



PGicover Personal Guarantee Insurance



Personal Guarantee Insurance (Canada) - Policy Summary

1. Product Name and Overview

Personal Guarantee Insurance is an insurance policy underwritten by the Canadian Branch of Markel International Insurance Company Limited and administered by Purbeck Underwriting (Canada) Limited.

This Policy is designed for individuals who have given a personal guarantee to a lender in respect of the liabilities or obligations of a limited company. It provides financial protection in the event that the company enters an insolvency procedure and the lender makes a demand for payment under the personal guarantee.

2. Key Features and Benefits

The Policy provides the following key features:

- (a) Financial protection against demands made by a lender under a personal guarantee, where the company on whose behalf the guarantee was given has entered into an insolvency procedure.
- (b) Access to the Support Desk for advice on financial matters, not limited to issues around the personal guarantee but extending to general support on any financial problem facing the company.
- (c) Access to the Demand Mitigation Response Service, which provides professional support to mitigate the amount demanded by the lender in the event of a formal call on the personal guarantee.
- (d) Reimbursement of reasonable costs incurred in using the Demand Mitigation Response Service, up to CAD 10,000 (or such other amount as stated in the Schedule).
- (e) Referral, where appropriate, to a Panel Member (a licensed insolvency professional) for additional support.

- (f) Cover under this Policy will automatically terminate if:
 - (i) You become Personally Bankrupt during the Period of Insurance (although any Claim first made or Policy Notification given prior to the date of bankruptcy will continue to be dealt with under the Policy); or
 - (ii) You cease to be a Director of the Company.

If the Policy covers more than one director, it will remain in force for those Directors who continue to be Directors of the Company.

3. What Is Covered

In return for paying the Premium stated in the Schedule, and subject to the terms, conditions, exclusions and limitations of the Policy, the Insurer will pay You the amount calculated below if:

- (a) The Company has entered into an Insolvency Procedure; and
- (b) The Insolvency Procedure has concluded (including completion of distributions, or an equivalent finalisation step under the applicable Insolvency Procedure); and
- (c) The Office Holder has realised the assets and distributed the proceeds of the Company; and
- (d) Following negotiation with You and/or Your representatives, the Lender has issued a final request for settlement under the Personal Guarantee.

The amount payable will be:

- (i) The final Amount Demanded by the Lender, up to the Sum Insured stated in the Schedule; less
- (ii) Your Contribution (the percentage shown in the Schedule); and less

- (iii) Any documented amount You owe to the Company, and any documented amount owed to the Company by any Other Company, determined at the conclusion of the Insolvency Procedure.

The Insurer will also reimburse Your reasonable costs resulting from the use, with prior agreement, of the Demand Mitigation Response Service in the event that the Company has entered an Insolvency Procedure.

4. What Is Not Covered

The Policy will not cover any loss, liability, claim, cost or expense caused by or arising out of or relating to:

- (a) Any Claim where You have not complied with the Claims Conditions, including a Claim which has not been first made against You and reported to the Insurer during the Period of Insurance.
- (b) Any Claim where You have not met the conditions of the Policy.
- (c) Any Claim to the extent that You and/or the Company have failed to follow any material advice provided by the Demand Mitigation Response Service, Support Desk, and/or any Panel Member, where that failure has materially increased the Amount Demanded or otherwise materially prejudiced the Insurer's position.
- (d) A Claim made in respect of a demand caused by any deliberate, dishonest, fraudulent or reckless act or omission committed or condoned by You.
- (e) A Claim made in respect of a Cyber Incident, the transmission of a computer virus, or the recovery or reconstitution of data, unless this directly results in the Company entering an Insolvency Procedure.
- (f) Any Claim to the extent the demand is caused by, results from, or is attributable to a contravention of any criminal or other law committed by You, or by another person with Your consent, with intent to bring about loss or damage or to cause or increase a demand under the Personal Guarantee.
- (g) Any circumstance if, prior to commencement of the Period of Insurance, You knew or ought reasonably to have been aware of any reason to suspect that the Company is insolvent or would enter an Insolvency Procedure, that a demand would be made by the Lender, and/or that any Policy Notification would arise.
- (h) If You have received monies from the Company to which You are not entitled, whether or not actuated by bad faith.
- (i) If the Personal Guarantee is covered by any other insurance, in which case the Insurer will not pay more than its proportionate share (calculated as the proportion that its liability bears to the total amount of the loss).
- (j) Any change in or addition to the Company's liability, including any third-party liability, arising out of negligent act(s) or omissions in the course of its performance of the Personal Guarantee.

5. Key Conditions and Obligations

Claims Conditions (non-compliance may result in no claim being paid):

You must notify the Support Desk in writing as soon as possible, and during the Period of Insurance, of:

- (a) Any request made by the Lender for payment by You of any Personal Guarantee.
- (b) Any circumstance of which You become aware that is likely to give rise to any request by the Lender for payment.
- (c) Any of the following events occurring, or You becoming aware or having cause to suspect that any of them is likely to occur: the Company receiving a demand for repayment from any banking or lending creditor; the Lender

taking steps to enforce the Personal Guarantee; the Company defaulting on a loan agreement; the Company filing a notice of intention to make a proposal or becoming bankrupt under the Bankruptcy and Insolvency Act; or You or any other Director intending to meet with a licensed insolvency professional to discuss the Company's affairs.

General Conditions (non-compliance may result in a reduced or declined claim):

- (a) You must inform the Insurer as soon as possible of any changes to information previously provided which may affect the Policy.
 - (b) You must notify the Support Desk in writing as soon as possible if You become Personally Bankrupt.
 - (c) You must provide all information requested by the Insurer.
 - (d) You must provide reasonable evidence of the value of the Personal Guarantee called by the Lender.
 - (e) You must allow the Insurer permission to contact the Lender directly to confirm the amounts called.
 - (f) You must take all reasonable and practicable measures to ensure that the Company obtains and maintains throughout the Period of Insurance insurance cover which is adequate and appropriate.
 - (g) You must take all reasonable and practicable measures to ensure that the Company meets its liabilities to the Lender and to avoid the Lender making a demand under the Personal Guarantee.
 - (h) You must take all reasonable care to limit any loss.
 - (i) Prior to entering into an Insolvency Procedure, and where
- You have the legal right to influence such appointments, You must ensure that the Company liaises with the Support Desk and obtains approval in writing in respect of the appointment of a Panel Member as the sole Office Holder.
 - (j) You must ensure that the Company promptly follows all advice provided by the Support Desk and/or any Panel Member.
 - (k) You must ensure that the Support Desk is kept informed and updated in respect of any Insolvency Procedure.
 - (l) You must ensure that the Company promptly follows all advice provided by the Support Desk and/or any Panel Member.
 - (m) You must take all reasonable and practicable measures to recover any amounts paid by the Insurer.
 - (n) You must provide the Insurer with all reasonable assistance to effect the assignment of any Claim following settlement of that Claim by the Insurer.
 - (o) The Insurer shall be entitled at any time to pay You the Sum Insured (or as much as remains available) or any lesser amount for which any Claim can be settled, less Your Contribution. If the Insurer does this, it will be under no further liability to You in respect of the Claim.

6. Policy Limits and Excesses

Sum Insured: The maximum aggregate amount the Insurer will pay under this Policy during the Period of Insurance, as stated in the Schedule.

Your Contribution: You are responsible for a percentage of the final Amount Demanded, as stated in the Schedule. This acts as a form of excess or co-payment.

Demand Mitigation Response Service Costs: The maximum payable for use of this service is CAD 10,000 (or such other

amount as stated in the Schedule). This reimbursement is payable within the Sum Insured, unless the Schedule expressly states otherwise.

Aggregate Cap: The total of all amounts paid and reimbursed under the Policy shall not exceed the Sum Insured, unless the Schedule expressly provides that the Demand Mitigation Response Service costs are payable in addition to the Sum Insured.

Multiple Insureds: The Insurer's liability is the Sum Insured and shall not be regarded as varied because of the number of insureds, Directors, or participants in the Personal Guarantee.

7. How to Make a Claim

If You want to make a Claim under this Policy, please contact the Insurer using the following email address:

Email: CanadaClaims@markel.com

You must comply in full with the conditions set out in this Policy. If You fail to do so, the Insurer may not pay Your Claim, or any payment could be reduced.

When making a notification or claim, You must:

- (a) Notify the Support Desk in writing as soon as possible following receipt or awareness of any demand or relevant circumstance, and during the Period of Insurance.
- (b) Provide full details of the request or circumstance giving rise to the notification.
- (c) Provide reasonable evidence of the value of the Personal Guarantee called by the Lender.

Any request by the Lender for payment that later arises from circumstances notified to the Insurer in accordance with the Claims Conditions will be regarded as having been made during the Period of Insurance.

8. Complaints

If You are dissatisfied or have any complaints about Your Policy or the handling of a Claim, You should in the first instance contact:

By telephone: +44 (0)20 7953 6020

By email: complaints@markel.com

By writing to: Legal and Compliance, Markel International Insurance Company Limited, 20 Fenchurch Street, London, England, EC3M 3AZ

Complaints will be acknowledged promptly in writing after receipt, including the name of the person reviewing the complaint and when You should receive a final response.

The Insurer will try to resolve a complaint within the timeframe set out by Your local insurance regulator. If You do not receive a final response, or after receiving a final response You are not satisfied with the outcome, You may be entitled to refer Your complaint to Your local External Dispute Resolution service for review, depending on Your eligibility and province.

Regulatory Information: This Policy is underwritten by the Canadian Branch of Markel International Insurance Company Limited, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register Number 202570).

Markel International Insurance Company Limited carries on insurance business in Canada through its Canadian branch and is authorised to insure risks in Canada under Part XIII of the Insurance Companies Act (Canada). The Canadian branch is supervised by the Office of the Superintendent of Financial Institutions (OSFI).

The Policy is administered by Purbeck Underwriting (Canada) Limited, an insurance intermediary and administrator operating in Canada under a binding authority arrangement with the Insurer. Purbeck Underwriting (Canada) Limited is authorised and supervised in Canada by OSFI.

Sanction Limitation: No cover is provided for any Claim if it would mean the Insurer would be in breach of any sanction, prohibition or restriction under United Nations

resolutions or the trade or economic sanctions, laws or regulations of Canada, the European Union, the United Kingdom, or the United States of America.

Choice of Law: This Policy is governed by the law of the province or territory in which it was bound, issued and delivered to the Insured, and the federal laws of Canada applicable therein. Any legal proceedings will take place in the courts of that province or territory.

