

APEX FOLLOW FORM

Allied World's APEX is a true "follow form" policy that seamlessly follows the terms and conditions of the followed policy. Our revised APEX policy improves upon this 'follow form' structure in many respects; for example, the revised APEX does not include a representation and warranty provision. This enhancement eliminates any potential inconsistencies between the followed policy and APEX regarding this critical policy provision. The Insured clearly benefits by having an excess policy that follows the followed policy in virtually all respects.

APEX also expressly recognizes erosion of the underlying limits due to the payment of loss by an excess difference-in-conditions ("DIC") policy. If an underlying policy is unwilling or unable to cover a loss, and an excess DIC policy drops down and pays this loss, APEX will recognize the DIC payment as reducing the underlying limits. As a result, the Insured will be that much closer to accessing the APEX limits.

ENHANCED TERMS & FEATURES

While APEX remains a true "follow form" policy with the flexibility to follow various underlying coverages, the policy also includes the following features:

- Expressly recognizes erosion of underlying limits due to payment by excess DIC policy
 - No Representation and Warranty Statements Clause
 - No Cancellation Clause
 - Insured can provide notice of circumstance or claim by email
 - Mid-term adjustments to policy terms and conditions are effective upon Insurer's written consent; issuance of an endorsement is not required
 - Underlying insurers are not listed on Declarations Page, thereby streamlining policy issuance
 - Arbitration may be held in Bermuda, Canada or London; Insured selects venue
 - Insured has the option to participate in arbitration via live video conference
- Insurer bears the Insured's arbitration fees and expenses if arbitrators reject Insurer's coverage positions; such amounts are in addition to the policy limit
 - APEX continues to follow the followed policy language on the most frequently disputed excess language issues, including:
 - Pending or Prior Litigation exclusion
 - Prior Notice exclusion
 - Interrelated Wrongful Acts definition
 - Notice of Claim provisions
 - Discovery Clause
 - Cancellation
 - Choice of Law

EXPERT CLAIMS SERVICE

Allied World's dedicated claims specialists are known for their expertise, responsiveness, diligence and ability to resolve claims to our clients' satisfaction.

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This information is provided as a general overview for agents and brokers. Coverage will be underwritten by an insurance subsidiary of Allied World Assurance Company Holdings, Ltd, a Fairfax company ("Allied World"). Such subsidiaries currently carry an A.M. Best rating of "A" (Excellent), a Moody's rating of "A3" (Good) and a Standard & Poor's rating of "A-" (Strong), as applicable. Coverage is offered only through licensed agents and brokers. Actual coverage may vary and is subject to policy language as issued. Coverage may not be available in all jurisdictions. Risk management services are provided or arranged through AWAC Services Company, a member company of Allied World. © 2019 Allied World Assurance Company Holdings, Ltd. All rights reserved.