PGicover

Personal Guarantee Insurance Claims Guide

What to expect, how claims are handled, and what affects the timing

Canada · 2026 · For policyholders, advisors and partners · Last reviewed October 2026

How a claim works, in one page

Personal Guarantee Insurance is there for the hardest stretch of running a business: when a lender starts asking questions, when cash runs short, and when a personal guarantee may be called. Support and negotiation can come early. The payment, if one is due, comes at the end, once the company's insolvency process has run its course.

The four things to remember

- **Tell the Support Desk early.** Notify as soon as you see trouble, not only when a demand letter arrives. Early notice protects your cover and opens up support.
- **Cover is claims-made.** A claim counts only if it is first made against you and reported while your policy is active and premiums are paid.
- **Follow the advice you are given.** Your policy requires you to work with the Support Desk and any panel professional, and to get approval before certain steps.
- **Payment comes last, and it comes to you.** The insurer pays you, the director who signed the guarantee, a share of the final amount the lender demands, up to the sum insured, less your contribution. You then pay the lender. This happens after the insolvency process concludes and the lender makes its final settlement request. The policy never pays the lender.

When to notify

You must notify the Support Desk in writing as soon as possible, during the policy period, if any of these happen:

- Your lender asks you to pay anything under the guarantee, in writing or verbally
- Anything happens that is likely to lead to that request
- The company receives a demand from a bank, asset-based, invoice-finance or other secured lender
- Your lender takes, or is likely to take, steps to enforce the guarantee
- The company defaults on a loan agreement
- The company files a notice of intention to make a proposal, a proposal, or goes bankrupt under the Bankruptcy and Insolvency Act, or starts CCAA proceedings
- A receiver, interim receiver or monitor is appointed
- You, another director or an employee plans to meet a Licensed Insolvency Trustee or other insolvency professional

If a lender's request later comes from circumstances you already notified, it is treated as made during your policy period, even if the policy has since ended.

There is no fixed day count, so do not wait. The Canadian policy says as soon as possible. A late notice can affect your cover, and matters you knew about before buying the policy are not covered. Your policy wording sets out the detail.

How to notify

1. In your PGicover account

Sign in at app.pgicover.com, open Claims and choose **Report early warning** (financial strain or a possible default) or **Report lender demand** (a demand letter or serious default). You get a claim file number, a checklist of documents and a message thread with the claims team.

2. In writing, as your policy requires

Send written notice to the Support Desk, run by Purbeck Underwriting (Canada) Limited, at support@purbeckinsurance.co.uk, and send claims to CanadaClaims@markel.com, as set out in your policy wording. Keep a copy of everything you send.

Notifying through your account does not replace the written notice your policy asks for. Do both. Submitting a notice is not acceptance of a claim; every file is reviewed against your policy.

How a claim is handled, step by step

1

EARLY WARNING · YOU AND THE SUPPORT DESK

Notification and first review

Your file is opened, checked against your policy (active, paid, named insured, guarantee on file) and assigned a claims handler. You may be asked for documents. You will see each step in your account.

2

BEFORE ANY INSOLVENCY · SUPPORT DESK AND PANEL

Support to avoid or reduce the problem

The Support Desk offers general financial guidance: cash flow, lender conversations, refinancing options, repayment holidays and restructuring. Where it helps, it can introduce a panel insolvency professional. Fees for panel work are agreed between you and that professional.

3

IF THE COMPANY CANNOT CONTINUE · APPROVAL NEEDED

Choosing the insolvency professional

If the company is heading into a formal process and you have a say in who is appointed, contact the Support Desk first. To appoint a panel member as the sole office holder (the person who runs the insolvency, such as a Licensed Insolvency Trustee), the company needs the Support Desk's written approval. Keep that appointment in place, and keep the Support Desk updated.

4

WHEN THE LENDER CALLS THE GUARANTEE · DEMAND MITIGATION RESPONSE SERVICE

Negotiating the demand down

Once the company is in an insolvency process and the lender makes a formal call, specialist negotiators can work to reduce the amount demanded before it is settled. Reasonable costs are covered up to CAD 10,000, but only if the insurer agrees before the costs are incurred. These costs count toward your Sum Insured unless your Schedule says otherwise. Negotiation outcomes are not guaranteed.

5

DURING THE INSOLVENCY · OFFICE HOLDER

The insolvency process runs its course

The office holder sells the company's assets and distributes the proceeds to creditors. What the lender recovers from the company usually reduces what it can ask of you. Cooperate fully, keep the Support Desk informed, and follow the advice you are given.

6

AT THE END · INSURER AND CLAIMS HANDLER

Final settlement request, assessment and payment

After the process concludes and negotiation is complete, the lender issues its final request for settlement. Your claim is assessed, the payment is calculated (see page 5), and the insurer pays you, not the lender. Settling with the lender remains between you and the lender. You must help the insurer recover amounts it paid and, after settlement, assign the claim to it if asked.

Time frames

The length of a claim is set mainly by the company's insolvency process, not by the insurer. Payment can only be made once that process has concluded, the office holder has distributed the proceeds and the lender has issued its final settlement request. A formal process can take many months, and sometimes longer.

Stage	What to expect
Notifying	As soon as possible, in writing, during the policy period. No fixed number of days, so act promptly.
First review in your account	Your file shows Submitted, then Under Review or Assigned. If documents are needed it shows Documents Required.
Support and mitigation	Starts straight away and runs as long as it is useful. Your file may show Mitigation Review or Mitigation Active.
Insolvency process	Set by the process and the office holder. Often many months.
Insurer review	Your file may show Claim Review, Coverage Review or Carrier Review.
Settlement and payment	Once the lender's final request is in and the claim is agreed. No payment time frame is published. Your file shows Settlement, then Closed.

What is paid, and when

The insurer pays you only when all three of these are true:

- the company has entered an insolvency process under the Bankruptcy and Insolvency Act or the CCAA (bankruptcy, a proposal, receivership or CCAA proceedings);
- that process has concluded, and the office holder has sold the company's assets and distributed the proceeds (or reached an equivalent final step); and
- after negotiation with you or your representatives, the lender has issued a final request for settlement.

The amount paid is worked out in three steps. First, take the lender's final amount demanded, capped at your Sum Insured. That amount does not include default fees, interest or other charges. Second, subtract your 20% deductible (called Your Contribution in the policy). Third, subtract any documented amount you, or another company, owe the company at the end of the insolvency.

How the payment is worked out: a worked example

Your policy carries a **20% deductible**, called Your Contribution in the policy. You bear the first 20% of the final amount demanded yourself. The final amount demanded counts only up to your Sum Insured, and the 20% is taken off that figure. The insurer pays the rest, after any amount owed to the company is subtracted.

Step	CAD
Personal guarantee you signed, and your Sum Insured (both 200,000 in this example)	200,000
Lender's final request for settlement, after negotiation and after what it recovered from the company (excluding default fees, interest and charges)	180,000
Less your 20% deductible (20% of 180,000)	(36,000)
Less any documented amount you owe the company (none in this example)	0
Paid to you by the insurer	**144,000**

Figures are for illustration only. The deductible, and any default fees, interest or charges, are not part of the amount paid. Your Sum Insured and terms are set out in your Schedule and policy wording, which govern.

What to have ready

- Your signed personal guarantee
- The loan agreement and any amendments
- Payment history and default notices
- Every demand letter from the lender
- Insolvency filings and office holder reports
- Recent financial statements and cash flow
- Settlement and negotiation correspondence
- Restructuring and asset sale notices
- Board resolutions
- Anything else the claims handler asks for

You can upload these in your account under the claim file (PDF, Word, image or ZIP, up to 10MB each). The insurer may contact your lender to confirm the amounts called. The claims team will tell you if any other contact with your lender is needed.

What can reduce or stop a claim

- Not notifying in writing as soon as possible, or a claim first made or reported outside the policy period
- Not following material advice from the Support Desk, a panel professional or the demand negotiators, where that increased the amount demanded or harmed the insurer's position
- Appointing a panel member as the sole office holder without the required written approval, or not keeping the Support Desk informed
- Not cooperating, or not providing information and evidence when asked
- Anything you knew before the policy started that made insolvency, a demand or a notification likely
- Deliberate, dishonest, fraudulent or reckless acts, or money taken from the company that you were not entitled to
- A fraudulent claim, which ends the policy from that point and is not paid
- Other insurance covering the same loss, in which case only a proportionate share is paid

What happens to your policy after a notification or claim

- If you have made a claim or notified a circumstance, the full annual premium is due and no premium is refunded, including in the 14-day cooling-off period.
- The policy ends automatically if you become personally bankrupt or stop being a director. Claims and notifications made before that date continue. A multi-director endorsement keeps cover in place for the remaining directors.
- The policy allows the insurer to bring a claim to an end by paying the Sum Insured, or a lower amount for which the claim could be settled, less Your Contribution. Your policy wording sets out when this applies.

If you are unhappy

Tell your claims handler first. If it is not resolved, you can complain to the insurer's complaints team as set out in your policy wording, and then, depending on your province and eligibility, to your local external dispute resolution service.

Who does what

PGicover	Arranges your policy, runs your account and claim file, and keeps you informed. PGicover is a brand of PGI Canada Ltd.
Support Desk	Operated by Purbeck Underwriting (Canada) Limited, the administrator. General financial guidance and referrals to panel professionals.
Insurer	Markel International Insurance Company Limited, which decides and pays claims.
Office holder	The Licensed Insolvency Trustee, receiver or monitor running the company's insolvency process.

This guide is a plain-language summary for general information and is not legal, financial or insurance advice. Personal Guarantee Insurance is subject to eligibility, underwriting, policy terms, conditions, limits and exclusions; your policy wording and Schedule govern and prevail over this guide. The policy does not prevent default, insolvency or business failure. Available to directors of private companies in Canada, outside Quebec.