

Product Profile

PrivateEdge for Not for Profit Entities Insurance

Not for profit entities such as charities, clubs, health services, trusts, associations and universities and their managers/officials have the same duties of care and legal responsibilities as do the directors and officers of trading companies. Not for profit entities also face the risks of theft, fraudulent or dishonest acts from third parties and even employees. Fraud can also go undiscovered for long periods of time and once discovered it can have a significant adverse financial impact.

If not for profit entities provide professional services, they face additional exposures resulting from the provision of these services due to unintentional errors & omissions, or even if no fault was committed. These claims not only cause reputational damage but also have significant financial ramifications for a not for profit entity.

AIG recognizes the need to take a more comprehensive approach towards these exposures. Our PrivateEdge for Not for Profit Entities Insurance is tailored to cover these threats and exposures by providing comprehensive Management and Corporate Liability cover whilst at the same time allowing the policyholder to have the option to extend cover for crime and professional liability exposures

COVERAGE HIGHLIGHTS:

Management and Corporate Liability Module

- Entities and natural persons protection
- Additional excess limit for board directors
- Defence costs from breach of contract
- Operation of pension schemes
- Identity fraud
- Crisis event – access to public relations consultant
- Employment practices liability cover
- Pension trustee liability cover
- Pre-investigation and investigation costs
- Corporate manslaughter cover
- Bodily injury and property damage defence costs
- Emergency costs
- Civil fines and penalties where insurable by law
- Lifetime discovery period for retired managers/pension trustee
- Extradition costs
- Tax status costs
- Asset and liberty costs
- Public relations expenses
- Court attendance allowance
- Loss of documents costs
- New subsidiaries cover
- Continuous cover

COVERAGE HIGHLIGHTS:

Crime Module

- Direct financial loss of the entities from employee & third party dishonest acts
- Loss from theft, destruction and damage of money or securities
- Care custody & control loss
- Loss from shareholders dishonest acts
- Legal fees and reconstitution costs
- Costs of Fraud Investigator to investigate losses covered or potentially covered

COVERAGE HIGHLIGHTS:

Professional Liability Module

- Cover specific professional services
- Infringement of intellectual property cover
- Defamation/ libel/slander cover
- Loss from claims due to employee dishonesty or fraud
- Court attendance allowance
- Continuous cover

Value added service:

Exclusive legal advice service benefit (including free 60 minutes of legal advice and special reduced rate for further advice)

Target Market

All Not for Profit entities including charities and associations

Indemnity Limits

Quotation can be provided to eligible clients on site immediately up to the following Limits of Liability with the completion of the Quick Application Form. Higher Limit of Liability options are also available on request.

D&O/Corporate Liability:	PHP250 million
Crime:	PHP100 million
Employment Practices Liability:	PHP100 million
Professional Liability:	PHP100 million

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Broker Facts

- Instant Quotation
- Option for separate or tie-in limit for Professional Liability and Crime module
- Tailored cover to provide a comprehensive policy

Claim Examples

These scenarios are based on actual claims to show how organizations and directors/officers can be exposed to the risk of loss and liability for damages and legal costs. Note that we have changed details to ensure confidentiality and that the examples are illustrative only and not to be relied on to justify coverage in any particular situation.

D&O / CORPORATE and EMPLOYMENT PRACTICES LIABILITY:

Breach of Contract

An entity is sued by its former agents after it terminates their contracts in order to replace them with fulltime staff. The agents sue for non-payment of commission.

Defense for public enquiry

An entity is concerned about a forthcoming public enquiry, which it fears could have a major impact on its business. We fund the professional costs of preparing directors for attending the investigation for questioning and succeed in defending the company's position.

Discrimination

A female employee is made redundant, she complains she was belittled by her line manager who constantly belittled and insulted her in front of colleagues with cutting remarks and insulting comments.

Fire Safety Regulations

Directors are prosecuted by local authority after persistently failing to comply with fire regulations. They claimed that the work required to their premises by the local authority was unnecessary. We defended the directors and eventually an acceptable solution was reached.

Misconduct

An employee is dismissed after sending a stream of offensive emails to colleagues about one of his senior managers. However the employer failed to follow proper process in dismissing the employee and the case was settled for a 5 figure sum.

CRIME LOSSES:

Fraud by a lone employee

An employee who processes invoices also has access to the supplier creation system. The employee sees that when invoices are approved for payment, the financial controller examines the largest payment in detail and then signs the rest. The employee creates a false supplier and makes many small payments totaling hundreds of thousands of dollars over several months.

Fraud by collusion with supplier

A trusted employee has authority to select suppliers for the employer. He channels a large proportion of projects to one particular supplier in return for regular cash payments of several hundred pounds each month. The fraud is only discovered after 4 years and an anonymous tip off.

PROFESSIONAL LIABILITY:

Failure to satisfy member's expectation

A sports club arranges sporting activities for members and provides training to members. A member was not happy with the outcome of the training and sues the sports club, claiming for the training fees paid and other damages.

Appointment of incompetent service provider

An incorporated owner of an apartment building appointed a property manager to manage the building. An elevator malfunctioned as the property manager failed to organize routine maintenance of the elevator. The entity was sued for appointing such property manager.



Bring on tomorrow

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This product profile is intended as a guide to coverage benefits only. Scope and precise breadth of policy coverage is subject to the specific terms and conditions of the policy wording.

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