

Many private company directors think they don't need Directors & Officers Liability (D&O) insurance because their company isn't publicly listed. Yet private company directors and officers face the risk of personal litigation from an ever widening range of sources – employees, minority shareholders, regulators, creditors, environmental groups, customers and suppliers.

Even when private companies do take out D&O insurance there are often gaps in that cover. Most D&O insurance is designed for public companies and does not cover claims against the company itself. With many private companies owned by directors and their families, this puts directors' personal shareholdings at risk. Private companies also face other risks that are not covered by D&O insurance – wrongful dismissal and sexual harassment, claims relating to the staff superannuation fund, crisis management costs etc. That's a whole range of risks that need to be covered, which is why we offer PrivateEdge® – Management Liability Insurance for Private Companies.

PrivateEdge® – All-In-One

PrivateEdge® is a unique insurance policy – an all-in-one management liability solution specifically designed for private companies and their directors. It combines D&O cover tailored for the private company market with cover for a broad range of management liability exposures at an affordable price.

PrivateEdge® offers the security of top quality D&O cover plus Fidelity, Company, Employment, Investigation and Crisis cover.

PrivateEdge® Advisory Panel

Free Advice - PrivateEdge® Policyholders are entitled to contact a *PrivateEdge Advisory Panel* firm for advice on matters which are relevant to the cover provided under the policy. This service is provided free of charge, provided the advice does not involve a significant time commitment on the part of the member firm.

Claims Handling Service - if an Insured is unfortunate enough to have a claim made against them, speedy implementation of a good defence strategy is critical. The *PrivateEdge Advisory Panel* firms have been pre-approved to defend covered claims. In the absence of any conflict of interest, and provided that the member firm's rates and other terms of engagement are reasonable, then consent to any *PrivateEdge Advisory Panel* firm acting on an Insured's behalf will be granted without delay.

Product Profile *(continued)*

Extensions

- Bilateral Discovery Period
- Controlling Shareholder
- Crisis Loss
- Defence Cost Advancement
- Discovery Period for Retired Insured Persons
- Fraud Investigator's Costs
- Heirs, Estates and Legal Representatives
- Investigation Costs
- New Companies
- OH&S Defence/Investigation Costs
- Pecuniary Penalties
- Pollution Defence/Investigation Costs
- PrivateEdge Advisory Panel
- Publicity
- Spouses
- Superannuation Trustees

General Exclusions

- Conduct
- Contractual Liability (Company Only)
- Intangible Rights (Company Only)
- Known Facts/ Circumstances
- USA or Canada
- Superannuation Funds
- Pollution
- Prior Claims/ Circumstances
- Professional Services
- Public Securities
- Anticompetitive Practices
- Benefits
- Bodily Injury & Property Damage
- Company v. Insured
- Major Shareholder

Fidelity Exclusions

- Confidential Information
- Consequential Loss
- Director Dishonesty
- Extortion or Kidnap & Ransom
- Geographical Limits
- Loss Sustained After Knowledge
- Prior or Subsequent Discovery
- Profit & Loss or Inventory Computation
- Shareholder Dishonesty

Extras (by Endorsement)

- Executive Accident Protection
- Corporate Extortion

Covers (Insuring Clauses)

Insured Persons - Executives, Employees and Outside Directors are covered for Management Liability to the extent that they have not been indemnified otherwise.

Special Excess Limit (for Non-Executive Directors) - a protected limit is available for Non-Executive Directors.

Reimbursement - the Company is reimbursed for payments made to Insured Persons as indemnity for Management Liability.

Company Liability - "Entity" cover applies to a Management Liability Claim made against the Company.

Fidelity - cover applies to the Company's Direct Financial Loss due to Dishonest Acts committed after the Continuity Date or the date from which the Company has maintained uninterrupted fidelity insurance (or any equivalent cover).

Target Market

Any "Pty Ltd" Company.

Self-Insured Retention

The minimum self-insured retention is \$2,500 each and every Claim.

Sum Insured

Limits of Liability up to \$10,000,000 in the aggregate are available.

Product Training

AIG Australia conducts free seminars on the PrivateEdge Management Liability Insurance Policy. These seminars are QPIB rated and include topics ranging from the basics of policy coverage through to the impact of new legislation. Please contact any of our Financial Lines underwriters if you wish to have your name added to our contact list for these seminars.

SEE ALSO:

PRODUCT PROFILE	HIGHLIGHT SHEET	CHANGES SUMMARY	POLICY WORDING
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American Home Assurance Company ABN 67 007 483 267 AFSL 230903, trading as AIG Australia. The description of coverage contained in this document is a summary only. The coverage and any claims made are subject to terms, conditions, limitations and exclusions outlined in the policy of insurance. In the event of any conflict between the descriptions of coverage in this document and the policy of insurance, the provisions contained in the policy of insurance will govern. For more information or to see a specimen copy of the policy wording, please visit the Broker Zone at www.aig.com.au. This document is accurate as at January 2006.

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