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ACE WEALTH PROTECTOR

PRODUCT OVERVIEW

A private company director would not think twice about buying property and public and products liability insurance, but has that company director given serious consideration to personally protecting his/her assets against claims arising from the management of the company?

Any person who holds the office of director within a company exposes themselves to personal liability simply by virtue of their position. Even if not a director by title, anyone involved in the management of a company can be personally exposed. Directors and Officers Liability cover is designed to protect directors and officers from the financial consequences of being involved in a claim.

Company directors are today finding that they are increasingly under the microscope from regulatory authorities, shareholders, customers, and other third parties in respect of their overall management of a company's affairs.

As the law has developed it has now become apparent that private company directors are just as vulnerable as their counterparts in the public company arena. The standard Directors and Officers Liability Policy, does not provide the private company with the breadth of cover required to fully protect the personal assets of its directors and officers. This is because most claims are made in the name of the Company, with its directors being listed as co-defendants. In this scenario, the standard Directors and Officers Liability Policy will only respond to that part of the claim which has been specifically made against the directors and not to that part of the claim which has been made against the company. Under these circumstances, the public company directors will be indemnified either under the directors and officers or the company reimbursement section of the Directors and Officers Liability Policy and in effect the shareholders will be liable for any damages, judgments, settlements and defence costs made against the company itself. The obvious problem arises where the shareholders are in fact the "owner" directors as is the case with most private companies, because whilst their personal liability will be protected, their assets in the form of equity in the company, will not be for that part of the claim which has been made against the company itself.

Wealth Protector has been specifically designed to overcome this problem whilst at the same time, offering additional coverages not normally found in the standard Directors and Officers Liability Policy such as breaches in Employment Practice, breach of Trustee Liability for the Company Superannuation Fund and Crime Insurance.

In addition to the range of exposures covered by the Wealth Protector, this insurance product also provides significantly broader cover than the standard Directors and Officers Liability Policy including:

- 6 year run-off cover for retired director and officers
- Insured v Insured coverage

The extensions to this policy are also to be highlighted, these include:

- Advancement of defence costs
- Cover provided to the lawful spouse of insured person(s)

- Cover provided to the heirs or legal representatives of insured person(s) in the event of incompetency, insolvency or bankruptcy
- Cover provided at inception for all subsidiary companies where those subsidiary companies are consolidated with the accounts of the company or where the company owns more than 50% of the issued share capital
- Cover for outside directorships in outside organisations available upon request
- Cover extended to insured person(s) for attendance at any investigations, enquiries, prosecutions (criminal or otherwise)
- Defence costs for occupational health and safety claims made against the company and/or insured person(s)
- Territorial/geographical limits of the Policy are worldwide excluding the United States of America and/or Canada
- Continuous cover

In the past the Employment Liability, breach of Trustee Liability, and Crime coverages had to be bought on a stand alone basis which made it too expensive for smaller private companies to fully protect themselves against the ever widening net of potential litigants particularly in the current environment of escalating premiums. Wealth Protector now provides the private company with the comfort of broader insurance coverage for a wide range of management exposures at most competitive premiums.

ADVANTAGES OF THE ACE WEALTH PROTECTOR PRODUCT

- It has 5 insuring clauses that are standard. They don't have to be purchased as extensions.
- The broker doesn't assume a greater workload
- There isn't a blanket Insolvency Exclusion
- It can be added to Professional Indemnity policies providing the insured with much greater protection
- Competitive premium rates
- Quick underwriting turn around

WEALTH PROTECTOR IS DESIGNED FOR THE FOLLOWING COMPANIES:

- Private Companies
- Total assets of up to \$25M
- Revenue up to \$50M
- Minimal USA/Canada exposures
- Companies established for more than 2 years

CLASSES OF BUSINESS THAT WON'T BE CONSIDERED INCLUDE:

- Software development & sales
- Airlines
- Aeronautical Defence
- Biotechnology
- Telecommunications