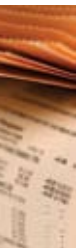




ACE OPDU Elite

*Pension trustee
liability insurance
Fact sheet*



Many trustees and employers are turning to an external, independent source of protection in the form of pension trustee liability insurance. This innovative contract is the benchmark for excellence.

What is covered?

ACE OPDU Elite will pay for loss resulting from a wrongful act, specifically on behalf of:

- The trustees or employees for loss which they are legally obligated to pay.
- The sponsoring employer company or pension scheme for all loss resulting from indemnification.
- The pension scheme for all loss which has been suffered as a result of exoneration.
- The sponsoring employer company or corporate trustee company for all loss that they are legally obligated to pay.

It also provides cover for:

- All insured parties for costs (up to a specified sub limit) incurred in relation to a fact-finding investigation or proceeding (i.e. where there is no requirement for an allegation of a wrongful act) by the Pensions Ombudsman, the Pensions Regulator, the Pensions Regulatory Tribunal, the Pension Protection Fund, or equivalent body.
- Costs (up to a specified sub limit) for expenses incurred in taking action to prevent, limit or mitigate exposure to an actual or potential claim.

Who is covered?

- Past, present and future trustees and employees.
- A corporate trustee company.
- The sponsoring employer company.
- The pension scheme.
- Lawful spouses, domestic and civil partners, estates, heirs or legal representatives of trustees or employees in the event of death, incapacity, insolvency or bankruptcy.
- Any other natural person or entity acting as trustee as attached by specific written endorsement.

What constitutes a claim?

- A written demand asserting legal liability for a wrongful act.
- A civil or arbitral proceeding.
- A criminal proceeding.
- An administrative or regulatory proceeding.
- An official investigation.
- A contribution notice as issued by the

Pensions Regulator under Section 38 of the Pensions Act 2004.

- An extradition proceeding.

What wrongful acts are covered?

ACE OPDU Elite offers protection against a comprehensive range of allegations, including:

- Breach of trust, duty or statutory provision.
- Negligence.
- Administrative errors.
- Wrongful omissions.
- Misstatements.
- Misleading statements.
- Maladministration.

What is included in the definition of loss?

- Damages.
- Judgments.
- Settlements.
- Awards (including distress awards or compensation as determined by the various pension regulatory bodies).
- Financial loss resulting from damage, loss or destruction of pension scheme documents.
- Defence costs.
- Loss as a result of exoneration.
- Investigation expenses (up to a specified sub limit) incurred in relation to a fact-finding investigation or proceeding (i.e. where there is no requirement for an allegation of a wrongful act) by the various pension regulatory bodies.
- Mitigation expenses (up to a specified sub limit) incurred in taking action to prevent, limit or mitigate exposure to an actual or potential claim.
- Prosecution costs - see optional extension.
- Public Relations Expenses - see optional extension.

What is included in defence costs?

- All reasonable fees, costs and expenses that are incurred to defend or appeal a claim.
- Provision for full advancement of defence costs.
- Option to include the provision to incur emergency defence costs if required.

Who is included in the definition of trustee?

- Any natural person, including a director or officer of a corporate trustee company,



who is or has been appointed as a trustee, including a constructive trustee.

- **ACE OPDU Elite** also allows for any other natural person or entity, including a director or officer of that entity, to be specifically included by written endorsement.

Who is included in the definition of employee?

- Any person providing services to the pension scheme whilst in the employment of the sponsoring employer company, the corporate trustee company, or the pension scheme, including:
 - Directors and officers
 - Committee and/or Board members
 - Administrators
 - Pension scheme managers
 - Internal dispute managers.

Additional features of ACE OPDU Elite

- Ability to apply different retention amounts depending on whether the deductible is to be paid by the sponsoring employer company or the pension scheme itself.
- No deductible applies where exoneration has been granted in relation to investigation expenses or where the loss is the personal liability of a trustee or employee.
- Overall authority of the policy can be granted to either the sponsoring employer company or to the trustees, who then agree to act on behalf of each and every other insured party.
- The policy cannot be cancelled without the insured parties' agreement (other than in the case of non-payment of premium). Where the authorised party is the sponsoring employer, prior written agreement of all trustees must be obtained in order for them to effect cancellation or termination.
- Ongoing cover for member-nominated trustees in the event of innocent non-disclosure or misrepresentation.
- A discovery period of 12 months is available should either the insurer or insured parties refuse to renew this policy.

ACE OPDU Elite also responds to a number of changing circumstances

- Continuous cover for the remainder of the policy period in the event that the sponsoring

employer company:

- merges with or consolidates into another entity (any subsequent name changes to the sponsoring employer company and or pension scheme must be advised)
- enters administration
- commences wind-up of a pension scheme.
- Automatic cover is granted for a new or additional pension scheme whose total assets are 10% or less of the combined total assets being covered (subject to endorsement). Schemes in excess of this have cover for a period of 60 days, after which cover must be specifically agreed by the insurer.
- Where a scheme has been wound up cover shall include those who were insured, or would have been insured, at the time for wrongful acts committed prior to the date of such cessation, with the potential to provide an extended period of cover of up to 6 years.

Optional extensions

- Public relations expenses (up to a specified sub limit) for the reasonable fees and related expenses of a public relations, crisis management or law firm engaged to prevent or limit adverse effects or negative publicity which it is anticipated may arise from a Claim or Investigation.
- Civil fines and penalties, where insurable, made against the insured by a regulatory body such as the Pensions Regulator provided the premium is paid without recourse or reimbursement from the pension scheme or any of its assets.
- Court application costs (up to a specified sub limit) for the reasonable legal and professional charges, costs and expenses incurred as a result of a actual or proposed proceeding to seek a declaration or direction from the Court or arbitral proceeding as to how the Trustee should act in a particular set of circumstances or in relation to a complaint made or dispute referred to the Pensions Ombudsman.
- Emergency costs provision (up to a specified aggregate limit) such that defence costs, investigation expenses, prosecution costs,

ACE is one of the most innovative providers of insurance products and services in today's global marketplace.

mitigation expenses, public relations expenses or bail bond costs can be incurred with retrospective approval.

- Employer benefit programmes and/or employee share ownership programmes as listed in the schedule or by endorsement to the policy.
- Cover for costs including defence costs, bail bond costs and public relation expenses incurred in relation to an extradition proceeding.
- Costs (up to a specified sub limit) incurred in replacing or restoring pension scheme documents in the event of their loss, damage or destruction.
- Prosecution costs (up to a specified sub limit) for the legal and professional fees, costs and expenses incurred to resist any application for or to bring legal proceedings to obtain the discharge or revocation of, for example, an order disqualifying a Trustee, an interim or interlocutory order, confiscating, freezing or creating a charge over real property or personal assets, or the deportation of an Employee or Trustee.
- Retired trustee cover for 12 years should no alternative cover be provided
- Third party service provider pursuit cover for the purpose of establishing a breach of professional duty of care (up to specified sub limit).
- Theft and fidelity of pension scheme assets (up to a specified sub limit).

Additional services

ACE OPDU Elite goes further than conventional insurance, with value-added services that include:

1. Access to specialist services provided by the Occupational Pensions Defence Union (OPDU). The Advisory Service provides trustees and administrators with general guidance and advice on matters affecting the day-to-day administration of the pension fund. It aims to facilitate good governance. The confidential advice line is staffed by lawyers and provides access to the Advisory Panel Experts where appropriate.

The Advisory Service is complementary to **ACE OPDU Elite** policy holders.

2. A pack containing helpful information for the trustees, received on inception of the policy.
3. A newsletter from time to time containing information on topical pensions issues, regulatory items and recent Pension Ombudsman, the Pensions Regulator and Court determinations.

This information is descriptive only. The precise coverage afforded is subject to the terms and conditions of the policy as issued. For further information please see www.trusteeprotect.com

Why ACE?

Stability

ACE Europe is a leading provider of insurance and reinsurance in Europe. Headquartered in London with a network of offices across 14 European countries, ACE Europe is part of The ACE Group of Companies, one of the world's largest providers of property and casualty insurance, reinsurance and financial services. Established in 1985, the ACE Group has grown rapidly by building long-term partnerships with our brokers and clients in each of the world's major insurance markets.

Innovation

ACE is one of the most innovative providers of insurance products and services in today's global marketplace. We pride ourselves on the quality and experience of our staff, who are specialists in their individual fields. Using this experience, we focus on products and services in market segments where this specialised knowledge creates a natural alliance with customers. In addition, we tailor our products and services to support the key business goals of those select segments.

Experience and expertise

ACE Europe has a highly respected underwriting team holding a significant degree of knowledge on pensions and experience in the pensions industry. We work with brokers and clients to provide quality cover and a claims service, which meet the needs of trustees and employers in a rapidly changing environment.



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