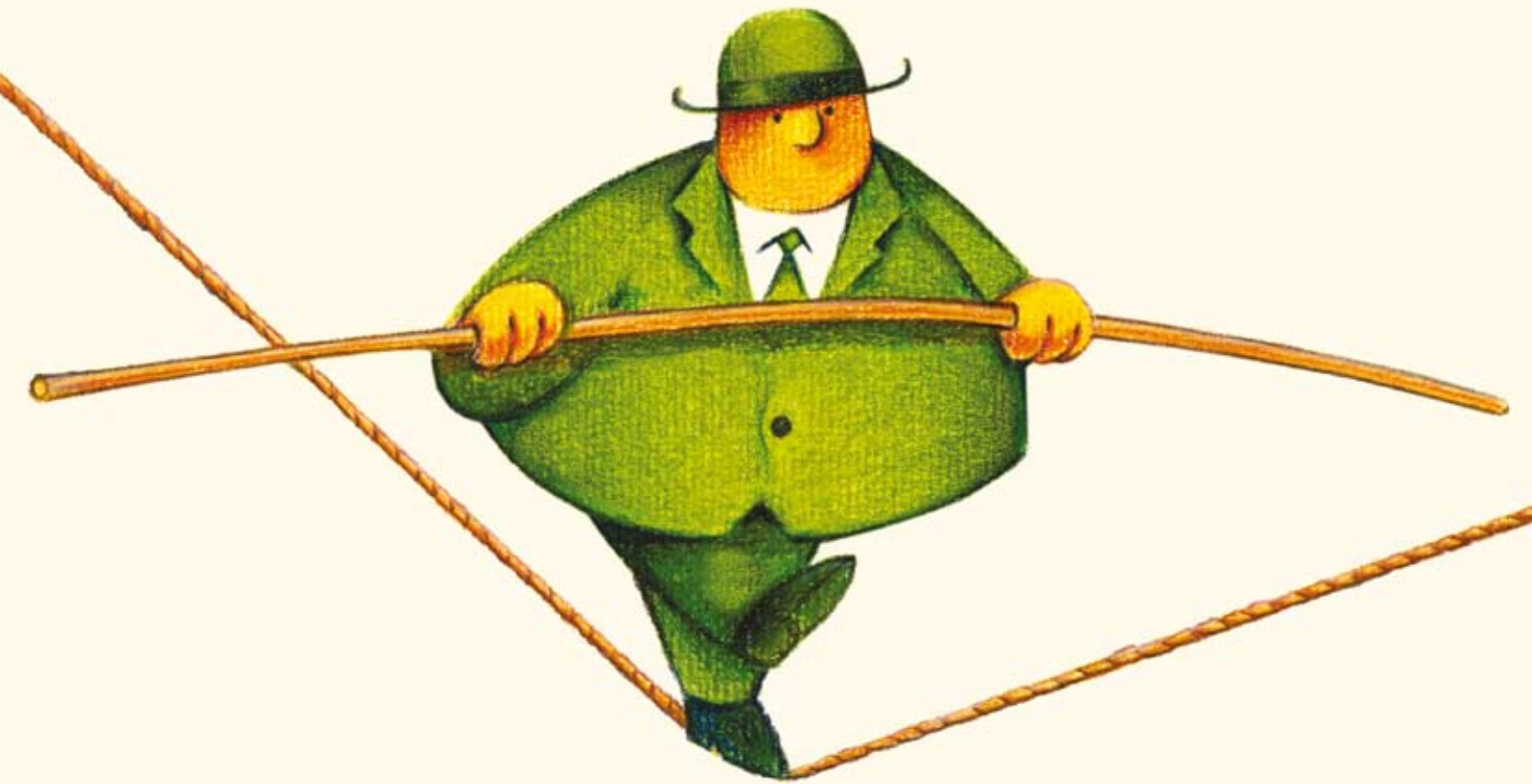


[Directors' Personal Liability Risk Protector]

Putting the control of D&O insurance back in the hands of directors



The corporate world continues to be rocked by the collapse of high profile companies, contentious takeovers, white-collar fraud and the pursuit of directors by disgruntled shareholders over non-disclosures and conflicts of interest. In addition, the role of company directors is coming under increasing scrutiny from both the regulators and the courts.

In this challenging environment the traditional Directors and Officers Policy no longer offers a complete solution to the risks faced by directors. Directors are recognising the need for their own personal insurance contract to provide them with the protection they require.

The Personal D&O puts the control of insurance back in the hands of the director.... giving them the security and confidence to get on with their roles and responsibilities.

■ YOU'VE WORKED HARD TO GET WHERE YOU ARE.... MAKE SURE YOUR INSURANCE WORKS JUST AS EFFECTIVELY

D&O Insurance has earned its reputation as an essential risk management tool in a director's arsenal. However an increasingly litigious climate means that directors can be caught out if policy limits are exhausted during the policy term. Coverage provided to the corporate entity or fellow directors can leave other directors exposed when policy limits are eroded. Directors can also find themselves exposed due to a company's refusal, prevention under law or financial inability to indemnify them. In the event that a company becomes bankrupt, company insurance policies can be frozen as part of the corporate assets leaving the directors with no protection.

For directors sitting on a number of boards, keeping track of the coverage provided by those companies can be a complex business in itself. When retiring or moving on from a board position, directors need to know that they are protected against any actions that may arise later.

A Personal D&O policy puts the control of insurance back in the hands of the director. Directors enjoy the benefits of a policy designed specifically for their own protection without the risk of policy limits being eroded by the actions of others, or litigation they are not a party to. We are unaware of any other insurance product in the market place offering primary cover that directors can rely on as their main cover in the event of a claim.

■ POLICY HIGHLIGHTS*

- The policy provides PRIMARY cover. It is not excess to a Directors and Officers Liability policy or a corporate indemnity. Directors can rely upon it as their first point of protection
- It is available to directors and officers of public and private Companies, and partners of Firms (in their directorial/executive capacity)
- Coverage for defence costs, damages, awards, settlements and judgements in legal, administrative, regulatory, criminal or civil proceedings
- Investigation costs coverage
- Pecuniary liabilities (civil fines and penalties) coverage
- Extradition costs coverage
- Pollution and Occupation Health and Safety costs coverage
- Advancement of defence costs (until final adjudication)
- Insured has duty to defend ie. appoint your own legal counsel versus the insurer dictating who you use
- Minimal deductible – directors are not required to finance substantial costs upfront in the event of a claim
- Broad employment practices claim definition
- NO insured versus insured or major shareholder exclusion

- Policy limits of up to \$5m available
- Can include up to 8 directorships
- Automatic cover for up to 2 additional positions during a policy period
- Automatic run off cover for positions ceased during the policy period
- The premium may be tax deductible or payable by a company
- Premiums start from as low as \$1,400 plus charges

■ INSURER

The exclusive Insurer of the policy is AXIS Specialty Europe Limited, part of AXIS Capital Holdings Ltd ("AXIS"). AXIS is a global insurance and reinsurance company with total assets of US\$ 13.7 billion, and annual gross written premium of US\$ 3.6 billion and net income of US\$996 million (at 31 December 2006). AXIS is listed on the New York Stock Exchange and had a market capitalisation of US\$5.0 billion as of Dec 06. AXIS has also been given an "A" rating for claims paying ability by Standard and Poors and AM Best.

AXIS is a direct offshore foreign insurer and as such it is not regulated by APRA. However, AXIS is regulated and authorised by the Irish Financial Services Authority, in accordance with European Union Law. The UK Financial Services Authority (FSA) recognises IFSRA as the regulatory authority for AXIS Specialty Europe and authorises AXIS to conduct business in the UK. Both authorities are the local equivalents of APRA.

All Policies insured by AXIS contain a clause stipulating that the policy is subject to Australian law and jurisdiction and that the Insurance Contracts Act applies. Further information about AXIS can be found at: www.axiscapital.com

■ CLAIMS

Specialist underwriting agency Dexta Corporation Pty Ltd (Dexta) is conducting the underwriting and administration and has the local claims handling and payment authority from AXIS.

Dexta has established an excellent reputation in Australia, is licensed under the Corporations Law and is therefore subject to all of the provisions of an AFSL and ASIC

■ For more information about the Personal D&O or to obtain a proposal form, please contact your local broker.

This brochure was prepared by Risk Partners Pty Ltd (ABN 52 115 516 955, AFSL 292 281).

*Provided as a guide only, does not replace the actual policy wording, and is subject to underwriter approval and the complete terms, conditions and exclusions within the policy wording