

### Business rescue defined:

Business Rescue is an alternative legal route for a financially distressed company. Contrary to liquidations where the company ceases trading and its assets are sold off to raise money to pay creditors, Business rescue provides for the efficient rescue and recovery of a financially distressed company by giving the company some breathing space to restructure its financial obligations to creditors to continue operating on a solvent basis.

The way in which a financially distressed company can achieve a turnaround is helped by the mechanisms provided in the Companies Act 2008, which aims to facilitate the rehabilitation of a company that is "financially distressed" by providing for:

the temporary supervision of the company and management of its affairs, business and property by a Business Rescue Practitioner, a temporary moratorium ("stay") on the rights of claimants against the company or in respect of property in its possession ; and

the development and implementation of a business rescue plan once the Business Rescue Practitioner has considered the financial position of the company.

These processes allow the company to be restructured to be financially viable again.

Genoa Underwriting Managers (on behalf of Safire Insurance Company Limited) offers a bespoke Professional Indemnity Policy for CIPC registered business rescue practitioners.

### PROFESSIONAL INDEMNITY

Professional Indemnity is underwritten on a claims-made basis and is designed to offer indemnity as a result of actual or alleged gross negligence in the exercise of the powers and performance of the functions of the BRP.

Cover is issued on an individual matter basis with quarterly, half yearly or annual payment options on offer. In practice this

means that the BRP will bill the company in rescue as part of a disbursement for his/her PI cover.

Where more than one BRP has been appointed in relation to the BR Entity, the policy can be endorsed to cover both Practitioners.

Individuals subcontracted in to assist the BRP with administrative duties can also be included in this cover but they must be named on the Schedule.

An Extended Reporting Period (ERP) of 12, 24 or 36 months may be selected by the Practitioner. The ERP allows the BRP to notify Insurers of a claim after the business rescue has been terminated for the reason set out in the policy wording.

We give each client the promise of quick and efficient resolutions of valid claims, and the rigorous defense against Vexatious litigants.

### FIDELITY GUARANTEE COVER

Fidelity Guarantee Cover, if selected, covers the BR Entity against direct financial loss which is sustained as a result of fraud or dishonesty of the business rescue practitioner or subcontractors, named in the Schedule.

The loss of any money and/or other property must have arisen during the tenure of the BRP and mandate of the nominated Subcontractors.

### PLEASE NOTE

The above is meant to be a summary of the cover and at all times the terms and conditions contained in the Policy Wording and Schedule of Cover will take preference should a conflict arise.

Terms and Conditions apply.