

PROFESSIONAL INDEMNITY // CIVIL LIABILITY //  
TECHNICAL SPECIFICATIONS // AUSTRALIA

## Technical Specifications: Civil Liability PI Insurance (01-21)

**Year by year, the professional landscape changes and the scope of risks confronting professionals broadens.**

**Liberty's Civil Liability Professional Indemnity Insurance policy provides broad protection and peace of mind so our clients can focus on their profession.**

### What is covered?

- ▶ **Civil Liability Insuring Clause** – indemnifies the insureds against civil liability arising out of their performance of professional services and is not conditional upon establishing negligence or breach of professional duty.
- ▶ **Advancement of Defence Costs** – defence costs will be paid prior to final resolution of a claim. However, these defence costs must be repaid to Liberty if it is later established that the defence costs are not insured under the policy.
- ▶ **Compensatory Civil Penalties** – this new extension provides cover, subject to a sub-limit of liability, for compensatory civil penalties awarded pursuant to a court order in Australian or New Zealand civil penalty proceedings, arising out of the performance of professional services.
- ▶ **Contractors & Consultants** – includes cover for contractors or consultants who are “deemed workers” under the applicable workers’ compensation laws and have a written contract with an insured entity to perform professional services, but only in relation to the performance of professional services for or on behalf of an insured entity.
- ▶ **Court Attendance Costs** - this new extension provides cover, subject to a sub-limit of liability, for the reasonable costs and expenses incurred by an insured person who is legally compelled to personally attend a civil proceeding as a witness in a covered claim.
- ▶ **Fidelity** - this new extension provides cover, subject to a sub-limit of liability, for loss of money belonging to an insured entity or for which such insured entity is legally responsible, resulting from fraud by an employee.
- ▶ **Hold Harmless Contractual Liability (Optional)** – this optional extension, if included, provides cover for the insured’s civil liability in respect of a claim under an indemnity and/or hold harmless term of a contract to the extent that such civil liability arises out of the insured’s performance of professional services.

- ▶ **Implied Warranties & Conditions** – provides cover for the insured's civil liability in respect of claims alleging breach of warranty or condition as to merchantable quality, due skill and care or fitness for purpose implied in a contract under common law or any Australian legislation, arising out of the performance of professional services.
- ▶ **Limitation of Liability Contracts** – affirms that the insured's right to indemnity under the policy will not be prejudiced by contracts entered into with other parties that exclude or limit their liability.
- ▶ **Period of Grace** - if the policy is not renewed or replaced with any policy providing similar cover, then the named insured is entitled to an extended reporting period of 30-days following the end of the policy period to notify a claim arising out of the performance of professional services prior to the end of the policy period.
- ▶ **Proportionate Liability** – now offered as an extension, it indemnifies the insured against civil liability assumed under a contract for professional services by reason of having contracted out of the operation of proportionate liability legislation.
- ▶ **Reduced Excess – Additional Insurance** – where this policy responds in excess of a scheduled additional insurance policy, this new extension reduces the applicable excess in respect of a claim, by the amounts paid by such additional insurance policy in respect of that claim.
- ▶ **Reduced Excess – Non Litigated Claims** - this new extension halves the applicable excess in respect of a claim, if that excess is less than \$50,000 and none of the parties to the claim have retained legal representation in respect of that claim.
- ▶ **Reputation Expenses** (previously **Public Relations Costs**) – provides cover, subject to a sub-limit of liability, for 50% of the reasonable costs and expenses incurred by the insured in seeking advice from a public relations consultant to protect the insured's professional reputation where their performance of professional services has or could reasonably lead to a claim.

#### Other Extensions Include:

- |   |                                      |
|---|--------------------------------------|
| ▶ Breach of Confidentiality & Interference with Privacy | ▶ Joint Ventures                     |
| ▶ Competition & Consumer Act                            | ▶ Loss of Documents                  |
| ▶ Continuous Cover                                      | ▶ New Subsidiaries                   |
| ▶ Defamation  | ▶ Professional Inquiries             |
| ▶ Extended Policy Period                                | ▶ Spouses, Estates & Representatives |
| ▶ Fraud & Dishonesty                                    | ▶ Vicarious Liability                |
| ▶ Intellectual Property Rights                          | ▶ Reinstatement (Optional)           |

#### Other Conditions & Definitions

- ▶ **Allocation** – expanded to cover defence costs directly attributable to a claim covered under the policy, even where a matter or party not insured under the policy benefits from Liberty's payment of such defence costs.
- ▶ **Change in Control** - if a change in control occurs during the policy period, the policy will continue to provide cover until the end of the policy period, for claims arising out of the performance of professional services prior to the effective date of the change in control.



- ▶ **Severability of Proposal & Non-Imputation** - both of these conditions offer protection for innocent insureds, in the event of another insured's non-disclosure, misrepresentation or conduct.
- ▶ **Insured** - the definition of insured includes the named insured and its subsidiaries, prior to or at the commencement of the policy period, in respect of the performance of professional services whilst a subsidiary of the named insured, and past, present and future directors, partners and employees of the named insured and its subsidiaries.
- ▶ **Notification of Claims and Co-operation** – in the event that the insured is legally prohibited from making a notification in accordance with the claims conditions, this condition allows for notification of a claim within 30 days of the insured being legally able to do so.
- ▶ **Contesting a Claim and Settling a Claim** – both of these conditions clarify what happens in the event of a dispute.

### What did we leave out?

Liberty's policy does not automatically exclude cover in relation to asbestos or pollution and the insuring clause has no restrictive negligence or breach of professional duty requirement. Sometimes what is missing is just as important as what is included.

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