OUR MARKET-LEADING INSURANCE COVERAGE HELPS FUND MANAGERS MITIGATE BUSINESS RISK.

At the core of every Investment Management firm's investment activities and operations is the same dynamic factor: Risk. The Hartford understands the highly specialized risks and volatility inherent in the buy-out and venture capital business.

We designed The Hartford **Private Equity Choice® Policy** to help protect buy-out and venture capital firms along with their management teams and employees from unforeseen risks and exposures arising from their everyday business dealings.

To further enhance our **Private Equity Choice Policy**, we've created the **"Plus 2.0" Endorsements**. With these endorsements, our mutual customers will benefit from the comprehensive and market-leading coverage that they've come to expect from The Hartford.

COMPREHENSIVE, USER-FRIENDLY COVERAGE

Our **Private Equity Choice Policy** coupled with our **"Plus 2.0" Endorsements** provides market-leading coverage for:

- All activities related to traditional private equity or venture capital investing;
- All natural persons indemnified by the firm that are involved in providing those activities, and
- All entities through which such activities are provided.

Compare coverages to those of other carriers using the chart below.

COVERAGE FEATURES	The Hartford	Other carriers
Entities • The definition of "Insured Entity" now includes: » *Any* management company, Investment Fund (including parallel and/or co-investment funds), entity fund manager, entity manager of any entity fund manager and Investment Holding Company that was or is under Management Control; » *Any* past, present or newly created Insured Entities, eliminating additional premiums and the requirement to report and schedule each Investment Fund to the policy in order to secure coverage; and » *Any* pooled investment vehicle, as an Investment Fund, that was or is under Management Control, including any past, present or newly created Investment Funds, eliminating additional premiums and the requirement to report and schedule each Investment Fund to the policy in order to secure coverage.	☑	☐
Individuals • The definition of "Insured Person" now includes: » *Any* general partner, managing member, principal, managing director, president, CEO, COO, CFO, in-house general counsel, including any equivalent executive officer; » *Any* employee or Advisory Board Member; » *Any* independent Representative, including any executive in residence ("EIR"), operating partner and shareholder representative; » *Any* other natural person that is indemnified by and while providing professional services for or on behalf of any Insured Entity; and » *Any* of the above as a director or officer of a Portfolio Company or as a member of an advisory board of a pooled investment vehicle in which an Investment Fund invests (fund of fund investing).	☑	☐

COVERAGE FEATURES	The Hartford	Other carriers
Activities & Services • The definition of “Professional Services” now includes: » *Any* advice or service provided by an Insured for or on behalf of any Investment Fund, Investment Holding Company or minority-owned investment holding company, including the creation and distribution of investment proceeds of any of the foregoing; » *Any* advice or service (other than tax, accounting or legal services for a fee) provided by an Insured for or on behalf of any Portfolio Company, including any merger or acquisition-related activities; » The analysis, selection, acquisition, monitoring and/or disposition by an Insured of an actual or proposed Investment Holding Company, minority-owned investment holding company or Portfolio Company; » Separate Accounts Professional Services; and » *Any* Professional Service performed by an Insured in the capacity as a fiduciary. • The definition of “Wrongful Act” expanded to include “entity status” vicarious liability. • Outside Directorship Liability includes an Insured Person serving as an Advisory Board Member of an outside fund in which a Private Fund invests (fund of fund).	☑	☐
Loss • The definition of “Damages” now includes: » Plaintiff’s attorneys’ fees and expenses if part of a covered settlement or judgment; » Excessive or Unnecessary Taxes imposed on a customer, client or investor; » Certain FCPA and UK Bribery Act civil fines and penalties (if insurable by law); » Language stating the Insurer will not assert that the portion of Loss arising from Section 11, 12 or 15 Claims is uninsurable (if permissible by law); » “Most favorable venue” language with respect to insurability of ALL Loss; and » The Insurer will not assert that any restitution or disgorgement is uninsurable unless the Insured was the beneficiary or recipient of such amounts subject to the restitution or disgorgement. • The definition of “Defense Costs” includes: » Corporate Manslaughter Act Defense Costs; » Extradition Costs; and » SOX 304 and Dodd Frank Defense Costs. • Claims reporting period of 180 days after policy expiration (60 days if policy is not renewed). • 100% allocation of Defense Costs under “Side-A” Insuring Agreements. • Defense Costs to be advanced within 60 days after receipt of itemized bills. • Insured may settle a Claim without prior consent up to an amount equal to the applicable retention. • The Insurer is to act in good faith to preserve attorney-client privilege of documents or information related to a Claim. • If an Insured Entity refuses in writing, or fails within 90 days, to fulfill its indemnification obligations to an Insured Person, The Hartford will pay the applicable retention on behalf of such Insured Person (Subject to reimbursement). • If a Portfolio Company (1) refuses in writing, or fails within 90 days to fulfill its indemnification obligations to an Insured Person for serving in an Outside Capacity due to such indemnification being prohibited by law or the Insured becoming financially insolvent or a debtor-in-possession; and (ii) refuses in writing to make insurance available after reasonable efforts by such Insured Person, then “outside directorship liability” coverage will convert from “double excess” to primary.	☑	☐
Coverage Extensions • Outside Directorship Liability (now also contemplates minority owned investment holding companies) • **New:** Crisis Management Expenses Coverage *(increased Sublimit of Liability from $100,000 to $250,000)* • **New:** Portfolio Company Pre-Acquisition Matter Coverage • **New:** Derivative Demand Investigation Costs Coverage • **New:** Individual Insured Non-Party Witness Expense Coverage • **New:** Regulatory Investigation Cooperation Expense Reimbursement Coverage	☑	☐
Other Coverage Features • **New:** The policy is fully non-rescindable. • **New:** “Materiality” provision stating the Insurer may not deny coverage based on late notice of Claim unless it can demonstrate that its interests were materially prejudiced by such late notice. • The Insured vs. Insured Exclusion is converted to an Insured Entity vs. Insured Exclusion. • Indemnification obligations are now pursuant to applicable management advisory, organizational or corporate governance documents. • And more...	☑	☐

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