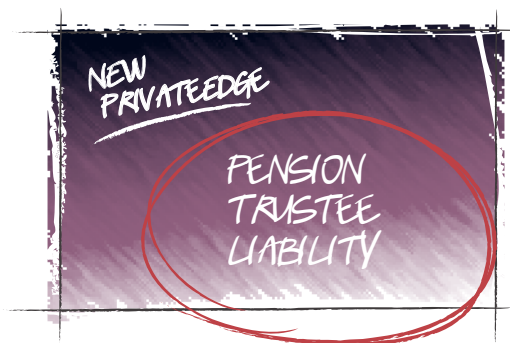


NEW PRIVATEEDGE



PENSION TRUSTEE LIABILITY



PrivateEdge offers a Pension Trustee Liability insurance module. This includes several new covers that we hope will make it more appealing to trustees running occupational pension schemes and to the employers who sponsor them.

The 2004 Pensions Act changed the environment for occupational pension schemes and the pensions regulator is determined to raise trustee performance standards particularly for smaller occupational schemes. Now trustees must understand and keep up to date with the laws and investment principles of occupational pension schemes. They must challenge their expert advisors and their employers when they need to, and if they fail in these responsibilities they may be named, shamed, disqualified from being trustees and fines and contribution notices may be issued against their companies.

It's a difficult situation for trustees who are unpaid and may not all be experts (a third of them are voted in by fellow employees) and have never been under the scrutiny they are now. PrivateEdge Pension Trustee covers defence costs, awards, damages, and investigation costs of anyone like trustees, secretaries or administrators involved in running the pension scheme who are accused of mistakes or oversights in their duties. We want them and the business itself to get the best possible defence, and cover for fines, contribution notices and damages when they need it.

Pension Trustee protects retired trustees with a 12 year reporting period so they don't have to worry about whether their employers renew their Pension trustee Liability insurance in the future. A Pension Crisis Helpline provides expert confidential advice on pensions governance. And because pension administrators can find themselves under such a spotlight if things go wrong, we provide reputational support by covering PR costs when a claim is made to help minimise any reputational damage.

PrivateEdge Pension Trustee also provides cover for the company and the pension plan itself. In theory trustees may be personally liable for the running of their scheme, but in practice the risk is laid off on the employer or the pension plan by indemnities and exoneration clauses. This is a complex area that has been traditionally difficult to insure, but with PrivateEdge we'll reimburse the employer or the pension plan if they pay for a

trustee's loss and we'll also cover the loss of the plan when it picks up a trustee's loss because of an exoneration clause. This is a real cover innovation which we hope will be a strong sales feature.

The Pensions Regulator wants to be told very quickly about things like changes to the board or to the company's credit rating. It can demand information about a pension plan from anyone it wants. It can inspect premises, seize documentation and it's a criminal offence if you don't cooperate. At times like this professional advice may be needed immediately without time to ask the insurance company first (which may be a policy condition). Pension Trustee has emergency provisions so companies and trustees can respond immediately to the regulator even if they can't contact their insurer.

Other cover highlights include £100,000 cover for lost documents (because scheme administrators may need to retain individuals' scheme schedules for many years).

Pension Trustee is for any pension plan (defined benefit or defined contribution) and any employee benefit plans. And it's worth remembering that this is a large relatively untapped market with over 80,000 occupational pension schemes in the UK, many provided by private companies without pension trustee liability insurance.

Cover is subject to policy terms and conditions and exclusions apply (such as ERISA funds in the US, or the financial funding of a pension scheme). You can download a Product Profile summarising the main features and exclusions of PrivateEdge Pension Trustee as well as a copy of the script of this webcast and a sample policy wording. Thanks for listening.

THIS INFORMATION IS INTENDED FOR INSURANCE BROKERS AND OTHER INSURANCE PROFESSIONALS

This information is a brief product description only. Any scenarios should not be relied on to justify coverage in any situation.

Please refer to the policy wording for full terms and conditions

This insurance is underwritten by AIG UK Limited which is authorised and regulated by the Financial Services Authority (FSA number 202628).

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