

DIRECTORS,
OFFICERS &
PRIVATE
COMPANY
LIABILITY
INSURANCE WITH
EMPLOYMENT PRACTICES
AND SECURITIES
LIABILITY COVERAGE



*PrivateEdge*SM



HIGHLIGHTS

PrivateEdgeSM responds to the special needs of private, mid-sized companies and their management with the broadest directors, officers and corporate liability and employment practices liability insurance coverage available today. Among its many highlights, the policy includes full entity coverage for both securities-related suits and employment practices cases; the most expansive definition of insured; and coverage for the securities transactions private companies commonly engage in.

▲ Broadest definition of "Insured", including:

- ▲ The Company
- ▲ Directors
- ▲ Officers
- ▲ Employees
- ▲ Independent Contractors¹
- ▲ Leased Employees²

▲ Unique securities coverage

- ▲ Blanket private placement coverage
- ▲ Select initial public offering coverage³

▲ Broadest definition of "Employment Practices Claim", including:

- | | |
|---|--|
| ▲ Wrongful termination | ▲ Wrongful failure to employ or promote |
| ▲ Harassment (including sexual harassment, whether "quid pro quo" or hostile work environment) | ▲ Wrongful deprivation of career opportunity or negligent Employee evaluation |
| ▲ Discrimination | ▲ Wrongful discipline |
| ▲ Retaliation | ▲ Failure to grant tenure |
| ▲ Employment-related misrepresentation(s) to an Employee or applicant for employment with the Company | ▲ Failure to provide or enforce adequate or consistent corporate policies and procedures relating to an Employment Practices Violation |
| ▲ Employment-related libel, slander, humiliation, defamation, invasion of privacy | ▲ Violation of an individual's civil rights relating to any of the above |

ADDITIONAL HIGHLIGHTS



AMERICAN INTERNATIONAL COMPANIES[®]

- ▲ Non-employment discrimination coverage--covers discrimination and sexual harassment claims brought by third parties (e.g. customers, clients), whether brought individually or as a class⁴
- ▲ Optional Duty to Defend all claims
- ▲ Optional reinstatement of limit of liability available, whether one-year or a multiple-year policy period
- ▲ Severability of application
- ▲ Coverage for shareholder suits⁵
- ▲ Broad retention waivers
 - ▲ 100% retention reimbursement in civil actions for monetary relief upon finding of "no liability" by reason of summary judgement, motion to dismiss (with or without prejudice) or final adjudication⁶
 - ▲ 10% retention reduction upon acceptance of first qualified "Settlement Opportunity"
- ▲ Automatic "outside directorship" liability coverage for 501(c)(3) not-for-profit organizations⁷
- ▲ Punitive, exemplary and multiple damages coverage (including multiple awards under ADEA and the Equal Pay Act) available⁸

ADDITIONAL FEATURES:

- ▲ Coverage for back-pay and front-pay
- ▲ Pre-judgment and post-judgment interest coverage
- ▲ Provides pre-approved, elite class action defense law firms⁹
- ▲ Policy non-cancelable by Insurer (except for nonpayment of premium)
- ▲ Bilateral discovery
- ▲ Optional one-, two- or three-year Discovery Period
- ▲ Spousal extension coverage
- ▲ Worldwide coverage
- ▲ 30-day post-policy reporting window

¹ As scheduled on the policy and subject to underwriting review, payment of additional premium and copy of the indemnification agreement. Company must provide the same indemnification to contractor as it provides to other employees.

² As scheduled on the policy, and company must provide the same indemnification to leased employees as it provides to non-leased employees.

³ Those Initial Public Offerings which are exempted pursuant to Section 3(b) of the Securities Act of 1933.

⁴ Such claims must allege discrimination, sexual harassment or violation of the individual's civil rights relating to such discrimination or sexual harassment.

⁵ Direct and derivative if such claims are brought without the solicitation or assistance of any Insured.

⁶ Waived amount reimbursed after 90 days if claim is not rebrought. Subject to undertaking to replay if claim is later rebrought.

⁷ Other than an organization engaged in "educational" or "medical" services.

⁸ Subject to underwriting, payment of additional premium and where insurable under law.

⁹ Employment Practices Claims or Securities Claims.

For more information, contact your broker or the American International Companies[®] regional office nearest you.

PrivateEdgeSM is part of American International Companies' Gold PackageSM, a distinctive collection featuring leading-edge management liability insurance coverages in combination with unique loss control, litigation management and claims services. American International Companies are member companies of American International Group, Inc. (AIG, a world leader in insurance and financial services. Our financial strength and claims-paying ability consistently receive top marks from the industry's principal rating agencies: A++ (Superior) from A.M. Best; AAA (Superior) from Standard & Poor's; and Aaa from Moody's.

The AIG policy described may not be available in all states, and the description thereof is not a complete description or a complete list of all policy terms, conditions and exclusions. Note that certain terms used in this comparison, including the term Securities Claim, are defined in the policy. Please see the policy for a complete description of its scope and limitations of coverage.