



Hedge Fund Managers, Law Firms Eyeing Unique Insurance To Mitigate Risk of Life's Black Swans

New York Insurance Advisor SKCG Group Sees Best Market in 25 Years for Group Personal Excess Liability Insurance

White Plains, NY – August 24, 2011 – Group personal excess liability insurance is finding fans among hedge fund and private equity executives, partners at law firms and other wealthy individuals concerned that their deep pockets make them targets for multi-million dollar lawsuits. Demand for this insurance which provides protection above and beyond the limits of their other liability policies has soared in the last three years and is higher than at any time in the last quarter century, according to SKCG Group, the risk management and insurance advisor to some of the world's largest hedge funds.

"Many hedge fund managers and legal professionals feel like they have a bull's eye on their back, and there is no 'off-the-rack' insurance policy that can fully protect them," says Richard Baskind, Vice President and head of Private Client Services at SKCG Group. "Many of these people need more protection than the market is willing to sell them, so they are turning to group personal excess liability policies to find that extra security."

Group personal excess liability insurance can be purchased by hedge funds, private equity funds and other firms for groups of 10 or more. After losses from a lawsuit have exceeded the relatively small limits already in place on traditional automobile, homeowner's or umbrella liability policies, this insurance can help provide financial protection from up to \$50 million in claims resulting from the unpredictable calamities, or "black swans," of daily life—the summer house guest who drowns in the pool, the neighbor's child injured on defective playground equipment, the tree in the front yard that falls across the road onto a passing car, killing the driver. With the average amount of lawsuit awards having increased dramatically over the past decade and the maximum coverage provided by traditional policies not keeping pace, the difference between what the regular insurance covers and the claims can be substantial.

While it is possible to buy individual excess liability policies, group plans cost 30% to 70% less, according to SKCG's Baskind. On average, says Baskind, an individual can purchase \$25 million in coverage for \$3,000-\$4,000 in a group plan versus \$10,000-\$12,000 for an individual policy. Another reason managers tend to favor group plans is that even those with a history of making claims on their policies can obtain coverage in a group when they may have been rejected as an individual. These plans are most popular with financial services companies, law firms, medical groups and real estate firms.

"Managing risk starts by understanding how random risk can be. Group personal excess liability insurance lets hedge fund managers and other high net worth individuals worry less about these potential pitfalls," commented Richard Canter, COO of SKCG Group.

About SKCG Group

SKCG Group is one of the largest privately-held insurance and risk management advisory firms in the United States. SKCG serves U.S. and international commercial and private clients who require sophisticated advice addressing multiple risk factors. SKCG's technical expertise in identifying and dissecting risk, coupled with its ingrained culture of senior-level attention and client service, results in high levels of customer trust and loyalty. From insurance and private client services to group benefits and retirement planning services, SKCG's marketplace success is due to its industry knowledge, analysis, experience and unique carrier relationships. To learn more please visit www.skcg.com.

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