

Product Profile

Financial Institutions Civil Liability Insurance

There has been a progressive increase in the frequency and severity of claims against financial institutions in recent years. Common types of claims that have arisen include improper financial product sales, unsuitable financial advice and a diverse range of transactional errors. The acceleration of this trend may be attributed to:

- Demands by foreign investors for global investor protection standards;
- On-going legislative reforms;
- Increasingly aggressive regulators;
- More active and informed consumers who know their rights; and
- Financial institutions changing and expanding their distribution channels.

Recognizing the need to take a more comprehensive approach towards these exposures, AIG's Financial Institutions Civil Liability Insurance is tailored to meet your specific needs and to protect against these emerging threats resulting from the professional services that you provide.

Covers

- Broad Civil Liability cover without the need to show "negligence" per traditional market forms, by virtue of the broad definition of Wrongful Professional Act: "any actual or alleged act, error, or omission in the performance or failure to perform Professional Services by any Insured"
- Broad cover for all Professional Services disclosed in your submission (unless specifically excluded) to ensure you are fully protected
- Investigation cover to protect you against formal hearings, investigations or inquiries even in the absence of a specified Wrongful Professional Acts
- Automatic cover for vicarious liability
- Worldwide cover

Additional Benefits

- Lenders Liability
- Data Protection and Privacy Liability
- Key Man Loss
- Unintentional Libel/Slander
- Loss of Documents
- Court Attendance allowance
- Estates and Heirs cover
- Bilateral Discovery Period
- Automatic new subsidiaries cover

Less Restrictive Cover

- No Market Fluctuation Exclusion
- No Investment Banking Exclusion
- No Asset valuation Exclusion
- No Dealer Exclusion
- No Failure of Counterparty Exclusion
- No valuation and Foreign Currency Exclusion
- No Conflict of Interest Exclusion
- No "failure to provide insurance" Exclusion
- No "hedging transactions" Exclusion

Indemnity Limit

- Policy limits of up to US\$25,000,000 (subject to individual risk assessment)

Underwriting Considerations

- A variety of factors will be considered including:
 - Type of business activity
 - Level of Revenue
 - Number of employees
 - Internal controls and procedures
 - Locations of operation
 - Financial performance and loss history

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Summary

- Wide Policy Cover
- 'Civil Liability Cover' basis – no need to show negligence
- "Final Adjudication" language

"Final Adjudication" language

The use of "Final adjudication" language provides that established misdeeds exclusion applies where fraud, dishonesty or criminal breach of law or regulation is established by final adjudication as opposed to finding in fact.

Infrastructure failures

Cover afforded for losses resulting from infrastructure failures where such failure is a result of a Wrongful Professional Act committed by an insured person in using the systems of an insured entity.

Automatically included Lenders liability

Covers to protect you against errors in the administration of a loan, lease or extension of credit

Automatically included Data protection and privacy liability

Covers both you and your company for loss arising out of Data Protection Breach

Automatically included Key man loss

Cover for Insured Entity against loss of specified key people – because your people are your most valuable asset

Automatically included Defamation

Covers unintentional libel or slander committed by you

Automatically included Loss of documents

Covers both you and your company for unintentional destruction, damage to, loss, deletion or erasure of documents

Automatically included Court attendance

Provides daily allowance to insured persons for court attendance as a witness

Automatically included Estates and Heirs

Provides additional protection to insured person's spouse and administrator or executor of insured person's estate in the event of death.

Automatically included Bilateral Discovery Period

Provides additional period of protection if policy is not renewed or replaced

Automatically included Automatic new subsidiaries cover

Automatically covers new subsidiaries acquired during policy period provided the subsidiaries meet pre-determined criteria. Reduces administrative burden at the time of acquisition

Broad definition of Insured Person that includes past, present and future directors, officers, employees or any other person your company is legally liable for

Wide definition gives better protection to you and addresses exposures created by your company's decision to outsource functions previously performed internally



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