

Zurich Asset Investment Managers Insurance

Zurich Investment Structures Insurance Solution has been updated and given a new name 'Zurich Asset Investment Managers Insurance'.

This Quick Reference Guide provides a snapshot of the changes that have been made in comparison to the previous policy wording.

The new policy wording is effective 3 June 2015 for all new business and renewals attaching.



Note: This information is intended as a guide only. Please review the whole document for full details of coverage provided.

Legend: ✓ = Was included ✗ = Not included

Section of Document	NEW Zurich Asset Investment Managers Insurance 2015	Existing Zurich Investment Structures Insurance Solution 2010
Policy wording reference	CGEL-009716-2015	PCUS-003726-2010
Notices		
About Zurich	Updated	
How to apply for this insurance	✗	✓
Definitions		
Claim	Also means a pre-claim event	✗
Continuity Date	Now called Pending and Prior Litigation Date	
Corporate manslaughter proceeding	New definition that applies to the Workplace health and safety Extension of Cover	✗
Employee	Does not include authorised representatives	
Financial impairment	New definition that applies to Late arising extensions, Extended Reporting Period and Tax Liability Extensions of Cover	✗
Identity expenses	Sub-limit now referred to in the Identity Theft Extension of Cover itself rather than in this definition	
Investment structures	Covers investment structures as at the inception date of the policy	Covers investment structures listed by endorsement

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Loss	<ul style="list-style-type: none"> • Includes pre-claim costs • Specifies that plaintiff's reasonable costs charges and expenses and statutory compensation orders are included as loss • Includes fines and pecuniary penalties which an insured is legally obligated to pay (including fines for corrupt practices) • Civil or bail bond expenses under Extension of Cover 3.13 now included within the definition of loss • The definition of loss does not include fines and pecuniary penalties that we are legally prohibited from paying, are uninsurable or are imposed by law for a deliberate or intentional breach of law or any matter deemed uninsurable or prohibited under the law applicable to this policy • We will not assert that any defence costs, or settlements incurred by insured persons are uninsurable due to the insured persons' actual or alleged violation of Section 11 or 12 of the United States Securities Act of 1933, as amended 	<ul style="list-style-type: none"> • ✗ • Not specified • Not within definition of loss • Not within definition of loss • Definition does not include civil or criminal fines or penalties imposed by law
Non executive director	Definition deleted	
Non executive director or officer excess limit of liability	Definition deleted as Extension of Cover now refers to directors or officers	
Pre-claim costs	✓	✗
Pre-claim event	✓	✗
Prior known fact	Amendment to clarify that it refers to matters prior to the commencement of the policy period	
Securities claim	<p>Refers to securities in the insured entity</p> <p>Refers to the Financial Markets Conduct Act 2013</p> <p>Clarifies that a securities claim includes an allegation of a wrongful act</p>	Refers to securities issued by the insured entity
Self report	✓	✗
Subsidiary	<p>Refers to the Financial Reporting Act 2013</p> <p>Definition does not cover pre-acquisition liability</p>	Refers to the Company Law
Extensions of Cover		
Late arising extensions	<p>Applies to new versions of the policy wording as well as standard endorsements providing enhancements</p> <p>Does not apply in event of financial impairment, during an extended reporting period or in the event of a transaction</p>	Applies to standard endorsements providing enhancements
Non-disclosure and misrepresentation waiver	Now a General Condition	
Advancement of defence costs and other loss (including emergencies)	Advancement now applies to pre-claim costs, civil or bail bond expenses and prosecution costs	
Civil penalties	<p>Extension of cover deleted.</p> <p>Fines and pecuniary penalties are covered under the terms of definition of loss. No limitation to civil penalties imposed in Australia and New Zealand. No sub-limit applies.</p>	Extension of cover applies only to civil penalties imposed in Australia and New Zealand. Sub-limit applies

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Continuous Cover	<p>The Extension applies notwithstanding Exclusion 4.5 (b) which excludes any prior known fact that ought to have, but has not, been reported under any policy of which this policy is a renewal or replacement or which it may succeed in time</p> <p>Clarification that the Extension operates provided that the insured has maintained without interruption, an asset investment managers insurance policy or similar insurance policy with an insurer from the time the insured first became aware of such prior known fact until the commencement of the policy period</p>	The Extension applies notwithstanding Exclusion 5
Extended reporting period (ERP)	<p>Now an Extension of Cover to Insuring Clause 1, 2, 3 and 4</p> <p>In the event of non-renewal there is no entitlement to an extended reporting period greater than 12 months.</p> <p>The entitlement to an extended reporting period of up to 84 months after a transaction does not apply in the event of financial impairment.</p>	<p>An Extension of Cover to all Insuring Clauses</p> <p>In the event of non-renewal there is an entitlement to an extended reporting period of up to 84 months.</p>
Representation and Investigation costs	The insured's obligations in relation to the notification of claims and loss are set out in General Condition 5.8	An individual insured must notify us if, as a result of an investigation, circumstances exist that could give rise to a claim
Pre-claim costs	A new extension to Insuring Clause 1 - Directors and Officers for pre-claim costs to provide legal advice, reports to an official body in event of a pre-claim event.	✗
Excess limit of liability for directors or officers	<p>Applies to directors or officers</p> <p>The excess limit applies above the limit of liability applicable to Insuring Clauses 1, 2 and 3</p> <p>The Director or Officer excess limit of liability clauses have been amended to reflect policy limits</p>	<p>Applies to non executive directors</p> <p>The excess limit applies above the policy limit of liability</p>
Preservation/presumption of right to indemnity	Now a General Condition	
Retired Directors and Officers	84 month extended reporting period	12 month extended reporting period
Tax liability	Covers individual insured's personal liability for the unpaid taxes of the insured entity due to financial impairment, save for a superannuation guarantee charge.	✗
Workplace health and safety	<p>Refers to workplace health and safety.</p> <p>Covers defence costs for claims by an official body</p> <p>Applies to the extent permitted by law.</p> <p>Includes defence costs in relation to any corporate manslaughter proceeding.</p>	<p>Refers to occupational health and safety.</p> <p>Covers defence costs for claims.</p>
Loss of documents	Clarification that the bodily injury and property damage exclusion does not apply	

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Mitigation costs following professional liability	<p>Includes provision that the insured reports the wrongful act during the policy period.</p> <p>Cover operates if we are satisfied that:</p> <ul style="list-style-type: none"> the insured has a legal liability to compensate customer amount of compensation is reasonable having regard to legal liability if customer not compensated they could bring a claim <p>Does not cover costs to which we have not consented.</p>	Provides that the burden of proving the wrongful act would be covered by the policy rests with the insured.
Interest	<p>Refers to Reserve Bank of New Zealand base rate</p> <p>Sub-limit applies.</p>	Refers to base rate of central bank in country of insured entity
Mitigation costs following internal or external fraud	The sub-limit is specified in the schedule	<p>Sub-limit is specified in the Extension of Cover</p> <p>Called 'Mitigation costs following crime'</p>
Identity theft	Sub-limit is specified in the schedule	Sub-limit is specified in definition of identity expenses.
Exclusions		
Prior knowledge and Prior discovery	Excludes any prior known fact that ought to have, but has not, been reported under any policy of which this policy is a renewal or replacement or which it may succeed in time	✘
Wrongdoing	<p>The exclusion of the gaining of any profit or advantage to which the insured is not legally entitled does not apply in a securities claim against an insured person alleging violations of Sections 11, 12 or 15 of the U.S. Securities Act of 1933 to the portion of any loss attributable to such violations</p> <p>Clarification that the exclusion does not apply to Insuring Clause 5 - Crime</p>	
Professional services	Applies to Insuring Clauses 1, 2 and 3	✘
Money laundering	Applies to Insuring Clauses 1, 2, 3 and 4	Applies to Insuring Clause 4
Loss discovered outside the policy period	✔	✘
Retroactive date	✘	✔
General Conditions		
Allocation	Now combined with Defence and Settlement General Condition	
Cancellation	No refund of premium in event of notification of loss	

Defence, settlement and allocation

The general condition contains a number of changes:

- (a) (ii) clarifies that the provision of information about the claim is at insured's own cost.
- (a) (iii) provides that we have the right to associate effectively with the insured.
- (b) provides that disputes as to whether or not to contest a claim will be referred for determination by a Queen's Counsel.
- (c) provides that if a claim is to be contested the insured shall provide information and assistance to those persons representing them.
- (d) provides that the insured must not admit liability, enter into any settlement agreement etc. without our consent.
- (e) provides that only settlements, costs etc. to which we have consented are covered.
- (f) provides that we will not settle any claim without consent of insured. Also allows for disposal of all claims which are subject to one retention if below the retention.
- (g) provides for the allocation of loss between insured and uninsured persons or entities and provides that any allocation negotiated or determined will be applied retrospectively.

Limit of liability

Clarifies how the limit operates when combined across insuring clauses or when applicable to only one insuring clause. This allows for the three available limit of liability options:

1. One combined limit for all insuring clauses
2. D&O/Co Re/Entity Securities combined limit
PI and Crime combined limit
3. D&O/Co Re/Entity Securities combined limit
PI limit
Crime limit

Clarifies that if the insured is comprised of more than one entity, the limit of liability applies to the group of such entities as a whole.

Clarifies that we have no liability for any amount above the limit of liability, except as provided for in Extension of Cover 3.15 Excess Limit of Liability for directors or officers

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Notification of claims and loss	Provides that notification, sent by post or email, will be effective from the date received by Zurich.	
Payment of defence costs	Deleted as its provisions are also contained in the Extension of Cover for Advancement of defence costs and other loss	✓
Sanctions regulation	✓	✗
Waiver of privilege	Now provides that we agree to keep any documents, information or advice in respect of the claim or loss confidential, and not to take steps to waive privilege over them.	