



## Broker notice

### APUA Financial Planners Extended Professional Indemnity Insurance V8446 06/11

In response to the unique exposures faced by financial planners, APUA has developed two new wordings to replace its existing Financial Planners V6929 010610 wording.

An insured will now have the option of two wordings, the 'Financial Planners Standard wording' (initially launched in February 2011) and the new 'Financial Planners Extended wording,' and can select which policy is most suited to their needs and exposures. To assist you in comparing these two wordings, along with the current APUA Financial Planners wording, we have prepared the following guide to some of the main changes.

The comparison does not take account of any endorsements that may apply to the existing wording or that may be applied to the Financial Planners Standard or Financial Planners Extended wordings.

The comparison provides a summary of differences in cover between the wordings only and does not constitute advice. You should still refer to the policies to identify the full terms, conditions and limitations on cover. The cover offered to you may vary from that described. This comparison is current as at 22 August 2011 but is subject to change without notice if either of the policy wordings change.

#### Summary table

Item	Financial Planners Extended V6929 010610	Financial Planners Standard V8269 02/11	Financial Planners Extended V8446 09/11
<b>Insuring Clause</b>	Incorporates a retroactive date limitation	Includes a separate "retroactive date" exclusion	Includes a separate "retroactive date" exclusion
<b>Limit of Indemnity</b>		Clause includes reference to Claims arising from an External Dispute Resolution Scheme (EDR) which are sub limited to \$2,000,000 in the aggregate.	Clause includes reference to Claims arising from an External Dispute Resolution Scheme (EDR) which are sub limited to \$2,000,000 in the aggregate.
<b>Clarifications</b>			
Trade Practices Act	Included	Trade Practices Act clarification has been replaced with the 'Consumer Protection Legislation' clarification. The intention remains the same.	Trade Practices Act clarification has been replaced with the 'Consumer Protection Legislation' clarification. The intention remains the same.

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<b>Extensions</b>			
Authorised Representatives Indemnity	Included.	Not Included. However the Insured is still covered for the vicarious liability of an Authorised Representative subject to the policy terms and conditions. Cover for Authorised Representatives is available as an extension via endorsement upon request.	The definition of Insured includes any past and/or present Authorised Representatives of the Policyholder.
Compensation for Court Attendance	Not Included.	Included.	Included.
Credit Activity Run Off	Not Included.	Included.	Included.
Dishonesty of Employees, Authorised Representatives and Principals	Included.	Included but cover only extends to Principals and Employees. Authorised Representatives are not covered unless they are Employees or Principals. Clarifies intention that no indemnity is to be granted to any Insured who condones a dishonest act of another.	Included. Wording amended to clarify intention that no indemnity is to be granted to any Insured who condones a dishonest act of another.
External Dispute Resolution Schemes	Included.	The EDR Extension has been removed and the coverage is now afforded in the definition of 'Claim.' All EDR Claims are sub limited to \$2,000,000 in the aggregate (see Limit of Indemnity.)	The EDR Extension has also been removed and the coverage is now afforded in the definition of 'Claim.' All EDR Claims are sub limited to \$2,000,000 in the aggregate (see Limit of Indemnity.)
Fidelity	Included.	Not Included. Cover available as an extension via endorsement upon request.	Included as an Optional Extension.
Former Principals	Included.	Included in definition of 'Insured.'	Included in definition of 'Insured.'
Indemnity to Contractors	Not Included.	Included. Coverage is afforded to contractors subject to a number of conditions being met.	Included. Coverage is afforded to contractors subject to a number of conditions being met.
Merger or Acquisition Run Off	Not Included.	Included.	Included.
Spousal Liability	Not Included.	Included.	Included.
<b>Exclusions</b>			
Prior Claims or Known Circumstances	Included	Wording amended but intention and effect remains the same.	Exclusion amended in the same manner as the Standard wording.
Retroactive Date	Retroactive limitation incorporated into Insuring Clause.	Included.	Included.
Professional Fees	Not Included.	Included.	Included.
Breach of Authority of Insured	Not Included.	Included.	Not Included.

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Breach of Authority of Authorised Representatives	Not Included.	Included.	Not Included. Note, however, the Policy will only indemnify an Authorised Representative where acting within the scope of authority conferred on them by the Policyholder. This does not limit the indemnity afforded to the Policyholder.
Controlling or Financial Interests	Included.	Renamed 'Related Parties' and now excludes Claims made by Authorised Representatives of the Insured and relatives of Authorised Representatives.	Renamed 'Related Parties.'
Dishonest, Fraudulent or Criminal Acts	Included	Wording amended to clarify that any criminal act or omission or breach of statute by the Insured with reckless or wilful intent is excluded.	Exclusion amended in the same manner as the Standard wording.
Liquidated Damages	Not Included.	Included	Included.
Margin Lending	Not Included.	Included. The exclusion does not apply where there has been compliance with the Policyholder's internal guidelines	Not Included.
Mezzanine Finance	Included.	Renamed 'High Risk Investments' and reworded to better reflect intention.	Exclusion amended in the same manner as the Standard wording.
<b>Claims Conditions</b>		Slightly reworded but intention and effect remain the same	Conditions amended in the same manner as the Standard wording.
<b>General Conditions</b>			
Cancellation	Included	Wording amended. Clarifies that if the Insured cancels after claims have been notified to the policy then no return premium will be provided.	Condition amended in the same manner as the Standard wording.
Endorsements	Not Included.	Included. Clarifies that an endorsement does not affect or increase any limit or any other term, except to the extent specifically provided in the endorsement.	Included. Condition identical to that provided in Standard wording.
Governing Law	Included. The Policy will be governed in accordance with the laws of Australia.	Wording amended. The policy will be governed in accordance with the law of the State or Territory of Australia in which the Policy was issued.	Condition amended in the same manner as the Standard wording.
Material Change	Included.	Slightly reworded but intention and effect remain the same.	Amended in the same manner as the Standard wording.
Variation of the Policy	Not Included.	Included. No variation of the policy will be effective unless made by written endorsement.	Included. Condition identical to that provided in Standard wording.

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<b>Definitions</b>			
Claim	Means any demand made by a third party upon the Insured for compensation, however conveyed, including a writ, statement of claim, application or other legal or arbitral process.	Wording amended. Definition of Claim is the same but additionally includes any ASIC approved external dispute resolution process.	Definition amended in the manner as the Standard wording.
Inquiring Body	Means a court, tribunal or legally constituted industry or professional board. Inquiring Body does not mean an ASIC Approved External Dispute Resolution Scheme.	Includes larger number of official bodies. Clarifies that it applies only to Coronial Court inquiries rather than Law Courts which is covered by usual Insured Costs provisions.	Definition amended in the manner as the Standard wording.
Insured	Refers to the legal entity or entities specified in the Schedule	Refers to the Policyholder (where 'Policyholder' is defined as the firm or legal entity shown in the Schedule)	Refers to the Policyholder (where 'Policyholder' is defined as the firm or legal entity shown in the Schedule). Includes any past / present Authorised Representative of the Policyholder but only in their capacity as such and only when acting within the scope of their authority.