

PROFESSIONAL RISK UNDERWRITING
(a division of INSURANCE HOUSE PTY LTD)
ACN 006 500 072

PROFESSIONAL INDEMNITY INSURANCE
(Miscellaneous Risks)

1.0 INSURING CLAUSES

- 1.1 We will cover You for any Claim first made against You and reported to Us during the Insurance Period, for any negligent act, negligent error or negligent omission in the conduct of the Business by You.
- 1.2 We will also cover You for the costs and expenses incurred in the defence, settlement or investigation of that Claim.

2.0 AUTOMATIC EXTENSIONS

These extensions are included automatically and each is subject to the terms of the policy except where varied by the extension. Except for Automatic Extension 2.8, their inclusion does not increase the Limit of Indemnity.

LIBEL AND SLANDER

- 2.1 "negligent act, negligent error or negligent omission" includes making a libelous or slanderous statement.

TRADE PRACTICES ACT

- 2.2 "negligent act, negligent error or negligent omission" includes a breach of any provision of any Australian trade practices or fair trading legislation.

INTELLECTUAL PROPERTY

- 2.3 "negligent act, negligent error or negligent omission" includes infringement of copyright, trademark, registered designs, patents, plagiarism or breaches of confidentiality.

JOINT VENTURE

- 2.4 "business" includes any joint venture to which You are a party, but cover will be limited to Your proportion of liability as defined by the joint venture agreement but for Claims arising out of Your conduct only.

DISHONESTY

- 2.5 "negligent act, negligent error or negligent omission" includes dishonest, fraudulent, criminal or malicious acts or omissions, but not if such acts or omissions cause loss of money, negotiable instruments, bearer bonds or coupons, bank or currency notes.

OUTGOING PRINCIPALS/OTHERS

- 2.6 "You" includes people who are no longer principals, partners, directors or employees of the Business.

LOSS OF DOCUMENTS

- 2.7 "negligent act, negligent error or negligent omission" includes the fact that Documents owned by others have been lost, damaged or destroyed and You are required to pay for the cost of replacing or restoring those Documents. We will also pay for the cost of replacing or restoring Documents owned by You that have been lost, damaged or destroyed during the Insurance Period, but only if You report that event to Us during the Insurance Period.

The Excess will not apply to Claims under this extension.

ONE AUTOMATIC REINSTATEMENT

- 2.8 While the Limit of Indemnity for any one Claim remains unchanged, we agree to reinstate the Sum Insured if it is either partially or totally exhausted by the payment of a Claim so that You will be covered for the Sum Insured for subsequent Claims, but the aggregate of all such reinstatements shall not exceed an amount equal to the Limit of Indemnity.

ESTATES, SPOUSES AND LEGAL REPRESENTATIVES

- 2.9 Should You die or become incapable of managing Your affairs, "You" includes Your estate, spouse, heirs, legal personal representatives or assigns. We will only do this if such persons observe, are subject to, the terms of this policy.

INQUIRIES

- 2.10 We will pay on Your behalf, all legal costs reasonably incurred in connection with Your attendance at any Inquiry at which you are required by law to appear. We will only do this if:
- the Inquiry is ordered or commissioned during the Insurance Period, and
 - Our consent is obtained before such costs are incurred, and
 - You notify us during the Insurance Period that You are required to attend the Inquiry, and
 - The Inquiry is being held in Australia
 - Your attendance is required because of Your involvement in the Business, and
 - At Our option, We can nominate legal advisers to be used.

3.0 EXCLUSIONS

- 3.1 We will not cover You for any Claim:

EXISTING CLAIMS/CIRCUMSTANCES

- 3.1.1 FIRST MADE AGAINST You prior to the Insurance Period; or arising from any matter disclosed or notified to Us or any other insurer prior to the Insurance Period as being either a Claim, or circumstances which could result in a Claim; or arising from any litigation or Inquiry that was in progress or pending prior to the Insurance Period; or
- 3.1.2 Arising from circumstances of which You were aware prior to the Insurance Period and which You knew, or ought reasonably to have known, to be circumstances which could result in a Claim; or

YEAR 2000 /OTHER DATES

- 3.1.3 which arises from or is in any way connected with, the fact that the performance or functionality of any Computer Equipment has been or may be affected because that Computer Equipment does not meet Y2K standard.

DOCUMENTS

- 3.1.4 which arises from the loss or destruction of, or damage to, any Document, unless covered by Automatic Extension 2.7; or

DISHONESTY

- 3.1.5 which arises from any dishonest, fraudulent, criminal or malicious act or omission, unless covered by Automatic Extension 2.5.

CONTRACTUAL OBLIGATIONS

3.1.6 which arises from any obligation assumed by You by way of warranty, guarantee, contract or indemnity unless such obligation would have existed independently of such assumptions; or
JURISDICTION

3.1.7 brought in a court outside of Australia for any claim in an Australian court to enforce a judgement or order of any court outside of Australia; or

NUCLEAR

3.1.8 which arises from nuclear weapons materials, or radiation or contamination from any nuclear fuel or waste; or

WAR

3.1.9 which arises from war, invasion, acts of foreign enemies, hostilities (whether war has been declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; or

PREVIOUS BUSINESS

3.1.10 which arises from any business of which You were a principal, partner or director before joining the Business; or

PRIOR ACTS

3.1.11 which arises from an act, error or omission occurring prior to the Retroactive Date.

FINES/PENALTIES

3.2 We will not cover You for Your liability to pay fines, penalties or exemplary damages.

DISHONESTY

3.3 We will not cover any person who commits or condones any dishonest, fraudulent, criminal or malicious act.

EMPLOYERS' LIABILITY

3.4 We will not cover You for your liability to pay compensation for the death, bodily injury, illness or disease of or to any person in the course of his or her employment by the Insured under any contract of service or apprenticeship or for any breach of any obligation owed by the Insured as an employer to any employee.

PROPERTY

3.5 We will not cover You for any liability attaching to the ownership, possession or use by or on behalf of the Insured of any land, buildings, aircraft, watercraft, vessel or mechanically propelled vehicle.

INSOLVENCY OR BANKRUPTCY OF INSURED

3.6 We will not cover You for any liability in relation to the administration, receivership, insolvency or bankruptcy of the Insured.

4.0 CONDITIONS

REPORTING CLAIMS

- 4.1 As soon as you can, and within the Insurance Period, You must give Us written notice of any Claim, and give Us such information and assistance as We consider necessary to determine an appropriate course of action and identify any parties that You may have rights against in connection with the Claim.

MANAGEMENT OF CLAIMS

- 4.2 You must not admit liability for or settle any Claim, or incur any costs or expenses in connection with any Claim, without Our written consent.

We may assume conduct of the defence and settlement of any Claim and may appoint legal advisers for that purpose, but we will not force You to contest any Claim unless Counsel (agreed to by You and Us) advises that the Claim s should be contested having regard to the economics and prospects of the defence of the Claim.

Legal advisers retained by Us to act on Your behalf are free to disclosure to Us any information obtained while acting for You and You agree to waive any legal professional or client privilege to the extent that such privilege may have prevented such disclose to Us.

We may allow you to conduct the defence of the Claim if We believe the Claim will not exceed the Excess. If We do this, You will be required to provide us with regular progress reports and We reserve the right take over conduct of the defence of the Claim at any time.

We may settle the Claim, if We so choose, but if You refuse to agree to a settlement recommended by Us and decide to contest the Claim, then any payment We make in connect with that claim will be limited to the recommended settlement amount plus Your legal costs up to the time of Your refusal to settle.

LIMITED LIABILITY

- 4.3 Our liability under this policy will not exceed in the aggregate, in respect of any one Claim, and for all Claims, the Sum Insured, except that We will pay, in addition, the costs and expenses incurred in the defence, settlement or investigation of any Claim.

If a payment greater than the Sum Insured is required to dispose of a Claim, Our liability under Insuring Clause 1.2 will be limited to the proportion that the Sum Insured bears to the payment required to dispose of the Claim.

MULTIPLE CLAIMS

- 4.4 All Claims which arise from acts, errors or omissions which are the same or related to each other, will be regarded as one Claim. We will apply this condition when determining the Sum Insured available, and the Excess applicable, to claims under this policy

EXCESS

- 4.5 You must bear the amount of the Excess in respect of each Claim under this policy. Where the Excess is described in the Schedule as "costs Inclusive", all external expenses incurred by Us in connection with the Claim will be borne by You, but only up to the limit of the Excess.

CANCELLATION

- 4.6 We may cancel this policy at any time at the discretion of the insurer or its representatives in accordance with Section 59 of the Insurance Contracts Act. In the event of cancellation, We may refund Your premium in proportion to the unexpired Insurance Period.

SUBROGATION

- 4.7 Where We have paid a Claim under this policy. We become entitled to any rights You may have against any party in relation to that Claim. You must assist Us (including giving evidence at any civil trial) and provide such information (including signed statements) as We reasonably require to exercise such rights.

HEADINGS

- 4.8 Paragraph titles used in this policy are included for descriptive purposes only and do not form part of this policy for the purpose of its construction or interpretation.

GOVERNING LAW

- 4.9 This policy will be construed in accordance with the laws of Australia and the state or territory where the policy was issued. All disputes relating to interpretation of this policy will be determined by the courts (or a federal court) based in that state or territory.

CONSIDERATION

- 4.10 The cover provided by Us under this policy is in consideration of the payment of the agreed premium.

VALIDITY

- 4.11 To be valid, this policy must have a Schedule attached to it which has been signed by an authorized officer of Ours.

5.0 DEFINITIONS

- 5.1 **Business** means: the business described in the Schedule as the Business.
- 5.2 **Claim** means:
- any writ, statement of claim, summons, application or other originating legal or arbitral process, cross-claim, counter claim or third or similar party notice served upon You, or
 - the receipt by You of any written or verbal notice of demand for compensation against You.
- 5.3 **Computer Equipment** includes but is not limited to any or any combination or part of data, computer hardware, operating system, application, software, and computer chip including microprocessor chip embedded control logic, and irrespective of by whom it is owned or operated.
- 5.4 **Documents** means: deeds, wills, agreements, maps, plans, books, letters, certificates, forms and documents of any nature, whether written, printed or reproduced by any method and includes computer records and electronically stored data. Documents does not mean: money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes.
- 5.5 **Excess** means: the amount shown in the Schedule as the Excess.
- 5.6 **Inquiry** means: any official investigation, examination, inquiry or other proceedings ordered or commissioned by any official body or institution empowered by law to investigate the affairs of the Business.
- 5.7 **Insurance Period** means: the period shown in the Schedule as the Insurance Period, unless terminated earlier.

- 5.8 **Our(s)** means: pertaining to Insurance House Pty Limited on behalf of those insurers named in the Schedule under the heading "SECURITY".
- 5.9 **Retroactive Date** means: the date shown in the Schedule as the Retroactive Date. If no date is shown, and the word "Unlimited" is shown, then Exclusion 3.1.11 will not apply.
- 5.10 **Sum Insured** means: the amount shown in the Schedule as the Sum Insured.
- 5.11 **Us and We** means: Insurance House Pty Limited on behalf of those insurers named in the Schedule.
- 5.12 **Australia** means: any state or territory of the country.
- 5.13 **Y2K Standard** means: the standard which requires that neither performance nor functionality is affected by dates prior to, during or after the Year 2000 and, in particular but without limitation, that:
- no value for current date will cause any interruption in operation
 - date based functionality must behave consistently for dates prior to, during and after Year 2000.
 - In all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules.
 - Year 2000 must be recognized as a leap year in terms of handling both 29th February and day 366.
 - 9th September must be recognized as that date.
- The above definition of Y2K Standard is based on a definition contained in a document published by Standards Australia and Standards New Zealand under reference no. SAA/SNZ MP77:1998 and shall be interpreted in accordance with that document.
- 5.14 **You** means:
- the person(s), partnership(s), company(ies) or corporation(s) named in the Schedule; and
 - any person who is during the Insurance Period a principal, partner, director or employee of the above but only when acting on behalf of the Business.
- 5.15 **Your(s)** means: pertaining to You.