



ace insurance

ACE Elite Civil Liability Insurance for Financial Institutions

The ACE Civil Liability Insurance for Financial Institutions policy has been created to provide protection to financial institutions of all types, with respect to the professional services that are offered to clients or customers around the world. The policy can be tailor made to suit the financial institution's individual needs in an increasingly volatile and hostile environment.

ACE Insurance is a leader in Professional Indemnity Insurance. Our knowledge and worldwide representation means that we can effectively deal with the challenges faced by financial institutions.

Coverage Highlights

Insuring Clause

- ACE will pay to or on behalf of the insured all civil liability loss arising from acts, errors, omissions, breaches of duty, breaches of trust, breaches of fiduciary duties or breaches of any applicable regulations, while performing or failing to perform professional services. The cover includes the conduct of any other person for which the insured is legally responsible.

Extensions

- Full continuity offered with ability to backdate with respect to previous insurers
- Legal Representation Expenses for attendance at investigations including regulatory investigations up to the full limit of the policy.
- Mitigation Costs sub-limit of \$100,000.
- Loss of documents, defamation and breach of privacy cover to the full limit of the policy.
- Loan administration expenses covered resulting from a claim.
- Extradition Bail Bond Costs sub-limit of 10% of the Limit of Liability. Extradition Crisis Costs sub-limit of \$25,000.
- Retired Directors & Officers cover is automatic for 84 months.

- Public Relations Expenses to hire public relations firm, crisis mgt firm or law firm, to prevent or limit negative publicity arising from a claim. Sub-limit of \$250,000.
- Non-Renewal Discovery Periods:
 1. Bilateral trigger for cover;
 2. 45 day automatic on all clauses - no additional premium;
 3. 365 days @ 90% additional premium for all insuring clauses;
 4. Affirmative cover for Investigations during Discovery Period.
- Option to purchase run-off cover for additional 84 months due to merger or acquisition.
- Automatic Cover for New Subsidiaries, up to threshold of 20% increase in total asset size; where not domiciled in the US; no professional services claims in the preceding five years; up to 20% of revenue from Investment banking, hedge funds, or derivative trading.
- 45 day automatic cover provided in respect of ALL new subsidiaries.
- Emergency Defence Costs and Legal Representation Expenses with no prior consent from ACE, for 10% of the Limit of Liability and 30 days.

Sydney
28-34 O'Connell St
Sydney, NSW 2000
(02) 9335 3200

Melbourne
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Melbourne, VIC 3000
(03) 9623 2222

Brisbane
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Brisbane, QLD, 4001
(07) 3221 1699

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Level 12, 81 Flinders St
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Perth
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Perth, WA, 6001
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Definitions

- Claim includes Extradition Proceedings and Investigations with no Wrongful Act requirement.
- Civil Liability Loss includes damages, judgments, and court orders to pay compensation for a contravention of any statute or legislation.
- Professional Services includes financial services for a fee or in conjunction with services for a fee, or pursuant to an agreement.
- Subsidiary includes a joint venture where the Insured exercises effective management control.

Exclusions

- Improper Conduct – includes dishonesty, fraud and personal profit. Broad written admission and final adjudication language. Non imputation clause applies to insured persons and insured entity.
- Insured v Insured exclusion - Write backs defence costs; capacity as a client or customer; contribution or indemnity; former insured persons.
- No Insolvency of counterparty exclusion.
- No Insolvency exclusion.
- Lenders Liability exclusion – does not apply to administration of loans.
- Mechanical Breakdown – write back for claims arising from Wrongful Act.
- Intellectual Property exclusion – write back for unintentional breaches by the insured.
- Trustee Liability exclusion – only applies to Insured's own superannuation funds.
- Proprietary Risks – specific to the insured's own trading losses.
- SEC exclusion

- Failure to Hold Licence – onus is on insured to ensure appropriate licences are maintained as required by local regulators.

Conditions

- Insured's duty to defend claims.
- Separate legal representation is required where conflicts exist
- Hammer clause is in place.
- Rights of subrogation shall not be exercised against an Insured Person unless committed a criminal, dishonest, fraudulent or malicious act.

Additional Benefits

- Ability to offer tailored programs.
- Capacity of A\$30 million.
- Australia wide representation.
- Local claims handling capabilities.
- Local underwriting authority and account management expertise.
- Primary and excess capabilities.

Other ACE Financial Institutions Products

- Directors and Officers Liability Insurance
- Prospectus Liability Insurance (Public Offering of Securities Insurance).
- Investment Management Insurance
- Bond
- Electronic Computer Crime

ACE Insurance Limited (Australia) is a member of the ACE Group of Companies®, a global leader in insurance and reinsurance. With a history dating back to 1792, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries and a strong presence in Asia Pacific.

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The 'A' financial strength rating by Standard & Poor's is indicative of ACE Australia's strong capitalisation and reflective of its parent's rating outlook. (ACE core operating companies rated A+/Stable-- by Standard & Poor's)

ACE Australia delivers a broad range of quality risk products and exceptional service to financial institutions, corporations and small to medium businesses. In Australia, ACE has the depth of local knowledge and insight coupled with strong analytical skills backed by the organisation's global reach and the breadth of resources. With over 50 years of operating experience in the Australian market, ACE is a major supplier of insurance protection to many of the country's largest companies.

Additional information can be found at:
www.aceinsurance.com.au

Important Note

This brochure is intended to provide only a general description of the insurance policy (ACE Elite Civil Liability Insurance for Financial Institutions ed. 07/08) and is not intended to modify the actual provisions of the wording. We recommend that a potential purchaser thoroughly examine our policy offered and consult with an appropriate expert to be certain of the precise nature of its details. This brochure is designed for use by brokers and / or insurance agents only. Potential purchasers should contact ACE or their broker and / or insurance agent for further advice.

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