



FINPRO PRACTICE

# IP Protect: Insurance for Your Most Vital Assets

Your business no longer runs on property, plant, and equipment. Twenty-first century businesses depend on intangible assets. Intellectual property (IP) rights — patents, trademarks, copyrights, and trade secrets — are the principal ways that companies secure and defend those assets. Yet few companies adequately insure the IP assets that are so crucial to their success and survival.

Marsh specifically designed IP Protect, a proprietary comprehensive and cost-effective insurance solution, to meet the IP-related risk transfer needs of modern organizations, by providing protection from:

1. Defense costs arising from a third-party's attempt to invalidate your company's scheduled registered IP.
2. Defense costs and damages (including both settlements and judgements) arising from a third party's allegation that your business has violated their patent, copyright, or trademark

rights or, if included by optional endorsement, misappropriated their trade secrets.

3. Costs arising from your company's contractual obligations to indemnify its customers or manufacturers if they are sued for IP infringement due to your company's actions or omissions.

IP Protect can provide up to \$100 million of primary and excess capacity.

## WHO IT'S FOR

Organizations based in North America, Europe, Australia, or New Zealand with under \$2 billion in annual revenue or larger organizations looking to insure specific assets, such as their newest, most innovative, and/or most valuable IP, products, and service offerings.

## WHAT YOU GET

- Unique and customizable IP risk protection for your most valuable assets.
- Specialized protection for specific registered intellectual property, products and services, and/or contractual relationships.
- Annual, renewable coverage on a non-admitted basis.
- Defense costs included as part of the policy limit.

## Protecting Companies' Critical Assets

Over the last half-century, the US economy and corporate America have evolved dramatically. In 1975, tangible assets made up 83% of the market value of S&P 500 companies, according to merchant bank Ocean Tomo, with intangible assets — such as IP — representing the remaining 17%. By 2015, those figures had reversed, with intangible assets making up 84% of the S&P 500's market value.

As IP has become an increasingly essential component of corporate value and a critical engine for industrial and economic growth, many businesses have sought protection against IP-related risks. But traditional insurance products are generally not adequate to protect businesses from these critical perils. While media liability and commercial general liability policies can offer protection against some trademark and copyright infringement risks, these coverages tend to be narrow and limited to specific issues, such as advertising or media usage. Historical standalone IP insurance products have offered limited coverage and insufficient limits to meet the needs of potential buyers.

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## The Advantage of IP Protect

IP Protect is a proprietary new type of intangible asset protection specifically designed by Marsh to protect businesses from the perils of modern business operations. Underwritten by Ambridge Partners, IP Protect offers broad coverage and meaningful limits at an affordable price. It also provides a significantly more streamlined underwriting process featuring shorter turnaround times, lower premiums, and (with some exceptions) no underwriting fees.

In addition to robust IP defense coverage, IP Protect provides insureds with maximum flexibility to drive their own legal defense, including the ability to select their own defense counsel, thus addressing a significant pain point in some other IP coverage forms. The policy imposes no restrictions on firm selection and while the insurer must approve the choice of defense counsel, it cannot unreasonably withhold such approval.

IP Protect is customizable and can be underwritten for specific subsidiaries, divisions, or business units; for specific product or service lines; or for entire entities under \$2 billion in annual revenue.

## WHY MARSH?

With extensive financial and professional insurance and industry knowledge, claims advocacy experience, strong insurance market relationships, and unmatched global reach, Marsh's FINPRO Practice has the expertise you need to address your most critical risks, including those related to intellectual property. Our specialized colleagues can deliver the industry's most competitive and innovative solutions to address our clients' unique needs. Through our centralized approach to broking, we see insurance market and industry trends develop quickly. And our global network of offices in more than 100 countries allows us to deliver highly coordinated solutions and consistently high quality of service.

## WHY AMBRIDGE?

Established in 2000, Ambridge is an independently owned and operated managing general underwriter of complex risks providing creative, responsive, and timely insurance solutions. Ambridge underwrites on behalf of a consortium of insurers, including certain syndicates at Underwriters at Lloyd's, London; Axis Surplus Insurance Company; HDI Global Specialty SE; and Markel International Insurance Company Limited. A longtime pioneer in the transactional risk space, Ambridge has unparalleled in-house expertise in IP underwriting.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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