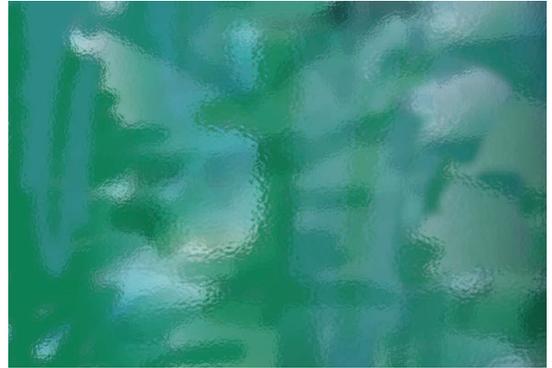


Hedge Fund ProtectorSM



HIGHLIGHTS

Hedge funds, a unique breed of investment vehicle, require a unique breed of management and professional liability insurance solutions.

The number of hedge funds has more than doubled since 2002, reaching over 8,200 in 2005.¹ The investment regulatory environment has been changing at rapid fire pace as well—and more changes are on the way, posing even greater threats to the individuals managing these firms.

The Financial Institutions Group of AIG Executive LiabilitySM is addressing this exposure with Hedge Fund ProtectorSM—Directors and Officers, partnership and professional liability insurance designed exclusively for hedge funds and their managers. AIG Executive Liability will work with you through its advancement of fees provisions to help control defense costs and is backed by the financial strength of AIG Companies®.

Hedge Fund Protector is tailored to the hedge fund industry and the coverage endorsements provide additional options tailored to your needs.

Coverage Highlights

Hedge Fund Protector coverage includes:

- ▲ Extensive directors and officers partnership liability insurance to protect the fund, partners, managing members and insured persons (including the chief compliance officer);
- ▲ Expansive protection for claims arising from allegations of errors and omissions in fund management;
- ▲ Expansive definition of hedge fund services, specifically including “valuation”;
- ▲ Defense costs coverage for formal securities investigations of natural person insureds;²
- ▲ Automatic coverage for newly formed hedge funds that have the same investment personnel as the existing funds;
- ▲ Severability of the application for all natural person insureds;
- ▲ Order of payments coverage to prioritize individuals before the entity;
- ▲ Bankruptcy waivers; and
- ▲ Worldwide coverage.

In addition, Hedge Fund Protector includes options for separate cover, including:

- ▲ Employment practices liability;
- ▲ “Side Pockets”—private equity/venture capital professional liability;
- ▲ Administrator liability;
- ▲ Plan assets fund liability; and
- ▲ Outside not-for-profit directorship liability insurance³; outside for-profit directorship liability insurance provided as scheduled on the policy.

¹ www.thehfa.org

² Coverage triggered upon issuance of a formal investigative order as to such Insured.

³ Coverage available by endorsement.

**ADDITIONAL
COVERAGE FEATURES**



Claims are handled by AIG Executive Liability's team of in-house financial institutions claims specialists. Insureds also have the services of their choice of attorney from AIG Executive Liability's Panel Counsel, which is comprised of some of the nation's leading securities attorneys who specialize in defending hedge funds and their managers in management and professional liability claims.

AIG Executive Liability is a member company of American International Group, Inc. (AIG). AIG is a world-leading insurance and financial services organization with over 85 years of experience. Hedge Fund Protector is backed by the expertise of AIG Executive Liability's Financial Institutions Group, which has been a leading provider of management liability, professional liability, fiduciary liability, fidelity and other specialty insurance solutions exclusively for financial institutions for more than three decades.

To learn more, contact your broker or your local AIG Executive Liability representative. You can also email executiveliability@aig.com or visit www.aig.com/aigexecutiveliability.

Insurance underwritten for this coverage by the member companies of American International Group, Inc. The description herein is a summary only. It does not include all terms, conditions, and exclusions of the policy described. Please refer to the actual policy for complete details of coverages and exclusions. Coverage may not be available in all jurisdictions. Issuance of coverage is subject to underwriting review and approval.



EXECUTIVE OFFICES
70 Pine Street
New York, NY 10270
212.770.7000
www.aig.com