs covered as standard feature and up to the policy limit.
Flexibility with limits and retentions	Product can be tailored to provide separate limits and different retentions for all three policy sections.
Applicable to multiple Industries	The policy form caters to Asset/Fund Managers, Property Fund, Hedge Fund, Private Equity and Venture Capital firms alike.

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