

THE HARTFORD PRIVATE EQUITY CHOICE® POLICY - PRIVATE EQUITY

Managing risk is a challenge we understand well.



At the core of every private equity fund's investment strategy, you'll find the same dynamic factor - risk. And when it comes to risk and the volatility inherent in your business, The Hartford understands.

Our business is recognizing and handling unique and highly specialized risks, which is why we designed The Hartford Private Equity Choice® Policy, to protect funds and their management from the exposures they face as a result of their investment and management activities.

CHOOSE A POLICY EQUAL TO YOUR RISKS

The financial reward of risk can be phenomenal. But potential litigation represents a very real and costly downside. Limited partners, portfolio companies and their shareholders, employees and other third parties are all potential plaintiffs in lawsuits against funds or your business. To cover potential damages and settlement awards, as well as significant defense costs, you need a policy that can help you prevail in any scenario.

THE HARTFORD PRIVATE EQUITY CHOICE POLICY HIGHLIGHTS

We have the solution to these insurance needs. The Hartford Private Equity Choice Policy provides management and professional liability coverage for:

- Private equity firms and venture capital funds
- Other similar pools of capital with similar coverage needs

This product is designed with multiple coverage parts, allowing insureds to address several liability insurance needs in one convenient policy.

Prepare. Protect. Prevail.®

continued



The standard policy includes:

- The Private Equity Fund Management and Professional Liability Coverage Part
- “Insuring Agreement A” of the Private Equity Employment Practices Liability Coverage Part

They provide coverage for the insured’s management and professional liability, whether stemming from services rendered to an investment fund or alleged mismanagement of a portfolio company.

Add optional protection. Insureds may elect coverage, via “Insuring Agreement B” of the Private Equity Employment Practices Liability Coverage Part, for employment practice liability related to the insured’s own employees and “third parties.” Insureds may also elect to purchase coverage for fiduciary liability under the Private Equity Fiduciary Liability Coverage Part. Both of these optional coverages integrate neatly with the common terms and conditions applicable to the other coverage part.

Noteworthy features of The Hartford Private Equity Choice Policy include:

COMMON TERMS & CONDITIONS

- Allocation provisions deal with the advancement and allocation of defense costs separately from the allocation of damages
- Notice of claims provision specifies whose knowledge is relevant to determine when the insured has notice of a claim
- Insurer will not subrogate against an insured person
- Affirmative statement that the policy is not rescindable

PRIVATE EQUITY FUND MANAGEMENT AND PROFESSIONAL LIABILITY COVERAGE PART

- Definition of claim provides coverage for investigations and tolling of the statute of limitations
- Multi-faceted definition of professional services
- Express coverage for extradition costs
- Definition of insured entities provides coverage for such entities in their status as debtors-in-possession
- Exclusions are separated into separate express sections reflective of the allocation sections dedicated to damages and defense costs
- Revised and/or added exceptions to exclusions like the insured vs. insured exclusion, pollution exclusion, and personal profit and fraud exclusions

PRIVATE EQUITY EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

- **Insuring Agreement A:** Automatic coverage when the policy is purchased – grants coverage for situations when the insured’s management of a portfolio company causes that portfolio company to have employment issues
- **Insuring Agreement B:** Elective coverage at the insured’s option – Express coverage for employment practices liability relating to the insured organization’s own employees; also covers third-party liability

PRIVATE EQUITY FIDUCIARY LIABILITY COVERAGE PART

- Elective coverage at the insured’s option – Coverage for the insured’s fiduciary liability related to the insured’s plans created for the benefit of its employees

LEARN MORE. Contact your underwriter from The Hartford today or visit us online at THEHARTFORD.COM/PRIVATEEQUITY.



Any discussion of coverage herein is summary only. Coverage depends on the actual facts of each claim and the terms, conditions, and exclusions of the issued policy. Please refer to the issued policy to determine all terms, conditions and exclusions of coverage. Coverage is provided by the property and casualty companies of Hartford Financial Services Group, Inc. and may not be available to all businesses in all states.

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