

# Broker Notice

## Vero Profin Civil Liability Professional Indemnity Insurance V5675 10/10

Vero Profin has updated its standard Civil Liability Professional Indemnity Insurance Policy.

To assist you in comparing our new PI policy wording with our existing PI policy wording, we have prepared the following guide to some of the main changes.

Note that the comparison does not take account of any endorsements that may currently apply to the existing PI policy or may be applied to the new PI policy.

The comparison provides a summary of differences in cover between the two 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 policies can be accessed on our website [vero.com.au](http://vero.com.au). The cover offered to you may vary from that described. This comparison is current as at 8 September 2010, but is subject to change without notice if the standard policy wording changes.

### Summary Table

Item	PI – V5675 10/05	V5675 10/10
<b>Insuring Clause</b>	Incorporates a retroactive date limitation.	There is now a “retroactive date” exclusion.
<b>Limit of Indemnity</b>	An aggregate Limit of Indemnity with an Automatic Reinstatement.	The limit of indemnity applies to any one claim and the maximum aggregate limit of indemnity applies to all claims.  The maximum aggregate limit of indemnity is two times the limit of indemnity unless otherwise specified in the schedule.
<b>Insured Costs</b>	The policy is “Costs in Addition” to the limit of indemnity. This means that legal costs were paid in addition to limit of indemnity.	The schedule will specify whether the limit is “Costs in Addition” to, or “Costs Inclusive” of, the limit of indemnity.
<b>Excess</b>	The Excess is “Costs Inclusive” to the limit of indemnity.	The schedule will specify whether the excess is “Costs Exclusive” to, or “Costs Inclusive” of, the limit of indemnity.
<b>Clarifications</b>		
Trade Practices Act		Clarifies that the TPA cover does not apply to criminal behaviour.

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Contractors and Consultants		Renamed “Liability for Acts, Errors or Omissions of Contractors and Consultants”. Refers to “contractors” instead of “sub-contractors”.
<b>Extensions</b>	The extensions were automatic unless otherwise stated.	All extensions need to be noted as “included” in the Schedule before they will apply.
Automatic Reinstatement	Included	The Limit of Indemnity and Maximum Aggregate Limit of Indemnity clause now provides that the Maximum Aggregate Limit of indemnity shall be twice the Limit of Indemnity, which is to the same effect as the previous Automatic Reinstatement Extension.
Compensation for Court Attendance	Not included	Included
Extended Reporting Period	Not included	Included
Former Subsidiary	Not included	Included
Indemnity to Contractors	Not included	Included
Inquiry Costs	Was subject to Insurer’s discretion and limited to \$100,000.	No longer at Insurer’s discretion and provision to provide higher limits.
Inquiring Body definition	means a court, tribunal or legally constituted industry or professional board.	Includes larger number of official bodies. Clarifies that it applies only to Coronial Court inquiries rather than Law Courts which is covered by usual Defence Costs provisions.
Legal Consultation	Not included	Included
Lost Documents		The definition of “Documents” extended to also include computer records and electronic data.
Newly Created or Acquired Subsidiary	Not included	Included
Public Relations Expenses	Not included	Included
Run off Cover	Not included	Included
Spousal Liability	Not included	Included
Thirty Day Reporting Period	Not included	Included

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<b>Optional Extension</b>		
Principal's Previous Business	Not included	Included (applies where extension is noted on the Schedule).
<b>Exclusions</b>		
Prior Claims or Known Circumstances		Wording amended but intention and effect remains the same.
Retroactive Date	Retroactive limitation incorporated in the Insuring Clause.	A Retroactive Date Exclusion now applies.
Professional Fees	Not included	Included
Controlling or Financial Interests		Renamed "Related Parties"
Dishonest, Fraudulent or Criminal Acts		Now also excludes any criminal act or omission or breach of any statute committed by the Insured with reckless or wilful intent.
<b>Claims Conditions</b>		Slightly reworded but intention and effect remain the same.
<b>General Conditions</b>		
Assignment	Not included	Included (the policy cannot be assigned).
Authorisation	Not included	Included (Principal Policyholder is agent of each Insured).
Cancellation		Clarifies that if the Insured cancels after claims have been notified to the Policy no return premium will be provided.
Endorsements	Not 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.
Governing Law	This Policy will be governed in accordance with the laws of Australia.	The policy will be governed in accordance with law of the State or Territory of Australia in which the policy was issued.
Interpretation	Not included	Included
Material Change	Not included	Included (insured must notify of any material change in risk).
Severability and Non Imputation		Does not apply to a failure to comply with an obligation to pay premium.
Territorial and Jurisdictional Limits of Cover	Excludes the USA and Canada.	Excludes the USA.

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Variation of the Policy	Not included	No variation of the policy will be effective, except when made by written endorsement.
<b>Definitions</b>		
Control	n/a	Included
Employee	Not defined	Defined and includes apprentices, trainees, volunteers and casual, part-time, seasonal, temporary and work experience personnel.
Endorsement	Not defined	Included
Full Annual Premium	n/a	Included
Insolvency	n/a	Included
Insured	Refers to the legal entity or entities specified in Schedule.	Refers to the Policyholder (where “Policyholder” is defined as the firm or legal entity shown in the Schedule) .
L.S.T. or Local Standard Time	n/a	Included
Principal Policyholder	n/a	means the Policyholder or if the Policyholder is more than one person or entity, the first person or entity listed as the Policyholder in the Schedule.
Professional Services	means the professional business described in the Schedule, and no other, of the legal entity or entities specified in the Schedule.	means the professional services described in the Schedule, and no other, of the Policyholder.
Proposal	n/a	Included
Relative	n/a	Included
Spouse	n/a	Included
Subsidiary	n/a	Included
<b>Notices</b>	Not included	Included