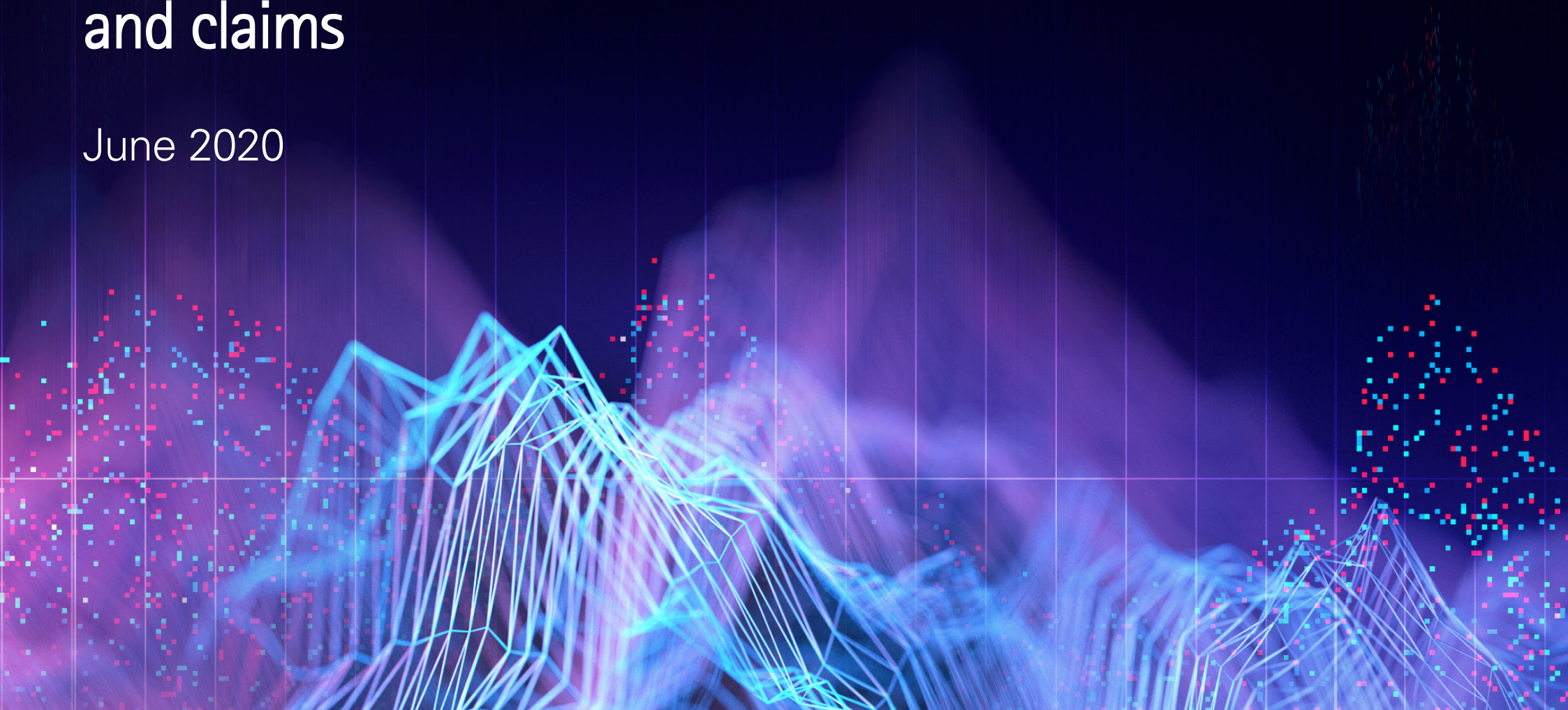
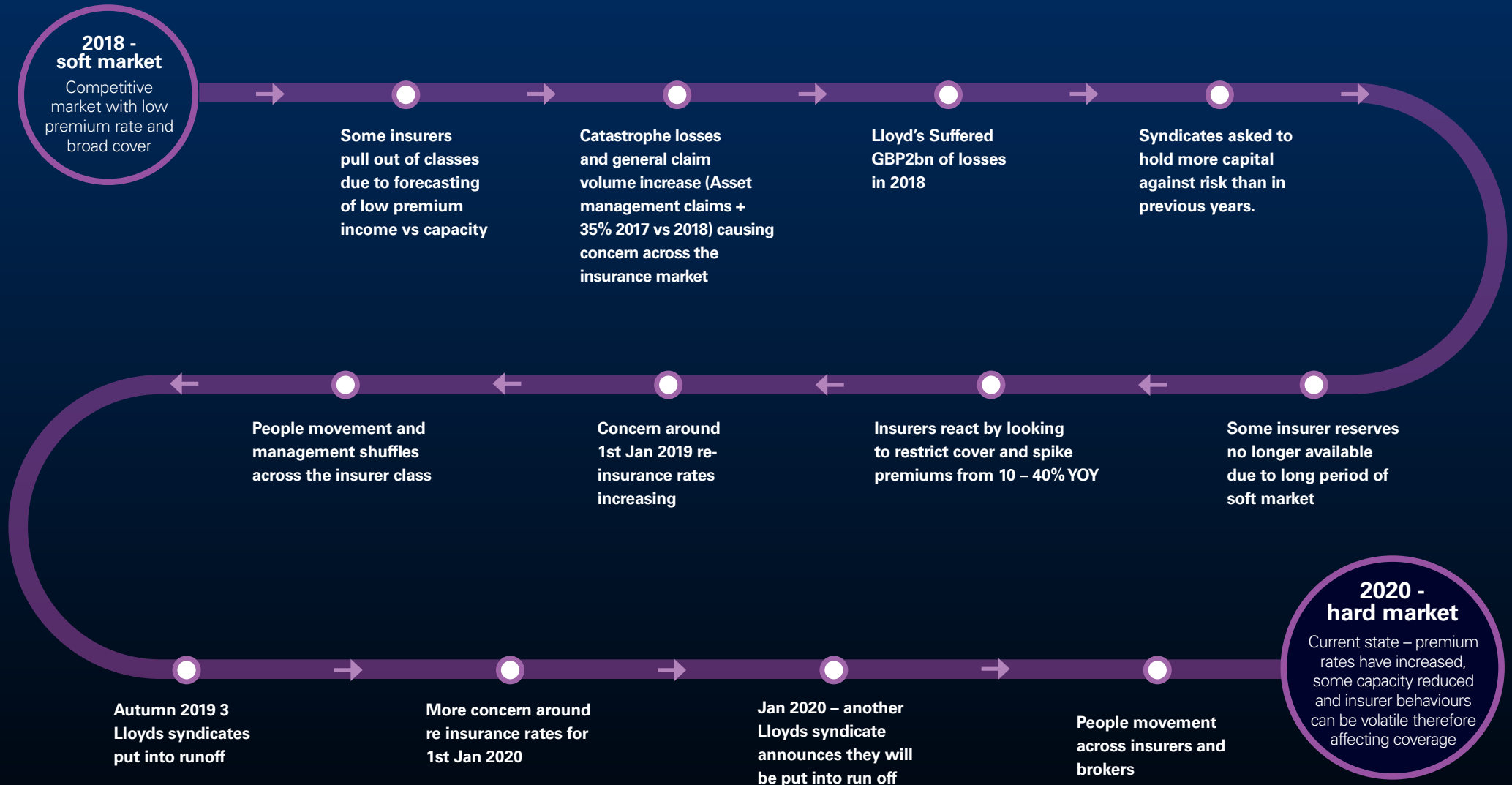


Presentation to AIMA members on D&O, PI and Fraud insurance, the London market, process and claims

June 2020



Current state of the London Insurance market



Process and buying behaviours

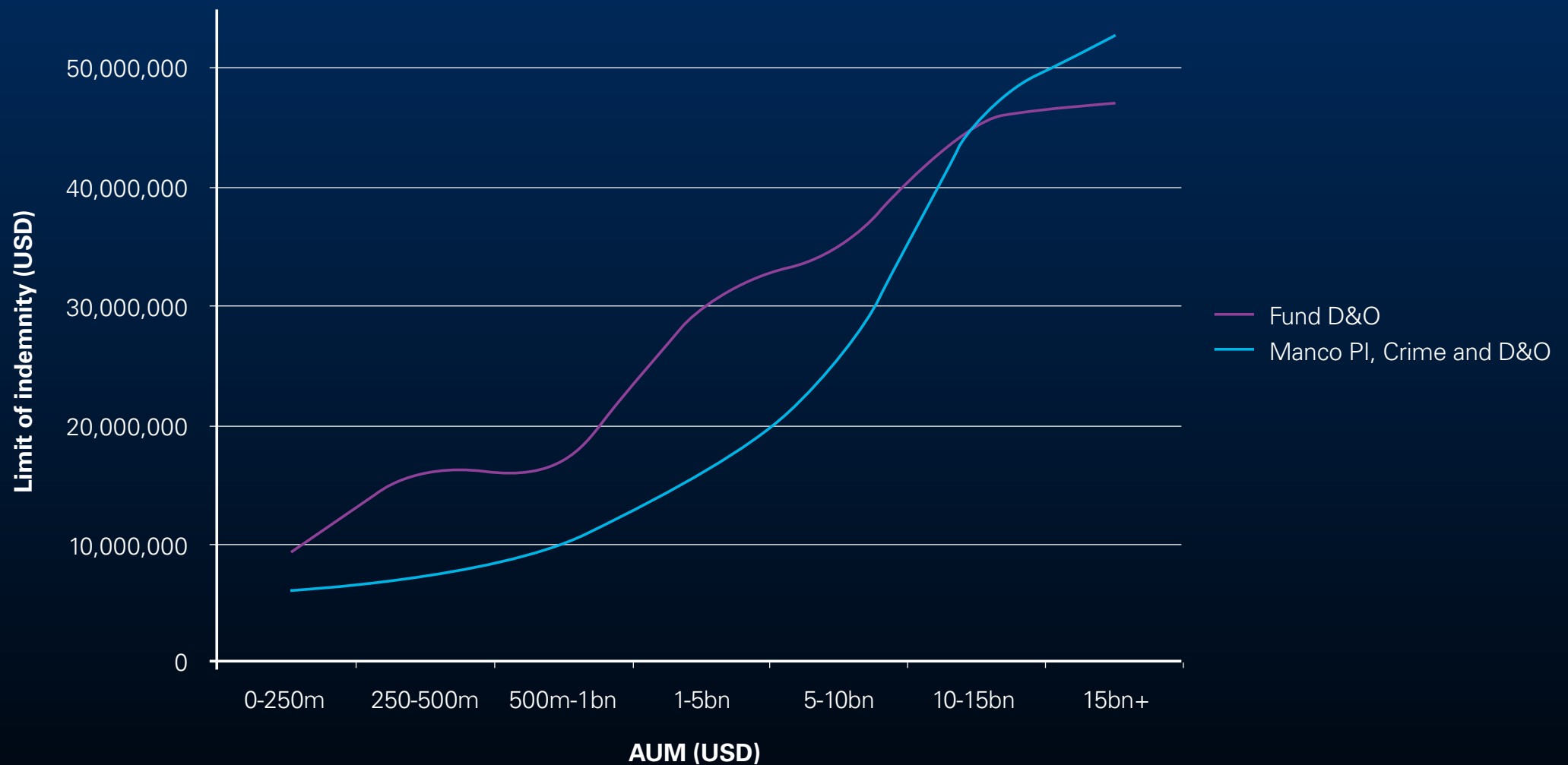
Structuring options below, the majority of clients buy group policy with separate aggregate limits (C) – Europe & Asia



*Fund D&O policy sometimes bought separately.

Process and buying behaviours cont'd

Limit vs AUM taken from all of Howden AM client book



Process and buying behaviours cont'd

People

(COO, Directors – ownership and knowledge across all needed) knowledge of changes, renewal dates, broker contact, insurer status, renewal status – all mitigating risk around change in people, insolvency etc.

Cost split, (the most frequently asked question) typically we see:

- 30% Fund D&O
- 20% Mancos D&O
- 50% PI & Crime (and therefore a Mancos exposure given professional services)
- If standalone fund D&O policy then 100% fund



Process and buying behaviours cont'd

Things to look out for

- Exclusions (Mkt Fluctuation, Insured vs Insured, Covid 19)
- Coverage restrictions (investigation costs, employment practice)
- Deductibles
- When is the renewal date? Start or end of the calendar year? Reinsurance rates of 1.1

Cayman Insurance requirements

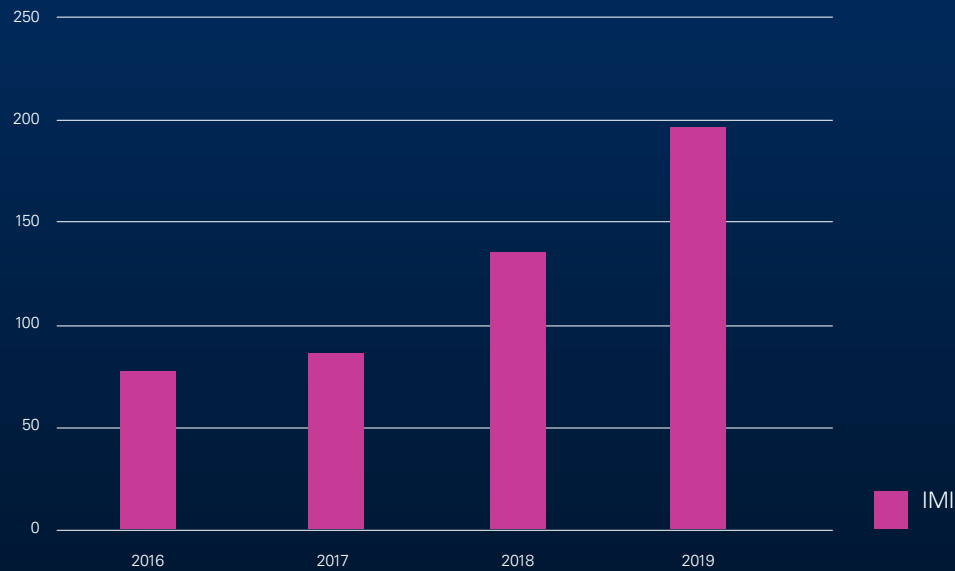
Changing broker or insurer

continuity vs competition

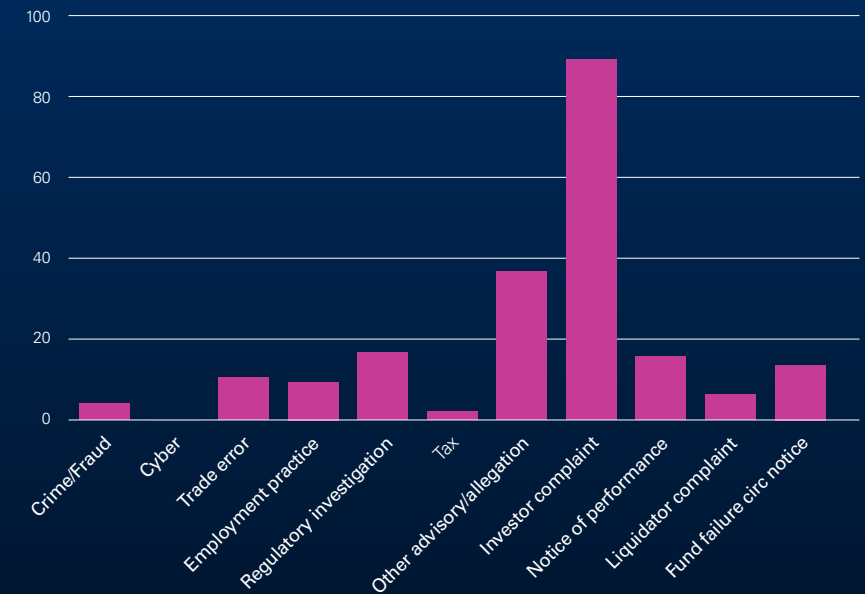


Claims

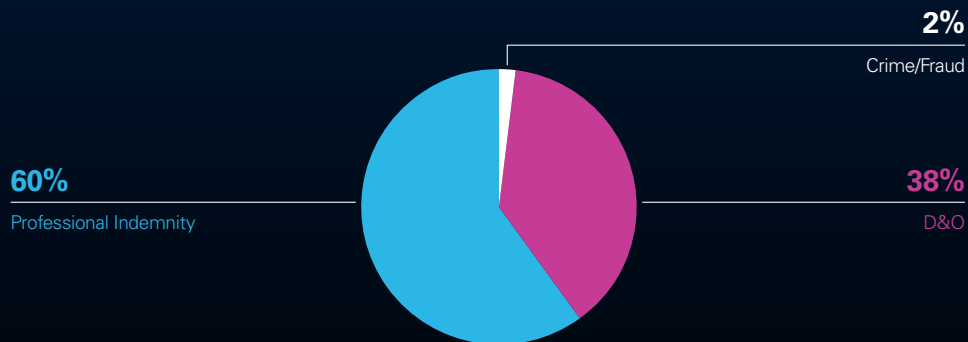
Claim notifications from the Howden Asset Management book from 2016



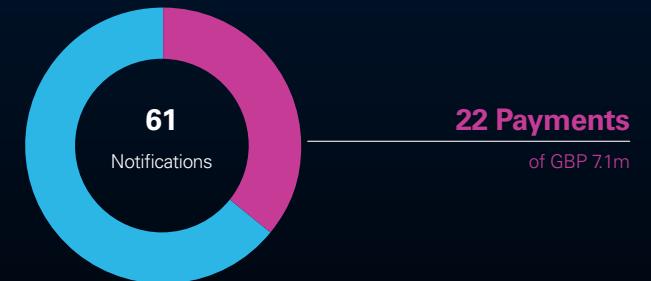
Claim notifications from the Howden Asset Management client book



Breakdown of notifications on sections within the IMI policy



Fund claim notifications and payments in last 2 yrs



Claims

Notification

- Claims-made basis
- 'Claim / Loss' vs 'circumstance' – thresholds for notification and relevant individuals
- Tying in future claims
- Mitigation / crisis cover
- Implications if you don't notify
- Notification process - practicalities

Claims Process

- Insured v Insured scenarios – direct access & information barriers
- Erosion of limits – additional and ring-fenced limits

- Claim practicalities:
 - Keeping insurers updated – avoid surprises!
 - Agreement on defence counsel
 - Ongoing reimbursement of costs
 - Settlements and admissions
 - Primary vs excess
- Disputed claims – what is the next step?

Run-Off Cover / Extended Reporting Periods

- Automatic Extended Reporting Periods
- Retired Insured Persons cover
- Transaction run-off



The speakers



Edward Brennan
Executive Director

Ed leads Howden Asset management and is responsible for both on boarding new clients as well as distributing wider products into established clients. Having joined in 2007, Ed, together with the team, has grown our Hedge Fund market share and also runs key relationships in the Asset Management, Real Estate, Private Equity and Family Office sectors. He is also responsible for future strategy, marketing and brand development within the client and service provider communities ensuring awareness of market developments, trends and innovation.



Christopher Rigg
Divisional Director

Chris is a Director on our team and has over a decade of experience in placing and advising investment management clients on their insurance. He joined Howden in 2007 and is responsible for the delivery of client service across our asset management book. He looks after a number of our key clients. With experience across all products, Chris has specialist knowledge in Investment Management Insurance comprising of Professional Indemnity, Directors' & Officers' and Fraud and is a key author of the Howden IMI and Fund D&O products.



Neil Warlow
Associate Director

Neil is a member of our Legal, Technical & Claims team and a qualified solicitor. Prior to joining Howden, Neil spent ten years in private practice at Herbert Smith Freehills LLP, acting for policyholders in high profile financial lines insurance disputes. He ensures that our clients' policies are best-in-class and keep pace with the evolving risk landscape, as well as bringing his technical expertise to bear to support our clients and the team as needed. This includes assisting in resolving challenging policy claims, where he is not afraid to engage directly with insurers' appointed counsel to advance our clients' position.

Howden UK Group Limited

One Creechurch Place, London EC3A 5AF

T +44 (0)20 7623 3806

F +44 (0)20 7623 3807

E info@howdengroup.com

www.howdenam.com

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