

MARSH ADVANTAGE FOR ASSET MANAGERS, FUNDS AND PRIVATE EQUITY FIRMS



An enhanced insurance proposition for MARSH clients in the ASSET MANAGEMENT, FUNDS and PRIVATE EQUITY SECTOR.

Companies in the business of financial services – especially Asset Managers, Fund and Private Equity – are operating in an increasingly challenging environment.

They must cope with new markets, demanding investors, the ongoing quest for efficiency, stricter regulation, new competitors and the need to control reputational and operational risks.

Understanding your risk

Marsh's financial services industry knowledge and expertise in Belgium and Luxembourg is widely recognised in the insurance and risk management sector. We work in a broad number of areas to help financial services companies manage traditional and emerging risks.

It is important to understand the traditional risks as well as emerging risks in the Asset Management / Fund / Private Equity industry which include:

- Misrepresentations to investors
- Misappropriation of investors' funds
- Miscalculation of performance fees
- Misuse of inside information
- Undisclosed side agreements
- Failure to adhere to clients' investment mandates.

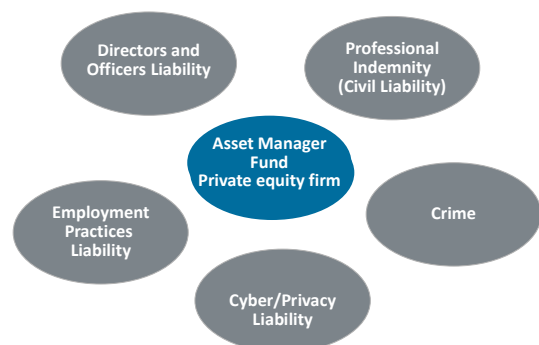
Some of the risks can be mitigated by means of insurance solutions. In turbulent economic times, the importance of a well-designed insurance program becomes clear.

Marsh Advantage - Exclusive and enhanced Financial and Professional Insurance coverage at competitive prices

Marsh Advantage is a suite of coverages that includes

- D&O liability
- Professional Indemnity
- Crime
- Employment Practice Liability (EPL)
- Cyber.

Cover is provided on the basis of proprietary and market-leading policy wordings, exclusive to Marsh clients.



The Marsh Advantage is underwritten by an insurer selected at the issue of a strict tender process, (in lines with MIFID rules) for our clients in Luxembourg, Belgium and France.¹

The evaluation of the insurers has been based on several criteria, including the level of quality of service that is expected by Marsh clients, their financial strength, claims capability, and ability to offer enhanced coverage at competitive rates.

Based on Marsh's experience with the financial services industry, we have observed that the most frequently purchased coverages are Directors and Officers Liability, Professional Indemnity - especially for the AIF(M)- and Crime (recognizing a range of Cyber related threats).

In a nutshell, the coverages are:

Directors and Officers

The increasing focuses upon corporate governance and the related regulatory oversight means that the emphasis upon directorial responsibilities continues to grow. Consequently, there is an increasing incidence of D&O insurance claims notifications.

Professional Indemnity

A client or investor could suit an Asset Manager or fund or Private Equity firm, or their people, for mistakes made in providing investment advices or providing investment management services.

Crime

Sophisticated white collar crime and fraud against financial services companies is on the increase.

A “trusted” employee of the firm could embezzle hundreds of thousands of euros over several years before the fraud is discovered.

A third party service provider could breach the firm’s electronic security and redirect funds to its own accounts.

SOME COVERAGE FEATURES

- Non-rescindable language, meaning that a policy cannot be cancelled or avoided except in case of non-payment of premium.
- Enhanced extended reporting period (claim reporting window).
- Broad definitions of insured, wrongful act, employee, directorships in outside entities, loss, claim, etc...
- Reduced exclusionary language when compared to standard market products.
- Broader cover extensions in comparison with market standard.
- Professional indemnity: AIFM language when applicable.
- Directors and officers liability:
 - Outside directorship cover for all natural persons serving on outside entities in connection with the business.
 - Definition of insureds includes the IT security and compliance officer.

Key Benefits of Marsh Advantage offering:

- Speed of underwriting (and renewal) process based on greatly reduced information gathering required from clients (quotes being provided within max 3 working days).
- Additional coverage elements embedded as standard in our wording.
- Improved service through strong strategic relationship with the insurer.
- First class advisory and claims services, when you need it most.

Marsh Advantage – Key facts

Who is intended for?

The Marsh Advantage Offering is specifically aimed at the Asset Management, Funds and Private Equity sector with headquarters in Belgium or Luxembourg.

Marsh Advantage is available to:

- Financial Asset Managers (UCITS, AIF and others)
- (Self managed) Funds (UCITS, AIF, RAIF, ...)
- Real Estate Asset Managers
- Private Equity.

with Asset under Management/ Gross Asset Value/ Portfolio Value up to 10 billion EUR.

What you get

The Marsh Advantage comprises several coverages that can be combined to meet Marsh client needs:

Claims

Marsh FINPRO (Financial and Professional lines) has a dedicated claims team, to which all clients under the Marsh Advantage solution will have access.

We also have significant capability to deliver claims advocacy services. Led by legally qualified practitioners, our claims advocacy unit has achieved significant settlements between clients and insurers on complex claims, including those where negotiations had reached an impasse, or broken down.

To learn more about whether the Marsh Advantage is appropriate for your professional business, or to receive a quote, please speak to your Marsh client executive or local contact.

TO FIND OUT MORE:

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¹ Further details of the process tender can be provided upon request. Notwithstanding the above mentioned exclusive partnership, Marsh remains free to approach alternative insurers, should it be more appropriate for the client’s specific exposures or structure.