

Australian Professional Indemnity Insurance policies for accountants

A comparison guide – June 2016



CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

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1. Background

Professional Indemnity ("PI") insurance is a critical risk management product for professionals. You provide advice and services to your clients, and may be liable where that advice or service is deficient. Your exposure to claims made includes losses suffered as well as legal costs in defending such claims.

Professional Standards Legislation is in place in all mainland Australian jurisdictions, which limits the amount of a PI claim which can be made against our members, to the extent that they hold a Certificate of Public Practice, Practice Entity Membership or Affiliate Membership, and hold complying PI insurance. These compliance requirements are set out in Regulation CR2A and on our [website](#).

It is important to the public's perception of our profession that there should be recourse for poor advice or services. For that reason, you need to ensure that you can satisfy such claims if they arise. Equally, it is important to be able to defend yourself against claims which may be unsubstantiated. PI insurance exists to cover the business risk relating to the costs of claims and related defence costs.

A variety of insurances are required for practitioners to manage their various business risks. This document deals solely with PI insurance and PI policies available to accountants in the Australian insurance market.

We publish this Guide for the benefit of members in public practice in Australia annually. Whereas many concepts apply equally well to New Zealand, the Australian legal and regulatory environment is different and only Australian insurers have been approached with respect to the PI insurance Australian market.

This is a Guide to the cover offered under standard policies and is prepared for the convenience of Australian members, not as a recommendation. Since any policy reviewed could be updated or replaced by an insurer at any time, you should always contact your PI insurance broker to discuss details of your existing policy and before changing your cover.

Members are free to select other insurers where they comply with Regulation CR2A.

2. Insurer and Policy details included in this year's Guide

2.1 Insurers

The insurers below have provided information with respect to their PI policies for this year's Guide.

Insurer (trading as)	Information current at	APRA regulated
Abacus Australia Ltd (Lloyd's)	Mar-16	Yes, Lloyd's
AIG Australia Limited (per Arthur J. Gallagher)	May-16	Yes
Allianz	May-15	Yes
Arch Underwriting(Lloyd's)	Apr-16	Yes, Lloyd's
CGU	Mar-16	Yes
Chubb	Mar-16	Yes
DUAL (Lloyds)	Apr-16	Yes, Lloyd's
Liberty International Underwriters	May-16	Yes
London Australia Underwriting (100% Lloyd's)	Apr-16	Yes, Lloyd's
Marsh (Dual) Low Fee Income Earners	May-16	Yes, Lloyd's
Marsh (Vero)	Apr-16	Yes, Vero
Pen Underwriting Pty Ltd	Apr-16	Yes
SURA Professional Risks (Lloyd's)	Apr-16	Yes, Lloyd's
Tasman Underwriting (Lloyd's)	Apr-16	Yes, Lloyd's
Vero Insurance	Apr-16	Yes
Zurich	Apr-16	Yes

2.2 Services covered by the various insurers

Services generally covered in the normal course of accountant's business. Insurers will consider the provision of services on a case by case basis.

	Accounting services	Audit (incl SMSF)	Limited Financial Services *	Consulting	Financial Planning	Corporate Financial Services	Insolvency	Taxation Services	Services provided under an Australian Credit Licence	Other services
Abacus Australia Ltd (Lloyd's)	✓	✓(1)	✓(1)	✓(1)	✓(1)	✓(1)	✓	✓	✓(1)	✓(1)
AIG Australia Limited (per Arthur J. Gallagher)	✓	✓	✓	✓	✗	✗	✓	✓	✗	✓
Allianz	✓	⊛	✓	✓	✗	⊛	✓	✓	✓	⊛
Arch Underwriting (Lloyd's)	✓	✓	✓(1)	✓	✗	⊛	✗	✓	✗	⊛
CGU	✓	✓	✓(1)	✓	✓(1)	✓(1)	✓	✓	❖	⊛
Chubb	✓	✓	✓	✗	✗	✗	✓	✓	✗	✓
DUAL (Lloyds)	✓	✓	✓	✓	✗	⊛	✓	✓	✓	⊛
Liberty International Underwriters	✓	✓	✓(1)	✓	✓(1)	✓(1)	✓	✓	✓(1)	⊛
London Australia Underwriting (100% Lloyd's)	✓	✓	✓	✓	✗	✗	í	✓	✗	⊛
Marsh (Dual) Low Fee Income Earners	✓	✓	✗	✓(4)	✗	✗	✗	✓	✗	⊛
Marsh (Vero)	✓	✓	✓	✓	✗	✗	✓	✓	✗	⊛
Pen Underwriting Pty Ltd	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
SURA Professional Risks (Lloyd's)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tasman Underwriting (Lloyd's)	✓	✓	✓(2)	✓	✓(2)	✓	✓	✓	✓(2)	✓(3)
Vero Insurance – accountants and standard wordings	✓	✓	✓(1)	✓	✗	✓	✓	✓	✓	✓
Zurich	✓	✓	✓(5)	✓	✗	✗	✓	✓	✗	✗

* As defined in Regulation 7.6.04 of the Corporations Regulations

✓(1) Available via endorsement

✓(2) Covered as long as ancillary to accountancy services

✓(3) Covered if declared by Chartered Accountants Australia and New Zealand to be appropriate to be undertaken as part of an Accountant's practice

✓(4) Yes, Business and management

✓(5) Cover is limited to advice and services relating to the establishment and administration of superannuation funds

⊛ Considered on an insured by insured basis and potentially subject to additional underwriting criteria

í incidental

2.3 General policy information

The following are key information pertaining to the PI policies offered by each Insurer, their Insuring clause and covered defence costs.

Insurer	Wording/version	Insuring clause	Covered defence costs
Abacus Australia Ltd (Lloyd's)	Accountants PI Policy (03/15)	Legal liability the result of a breach of professional duty	Costs in addition
ALG Australia Limited (per Arthur J. Gallagher)	Aust Accountant PII Facility	Civil Liability	Costs in addition
Allianz	POL395BA 04/09	Civil Liability	Costs in addition
Arch Underwriting (Lloyd's)	Accountants PLUS (April 2015)	Civil Liability	Costs in addition
CGU	CGU PI 12/12	Civil Liability	Costs in addition
Chubb	CICA 0-111 (Ed05/11)	Legal obligation to pay while performing Professional Services	Costs in addition or Costs inclusive
DUAL (Lloyds)	Dual Australia Accountants Professional Indemnity Wording (08/14)	Civil Liability	Costs in addition
Liberty International Underwriters	LIU AUS OQS PI Accountants DCA Policy Wording (03-11)	Civil Liability	Costs in addition or Costs inclusive
London Australia Underwriting (100% Lloyd's)	LAU_PIACC_20160101(Unlimited Reinstatements)	Civil Liability	Costs in addition
Marsh (Dual) Low Fee Income Earners	Marsh Low Fee Income Earners PI Accountants Wording 1014	Civil Liability	Costs in addition
Marsh (Vero)	Vero/Marsh Accountants Wording 2015	Civil Liability	Costs in addition
Pen Underwriting Pty Ltd	Accountants Professional Indemnity Insurance Policy V12.15	Civil Liability	Costs in addition
SURA Professional Risks (Lloyd's)	SURA Accountants (v.4.010-2016)	Civil Liability	Costs in addition
Tasman Underwriting (Lloyd's)	2011 Accountants PI Wording March 2014	Civil Liability	Costs in addition
Vero Insurance – accountants wording	Accountants Professional Indemnity Insurance Policy V7497 01/05/09 A	Civil Liability	Costs in addition
Vero Insurance – standard wording	Vero Civil Liability Professional Indemnity Insurance Policy V9902 10/15	Civil liability	Costs in addition or costs inclusive
Zurich	Zurich Professional Indemnity insurance Policy PCUS-01101-2016	Civil Liability	Costs in addition or costs inclusive

2.4 Examples of "covered organisations"

Underwriter	Previous Business	Sub- Underwriter Contractors	Former Principals
Abacus	Yes. An automatic extension	Yes. Insured's liability only	Yes. An automatic extension
AIG Australia Limited (per Arthur J. Gallagher)	Standard Extension: Past Partner Liability – subject to previous business not having more than four partners or principals, or ten qualified accounting staff	Yes. Any temporary contract labour, self-employed persons, labour-only subcontractors, solely under contract with, and under the direct supervision of the Policyholder	Yes, automatically included within Definition of Insured
Allianz	Yes. An automatic extension	Yes, Insured's liability only (vicarious liability)	Yes
CGU	Prior entities are covered; Incoming principals are covered automatically for 30 days. This period can be extended upon receipt & acceptance of additional information	Vicarious liability provided automatically. Direct supervision and control test for contract employees.	Covered as an Insured person.
DUAL (Lloyds)	Yes. An automatic extension. Cover under this Extension will only apply if: a) there were no more than 10 partners or directors in the previous business in which the officer practised; and b) the officer of the policyholder does not have the benefit of cover under any other insurance or indemnity.	Yes, Automatic Extension any claim for civil liability arising from the conduct of any consultant, sub-contractor or agents of the policyholder in the conduct of the policyholder's professional business and for whose acts, errors or omissions the policyholder is liable. Cover under this Extension is not available to consultants, sub-contractors or agents in respect of their own liability.	Yes, automatically included within the definition of Insured Person and Insured.
Liberty International Underwriters	Only if named as an Insured	Deemed employees included as Insureds. Insured indemnified for Professional Services performed by an Agent.	Included
London Australia Underwriting	Optional extension provided on request	Yes, covered automatically	Yes, within definition of 'Insured'
Pen Underwriting Pty Ltd	Yes, Insured definition includes predecessors in business	Yes, Insured's liability only. Coverage for sub-contractors available by Endorsement.	Yes, automatically included within definition of Insured
SURA Professional Risks (Lloyd's)	Yes. Automatic extension.	Yes. Insured's liability only	Covered as an insured person
Tasman Underwriting	Yes, usually available as an extension on receipt of prior practice information	Yes, vicarious liability automatically covered. Consultants and associates automatically included as Insured Persons.	Yes, automatically covered
Vero Insurance – accountants wording	Yes. An automatic Extension. Excludes firms with more than 100 partners/qualified accounting staff. Excludes firms with more than \$5m audit revenue.	Yes, Insured's liability only.	Yes. An automatic extension.
Vero Insurance – standard wording	Yes, optional extension.	Yes, automatic extension.	Yes, within definition of Insured.
Zurich	Yes. Covered under the definition of Insured.	Yes. Covered under extension 3.4 (Consultants, Sub-contractors and Agents) – Insured's liability only.	Yes. Covered under the definition of Insured.

2.5 Policy Extensions

Insurer	Policy extensions	Optional extensions
Abacus Australia Ltd (Lloyd's)	Automatic Unlimited Reinstatement of Sum Insured Continuous Cover Cost of Official Inquiries Extended Reporting Period Fidelity Findings and Awards by Dispute Resolution Bodies Intellectual property Loss of Documents Misleading or Deceptive Conduct under Australian Consumer Law Outgoing Principals Partners Principals Previous Business Run off cover Severability and Non-imputation	Auditing Standards Finance Broking Financial Planning Joint Ventures Limited Financial Services Mortgage Broking
ALG Australia Limited (per Arthur J. Gallagher)	Civil Liability Misleading or Deceptive Conduct Intellectual Property Defamation Business Guard Advisory panel Court Attendance Extended Reporting Period External Dispute Resolution Bodies Compensatory Civil Penalties (\$1,000,000) Fraud/Dishonesty Joint Ventures Past Partner Liability (no more than 4 partners or 10 staff) Previous Business Name Property Cover for Lost Documents (\$250,000) Public Relations Expense (\$50,000) Quasi-Judicial Costs (\$250,000) Vicarious Liability Fidelity (\$500,000)	Employment Practice Liability (\$300,000)
Allianz	Fraud & Dishonesty (exc. Currency) Previous Business Former Principals etc Loss of Documents Consultants, Sub-Contractors & Agents Newly Acquired or Created Subsidiary Former Subsidiary External Appointments Estates & Legal Representatives Practitioners' Run-Off Cover (conditional) Competition and Consumer Act 2010 (Cth) Defamation Breach of copyright Joint Ventures (own liability) Continuous Cover	Subsidiaries – Pre-Acquisition Liability Fidelity Cover Sub-limit (PI) Reinstatement of Limit of Indemnity – one/two reinstatements (Unlimited Reinstatements available when requested)
Arch Underwriting (Lloyd's)	Acquisitions & Mergers Dishonesty of Partners or Employees Affiliated Firms Fidelity Loss of Documents Intellectual Property Rights (if unintentional breach) Forgery Representation at Inquiries and Judicial Review Aggregation and Reinstatement for audit work Auditing Standards Continuity Spouse Liability Joint Venture Liability Contractors and Sub Contractors Public Relations Expenses Emergency Defence Costs Software Forensic Accounting	Public Liability Site Visit Risk

Policy Extensions (continued)

Insurer	Policy extensions	Optional extensions
CGU	Defamation Loss of documents Loss of Documents (Property Damage) not otherwise covered by the Policy (\$250,000 sub-limit) Fraud & dishonesty of insureds (vicarious liability cover) Intellectual property breaches Competition and Consumer Act 2010 (Cth) Australian Securities and Investments Commission Act 2001 (Cth)misleading and deceptive conduct breaches Fair Trading Legislation Warranty of Authority breaches Costs of official enquiries (\$250,000 sub-limit) Continuous cover clause Court Attendance Costs (sub-limited) Advancement of claims investigation costs Compensatory Civil Penalties (\$250,000 sub-limit) Public Relations cover (\$50,000 sub-limit) Extended Notification Period (30 days) Cover to employees Cover for claims arising from Principal's prior practice (30 days interim cover). Can be extended upon application Cover for vicarious liability for acts of agents & consultants Merger & acquisition cover (30 days interim cover). Can be extended upon application Former subsidiaries run-off cover Cover to spouse, estates & legal representatives Joint ventures Reinstatement of the policy limit Reinstatement applies to sub-limited cover (does not apply to optional extensions) Claims Investigation Costs (i.e. defence costs) in addition to the policy limit	Employment Practices Liability Fidelity Cover
Chubb	Attendance at enquiry Consultants, contractors, subcontractors and agents Continuous cover Defamation Employment practice Breach Estates and legal representatives Fraud and dishonesty Intellectual property infringement Joint venture liability Loss of Documents Newly created or acquired subsidiaries Run off cover for the firm Competition and Consumer Act Unlimited reinstatement of limit of liability Referral service liability coverage for financial planning Vicarious liability Principal's previous business Court time attendance costs Superannuation Industry (Supervision) Act 1993 civil Penalties and penalty costs Liability for breach of auditing standards Australian Securities and Investment Commission ("ASIC") Approved External Dispute Resolution Public Relations Expense limit Fidelity	N/A, all automatic

Policy Extensions (continued)

Insurer	Policy extensions	Optional extensions
DUAL (Lloyds)	Attendance at Investigations Consumer Protection Legislation Consultants, Subcontractors and Agents Continuous Cover Court Attendance Costs Crime Defamation Discovery Period Emergency Defence Costs Former Subsidiary Fraud and Dishonesty for innocent parties Heirs, Estate and Legal Representatives Intellectual Property Joint Venture Liability Lost Data Newly Created or Acquired Entity or Subsidiary Panel Counsel Previous Business Public Relations Reinstatement of Indemnity Limit Statutory Liability	Employment Practices Liability USA and Canada Cover Whistle blower Hotline Access
Liberty International Underwriters	Breach of Accounting & Auditing Standards Breach of Confidentiality Competition & Consumer Act Continuous Cover Deemed Employees Defamation Extended Policy Period External Appointments Fraud & Dishonesty Implied Warranties & Conditions Intellectual Property Rights Interference with Privacy Joint Ventures Limitation of Liability Contracts Loss of Documents New Subsidiaries Period of Grace Professional Inquiries Public Relations Costs Spouses, Estates & Representatives Vicarious Liability	Contractual Liability Fidelity Reinstatement
London Australia Underwriting (100% Lloyd's)	Australian Auditing Standards Continuity of Cover – renewal basis Costs of Coronial Inquests/ Disciplinary Hearings/Occupational Health and Safety proceedings Dishonesty and Fraud (Third Party Liability) Fidelity Loss of Documents Newly Created or Acquired Subsidiaries Prior Corporate Entity Run-Off Cover Severability and Non-imputation Trade practices Waiver of Subrogation Against Named Consultants Joint Venture Liability	

Policy Extensions (continued)

Insurer	Policy extensions	Optional extensions
Marsh (Dual) Low Fee Income Earners	Fraud and Dishonesty Former Principals Consultants, Subcontractors and Agents Loss of Documents \$500,000 Run-Off Cover Insured Entity or Subsidiary (Former Subsidiary) Joint Venture Liability Defamation Fidelity \$250,000 Intellectual Property Reinstatement of INDEMNITY LIMIT – 2 Reinstatements Attendance at Inquiries \$250,000 Court Attendance Costs Public Relations Expenses Heirs, Estates, Legal Representatives and Spouses Continuous Cover Defence Costs in Addition Emergency Defence Costs Statutory Liability Previous Business Extended Reporting Period Claim Mitigation and Fee Recovery Referral Service	
Marsh (Vero)	Advancement of costs Compensation for court attendance Continuous cover Data protection and privacy liability costs Dishonesty Emergency insured costs Excess reduction External Appointments Fidelity Indemnity to contractors Inquiry costs Joint venture liability Legal consultation Lost documents Mergers or Acquisitions run off cover Mitigation of loss Public relations expenses Spousal liability 60 day reporting period Twelve month automatic run-off	Employment Practices Liability Principals previous business
Pen Underwriting Pty Ltd	Non Imputation Fraud and Dishonesty Previous Business Outgoing Principals Loss of documents \$500,000 Consultants, Sub Contractors and Agents Estate and Legal representatives Costs of Official Inquiries \$250,000 Fidelity up to \$500,000 Joint Venture Liability Continuous Cover Run-Off Cover Compensatory Orders Court Attendance Costs \$100,000 Public Relations Costs \$50,000 Unlimited Reinstatements	Insolvency Practitioners Financial Planning Extension Worldwide Legal Action & Territory Others as per individual risk

Policy Extensions (continued)

Insurer	Policy extensions	Optional extensions
SURA Professional Risks (Lloyd's)	<ul style="list-style-type: none"> Principals Previous business Outgoing principals Loss of documents Consultants, sub-contractors and agents Estates and legal representatives Continuous cover period Costs of official inquiries Severability & Non-imputation Superannuation Industry (Supervision) Act 1993 (Cth) ("SIS Act") Civil Penalties – Costs & Expenses Cover SIS Act & TAS Act SMSF Auditing Standards Newly Created or Acquired Entity or Subsidiary Fidelity Dishonesty of Employees 	<ul style="list-style-type: none"> Financial Planning & Investment Advice EDR / FOS endorsement
Tasman Underwriting (Lloyd's)	<ul style="list-style-type: none"> Acquisitions & Mergers Incoming & Outgoing Principals Dishonesty of Partners or Employees Affiliated Firms Consultants & Contractors Loss of Documents Competition and Consumer Act 2010 (Cth) Defamation Intellectual Property Breach of Fiduciary Duty Estates & Legal representatives External appointments Continuous Cover 	<ul style="list-style-type: none"> Two reinstatements of the indemnity limit Fidelity Previous Partners' Practice Financial Planning Official Inquiry Costs
Vero Insurance – accountants wording	<ul style="list-style-type: none"> Clarifications Libel or Slander Contractual Liability Competition and Consumer Act 2010 (Cth) Intellectual Property Sub-contractors and Consultants Automatic Extensions Continuous Cover Lost Documents Inquiry Costs Dishonesty Joint Venture Liability Previous Business Former Principals Newly Created or Acquired Subsidiary Former Subsidiary External Appointments Fidelity 	<ul style="list-style-type: none"> Available by endorsement Liquidators/Auditors cancellation clause Run Off – Registered Liquidators Cancellation Amendment RG 194

Policy Extensions (continued)

Insurer	Policy extensions	Optional extensions
Vero Insurance – standard wording	Insurance Clarifications Consumer Protection Legislation Contractual Liability Intellectual Property Liability for Acts, Errors or Omissions of Contractors and Consultants Libel or Slander Liquidated damages Privacy and confidentiality Automatic Extensions Compensation for Court Attendance Continuous Cover Dishonesty of Employees Excess reduction Extended Reporting Period Indemnity to Contractors Inquiry Costs Joint Venture Liability Legal Consultation Lost Documents Mitigation of loss Newly Acquired Subsidiary Privacy breach costs Public Relations Expenses Run Off Cover Spousal Liability Thirty Day Reporting Period	Principal's Previous Business Available by endorsement: External Appointments Fidelity Accountants Limit of Indemnity any one Claim unlimited in the aggregate Strict liability for failure to conduct an audit or review in accordance with auditing standard Liquidators/Auditors cancellation clause (alternative title: Cancellation Amendment for Auditors or Liquidators) Run Off - Registered Liquidators
Zurich	Audit Standards Strict Liability Coverage Auditors/Liquidators Cancellation Clause Civil liability insuring clause Claims preparation costs Compensatory penalties Competition and Consumer Act and other Legislation Consultants, subcontractors & agents Continuous cover Contractual liability Court attendance costs Deemed employees Dishonesty Estates & Legal Representatives Extended notification period Fidelity First Party Copyright infringement Inquiries Intellectual Property including Breach of Confidentiality Joint Venture Libel, Slander & Defamation Limitation of Liability Contracts Loss mitigation and fee recovery Loss of Documents Merger/Takeover/Sale/Winding-up of Insured – Run-off coverage Newly Created/Acquired Subsidiary Past subsidiary Public relations expenses Reduction of deductible Reinstatement (multiple or unlimited reinstatements available)	

2.6. Policy Exclusions

Note: This Guide does not include exclusions that are not specifically applicable to accountants' activities. For example, claims arising from asbestos, pollution, war and terrorism, bodily injury, property damage etc.

This Guide does not include the following exclusions common to all policies listed:

- fines, penalties, punitive damages
- insolvency / bankruptcy of assured
- computer viruses & unauthorised use
- employers liability, obligations to employees
- geographical, Australia (except Pen Underwriting Pty Ltd)
- retroactive date
- trading loss, trading debts, sale and supply of goods
- nuclear, radioactive contamination or explosive nuclear assemblies
- market fluctuation (except Pen Underwriting Pty Ltd for selected risks)
- other insurances (except Pen Underwriting Pty Ltd)
- sanctions

Insurer	Exclusions
Abacus Australia Ltd (Lloyd's)	<ul style="list-style-type: none"> Activities as Agent Assumed Liability Controlling Interests/Associated Companies Financial returns Intentional Libel and Slander Known facts and circumstances Outside Directorship Duties Real Property Valuations Tax Schemes (unless subject to prior favourable ruling)
AIG Australia Limited (per Arthur J. Gallagher)	<ul style="list-style-type: none"> Anti-Competitive Conduct Audit Publicly listed Companies & Financial Institutions Contractual Liability/Performance Guarantees (assumed Liability) Cost Assessment Infrastructure Insolvency Intentional Acts Misdeeds Patent/Trade Secret Prior Claims/circumstances Trade Debts
Allianz	<ul style="list-style-type: none"> Prior or Pending Claims Fraud & Dishonesty Assumed Duty or Obligation Associates & Relatives Investment Performance (PI)
Arch Underwriting (Lloyd's)	<ul style="list-style-type: none"> Tax schemes/arrangements (unless ATO approved or within guidelines or rulings) Related or Financial interests > 10% Contractual Liability Public Company Directors / Secretaries Infringement of copyright (intentional breaches) Insolvency practitioners Repayment of Fees Intended/Reckless breach of Financial Services Law As regards business valuations – use of Valuation/Data without authority or which is obsolete Investment Forecast

Policy Exclusions (continued)

Insurer	Exclusions
CGU	<ul style="list-style-type: none"> Known claims & circumstances Assumed duty or obligation Insured Vs Insured Refund of professional fees Exemplary damages Tax avoidance schemes Investment advice information or opinion Auditing for Financial Institutions & Public Companies Director & officer liability
Chubb	<ul style="list-style-type: none"> Assumed liabilities and duties Directors and officers and prospectus liability Financial and/or investment advice Fraud, dishonesty and reckless conduct Jurisdictional limits Loss of money Prior matters Products liability Related persons and entities Superannuation fund
DUAL (Lloyds)	<ul style="list-style-type: none"> Amounts Paid or Restitution Associates Assumed Liability Deliberate Acts Directors and Officers Disclosure of Commissions/Conflict of Interest Employment Practices Liability Excluded Activities¹ Financial Financial Conduct, Advice and Performance Fraud and Dishonesty Investment Performance Insolvency Intellectual Property Liability to Employees Liability as Occupier Pollution and Radioactive Contamination Prior Known Facts Product Liability Sanctions Limitation
Liberty International Underwriters	<ul style="list-style-type: none"> Anti-Competitive Practices Commission Disclosure Contractual Liability & Commercial Risks Financial Planning & Superannuation Fraud & Dishonesty Goods & Services Tax Intellectual Property Rights Licensing Inquiries Management Liability Mortgage Broking Performance Guarantee Prior Matters Related Parties Tax Schemes Uninsurable Amounts

¹Refer details in Tax Scheme Provisions and Financial advisory services provisions sections

Policy Exclusions (continued)

Insurer	Exclusions
London Australia Underwriting (100% Lloyd's)	<ul style="list-style-type: none"> Care Custody and Control Confidentiality, Copyright, Libel and Slander (Intentional) Deliberate Acts Directors & Officers Liability Dishonesty Fines and Penalties Gradual Wear & Tear Insolvency or Bankruptcy Exclusion Investment Related Related Companies Sanctions Limitation and Exclusion Clause Trading Losses
Marsh (Dual) Low Fee Income Earners	<ul style="list-style-type: none"> Prior Knowledge Fines and Penalties and Non-Compensatory Assumed Liability Property Damage Liability as Occupier Product Liability Intellectual Property Trading Debts Fraud and Dishonesty Associates Directors & Officers Excluded Activities Financial Conduct, Advice and Performance Disclosure of Commissions/Conflict of Interest
Marsh (Vero)	<ul style="list-style-type: none"> Prior claims or known circumstances Retroactive date Professional fees Assumption of Liability Conflict of Interest Directors and Officers Liability Dishonest, fraudulent or criminal acts Investment depreciation Original specific purpose of valuations and reports Registration, licensing and designations Related parties Specified activities Subrogation waiver Tax schemes
Pen Underwriting Pty Ltd	<ul style="list-style-type: none"> Prior or pending Fraud and Dishonesty Assumed Duty or Obligation Trading Debts – other than incurred as liquidator, manager or receiver Related or Associated Entities Conflict of Interest (as per each individual risk)
SURA Professional Risks (Lloyd's)	<ul style="list-style-type: none"> Retroactive date Prior or pending Fraud and dishonesty Assumed duty or obligation Related or associated entities Obligation to Employees Occupation/Ownership Manufacture & Installation Claims against Directors Infringement of Patent Over-Charging Claims below the deductible Financial Planning (can be included)

Policy Exclusions (continued)

Insurer	Exclusions
Tasman Underwriting (Lloyd's)	<ul style="list-style-type: none"> Tax Avoidance Scheme Contractual liability Financial or related interest >10% Public company Directorships Internet & electronic trading
Vero Insurance – accountants wording	<ul style="list-style-type: none"> Directors and Officers Liability Trading Debts (does not apply to any debt incurred by the Insured in the conduct of the Professional Services relating to their appointment as a receiver, manager, administrator, liquidator or trustee in respect of which the Insured has not received an indemnity from another party). Dishonest, Fraudulent or Criminal Acts Prior Claims or Known Circumstances Subrogation Waiver Assumption of Liability Liquidated Damages Controlling or Financial Interests Investment Performance Financial Planning Tax Schemes Mezzanine Finance
Vero Insurance – standard wording	<ul style="list-style-type: none"> Exclusions in wording: Directors and Officers Liability Dishonest, Fraudulent or Criminal Acts Prior Claims or Known Circumstances Subrogation Waiver Assumption of Liability Related Parties Professional Fees Exclusions by endorsement: Investment Performance/Advice Tax Schemes Valuation activities Finance or mortgage broking activities Insurance agency activities Conveyancing activities Business broking activities Audit of publicly listed companies Insolvency, liquidation, administration or receivership work Work for banks and/or finance institutions Acting in the capacity as a financial planner, security dealer or as an investment adviser with an ASIC licence Mergers and/or acquisitions
Zurich	<ul style="list-style-type: none"> Contractual liability, assumed liability & Trading debts Directors & Officers Employer's Liability Fraud and Dishonesty Licensing inquiries Managed Investment Schemes Money & Negotiable Instruments Prior & Pending Related Entities Superannuation Trustees

2. 7 Specific terms: Tax scheme provisions

Insurers	Wording used has been supplied by the underwriters	Comment Cover is otherwise subject to the terms and conditions of the policy wording
Abacus Australia Ltd (Lloyd's)	This Policy shall not indemnify the Insured in respect of any Claim, loss, liability or expense arising directly or indirectly out of any scheme or arrangement for tax management, tax planning or the avoidance or minimisation of liability for tax, unless such scheme or arrangement is the subject of a prior favourable ruling by the Australian Taxation Office. However, this exclusion does not apply to taxation advice or services, provided by the Insured, which are specific to the particular client to whom they are provided and are not offered or promoted to the community at large or members of a class of client.	N/A
Allianz	No specific exclusion	N/A
AIG Australia Limited (per Arthur J. Gallagher)	No specific exclusion	N/A
Arch Underwriting (Lloyd's)	Underwriters shall not be liable to indemnify the Insured for any claim made under this Contract which arises directly or indirectly from or in connection with advice given or services performed in respect to any scheme or arrangement devised directly or indirectly by or on behalf of the Insured, or by any other person and affecting the incidence of tax that might otherwise be payable by a taxpayer unless same has been approved by the Australian Tax Office or is within the guidelines or Rulings made by the Australian Tax Office at the time the advice is given or the services performed	Indemnity may apply if scheme or arrangement is ATO approved or is within ATO guidelines or rulings.
CGU	<p>This Policy does not provide cover for or in respect of a Claim directly or indirectly related to, based upon, attributable to or in consequence of a Tax Exploitation Scheme, of which the Insured was a promoter.</p> <p>For the purposes of this Exclusion:</p> <p>a. A Tax Exploitation Scheme shall have the same meaning as in Section 290-65 of the Tax Laws Amendment (2006 Measures No. 1) Act 2006 (No. 32, 2006) ("the Act") being a tax exploitation scheme of which:</p> <ol style="list-style-type: none"> 1. A civil penalty has been imposed upon any person, under Section 290-50 of the Act; or 2. An injunction has been granted against any person, under Section 290-125 of the Act; or 3. A voluntary undertaking has been given by any person, under Section 290-200 of the Act. <p>b. Promoter shall have the same meaning as in Section 290-60 of the Act.</p>	
Chubb	No specific exclusion	Extension 3.22 provides coverage for strict liability penalties or compensation orders incurred as a result of any actual or alleged breach of Tax Agent Services Act 2009 (TASA).
DUAL (Lloyds)	Any claim or investigation arising from or directly or indirectly attributable to or in consequence of advice in connection with any investment which has not received confirmation from the Commissioner of Taxation and/or the Australian Taxation Office of any allowable taxation concessions or deduction.	N/A

Tax scheme provisions (continued)

Insurers	Wording used has been supplied by the underwriters	Comment Cover is otherwise subject to the terms and conditions of the policy wording
Liberty International Underwriters	Liberty will not pay for any amounts insured under the Policy for or arising out of any contravention of the provisions in Part IVA of the Income Assessment Act 1936 (Cth) as amended from time to time or any similar legislation.	
London Australia Underwriting (100% Lloyd's)	Underwriters shall not have any liability any investments, schemes or arrangements which are held to be in breach of Part IVA of the Income Tax Assessment Act 1936 (Cth), unless the Australian Tax office has issued a compliancy determination or product ruling prior to any promotion of, or investment in, the scheme or arrangement...	Cover provided where the ATO has previously issued a compliancy determination or ruling.
Marsh (Vero)	<p>Arising directly or indirectly from or in respect of the promotion of, advice in favour of or in any way facilitating the investment in schemes, arrangements or products designed to avoid taxation.</p> <p>This exclusion does not apply if the promotion occurred, the advice was given or the investment was facilitated after:</p> <p>a. (i) the Australian Taxation Office had issued a compliancy determination or product ruling in favour of the scheme, arrangement or product and such scheme, arrangement or product has been implemented in accordance with such compliancy determination or product ruling; and/or (ii) the Insured made all reasonable inquiries necessary of a prudent professional in the Insured's position to establish that the scheme, arrangement or product satisfied the relevant Australian tax laws, complied with the intention of these laws and was not defeated by any anti-avoidance tax; and/or</p> <p>b. There had been a court ruling in favour of the scheme that is binding on the Australian Taxation Office.</p>	N/A
Pen Underwriting Pty Ltd	No specific exclusion	N/A
SURA Professional Risks (Lloyd's)	No exclusion	N/A
Tasman Underwriting (Lloyd's)	The underwriters shall not indemnify an assured against any claim made against them arising directly or indirectly from any scheme, arrangement or transaction which the Australian Taxation Office declares to be in breach of Part IVA of the Income Tax Assessment Act 1936 (as amended)	No cover if the ATO declare the scheme to be in breach of the ITAA. On application, Tasman will consider amending or deleting the exclusion.
Vero Insurance – accountants wording	The Insurer shall not be liable in respect of any Professional Services, Claim, liability, compensation, Inquiry Costs, claimant's costs and expenses or Insured Costs directly or indirectly arising from or in respect of any advice given by the Insured to any client on how to minimise their taxation obligations by investing in any taxation avoidance scheme or management investment scheme where currently or at the time a public ruling or announcement an Administrative Appeals Tribunal or Court has held the scheme to be in breach of Part IVA of the Income Tax Assessment Act, 1936 (as amended).	No cover where currently or at the time a public ruling or announcement an Administrative Appeals Tribunal or Court has held the scheme to be in breach of Part IVA of the ITAA.

Tax scheme provisions (continued)

Insurers	Wording used has been supplied by the underwriters	Comment Cover is otherwise subject to the terms and conditions of the policy wording
Vero Insurance – standard wording	<p>The Insurer shall not be liable in respect of any Professional Services, Claim, liability, compensation, Inquiry Costs, claimant's costs and expenses, Insured Costs or compensation for court attendance arising directly or indirectly from or in respect of the promotion of, advice in favour of or in any way facilitating the investment in schemes, arrangements or products designed to minimize or avoid taxation.</p> <p>This exclusion does not apply if the promotion occurred, the advice was given or the investment was facilitated:</p> <ol style="list-style-type: none"> a. the Australian Taxation Office had issued a compliancy determination or product ruling in favour of the scheme, arrangement or product and such scheme, arrangement or product has been implemented in accordance with such compliancy determination or product ruling; and b. the Insured made all reasonable inquiries necessary of a prudent professional in the insured's position to establish that the scheme, arrangement or product satisfied the relevant Australian tax laws, complied with the intention of these laws and is not defeated by any anti-avoidance tax; or c. there has been a court ruling in favour of the scheme that is binding on the Australian Taxation Office. 	<p>The exclusion does not apply if prior to the advice being given: ATO ruled in favour of the scheme; and Insured was satisfied scheme complied; or court had ruled in favour of scheme.</p>
Zurich	<p>Tax Implications Advice Exclusion We will not pay anything in respect of any claim directly or indirectly arising from or in connection with any representation or advice relating to any tax minimisation scheme not approved and/or sanctioned by the Australian Tax office and/or the Australian Securities and Investment Commission.</p>	<p>Intent: No cover if scheme not approved by the ATO &/or ASIC</p>

2.8 Specific terms: Criminal proceedings and auditing standards provisions

Insurers	Wording used has been supplied by the underwriters
Abacus Australia Ltd (Lloyd's)	<p>The cover provided under the Policy extends to indemnify the Insured against any Claim in respect of any failure of the Insured to conduct an audit in accordance with the auditing standards established under the Corporations Act 2001 (Cth) PROVIDED THAT the Insurer shall not be liable to indemnify the Insured for any Claim which arises directly or indirectly from or in connection with:</p> <ul style="list-style-type: none"> a. any dishonest, fraudulent, criminal, reckless or malicious act or omission of any Insured or <ul style="list-style-type: none"> (i) their predecessor(s) in business (ii) any of their consultants, contractors, sub-contractors, or agents; or b. any wilful breach of any statute, contract or duty, or any act or omission committed or omitted or alleged to have been committed or omitted with a reckless disregard for the consequences by any Insured or their consultants, contractors, sub-contractors, or agents.
AIG Australia Limited (per Arthur J. Gallagher)	<p>Misdeeds Exclusion</p> <p>This policy shall not cover Loss in connection with any Claim arising out of, based upon or attributable to any act which a court, official tribunal or arbitrator finds, or which an Insured admits, to be a criminal, dishonest or fraudulent act; and in such event, the Insurer shall be reimbursed for all Loss paid in connection with such Claim; provided, however, that this exclusion shall not apply:</p> <ul style="list-style-type: none"> (i) the "Fraud/Dishonesty" Cover; or (ii) the "Fidelity" Extension; or (iii) to a breach of the Australian Auditing and Assurance Standards enforceable under the Corporations Act 2001 (Cth) except in the case of dishonesty or fraud.
Allianz	<p>Auditing Standards Strict Liability Cover</p> <p>General</p> <p>In respect of an Auditing Standards Strict Liability Claim of which you first become aware and report to us during the period of cover we agree, to the extent insurable at law: to pay any defence costs that we incur or that you incur with our written consent; and to indemnify you for liability imposed on you under the Corporations Act 2001 for Auditing Standards Loss.</p> <p>However, we are not liable to indemnify you under this clause if you personally committed or condoned any act, omission or breach excluded by the fraud and dishonesty exclusion in clause 24, but otherwise this extension applies notwithstanding the fraud and dishonesty exclusion in clause 24.</p> <p>Advancement of defence costs</p> <p>We agree to pay defence costs before completion of an Auditing Standards Strict Liability Claim where:</p> <ul style="list-style-type: none"> (i) we give you written confirmation that we will pay your defence costs in respect thereof; or (ii) we appoint a legal representative to represent you in respect thereof. <p>In any other case, we may pay defence costs before completion of an Auditing Standards Strict Liability Claim at our discretion.</p> <p>Scope of cover</p> <p>Our liability to cover you under this clause is subject to the following:</p> <p>We are only liable to cover you under this clause (whether for defence cost payments or for indemnity or both) up to the limit specified in item ## of the schedule in respect of any one claim or all claims in the aggregate per period of cover.</p> <p>You must bear the deductible in respect of each and every Auditing Standards Strict Liability Claim.</p> <p>Unless expressly provided otherwise, our liability to cover you under this endorsement is subject to the terms, exclusions and conditions of the policy.</p> <p>Definitions</p> <p>For the purpose of this extension only:</p> <p>Auditing Standards Strict Liability Claim means a strict liability claim against you for actual or alleged breach of section 307A of the Corporations Act 2001.</p> <p>Defence costs means reasonable costs, charges, fees (including legal counsels' fees and experts' fees) and expenses incurred in defending, investigating or monitoring any Auditing Standards Liability Claim.</p> <p>Auditing Standards Loss means a strict liability penalty, or a compensation order, imposed on you for breach of section 307A of the Corporations Act 2001.</p>

Criminal proceedings and auditing standards provisions (continued)

Insurers	Wording used has been supplied by the underwriters
Arch Underwriting (Lloyd's)	<p>C. EXTENSIONS</p> <p>8. Official Inquiries</p> <p>Underwriters shall indemnify the Insured in respect of all costs and expenses reasonably incurred in representation and defence at any official inquiry or disciplinary or criminal legal proceedings instituted in connection with the Practice during the Period of Insurance.</p> <p>However, Underwriters shall not be liable for any costs or expenses incurred in respect of any criminal proceedings where the Insured is found guilty.</p> <p>10. Auditing Standards</p> <p>Underwriters shall indemnify the Insured against any claim made under this Contract during the Period of Insurance and notified in writing to Underwriters during that Period in respect of any failure of the Insured to conduct an audit in accordance with the auditing standards established under the Corporations Act 2001 (Cth) PROVIDED THAT Underwriters shall not be liable to indemnify the Insured for any claim which arises directly or indirectly from or in connection with:</p> <ul style="list-style-type: none"> a. any dishonest, fraudulent, reckless or malicious act or omission of any Insured or of: <ul style="list-style-type: none"> (i) their predecessor(s) in business; (ii) any of their consultants, contractors, sub-contractors, or agents; or b. any wilful breach of any statute, contract or duty, or any act or omission committed or omitted or alleged to have been committed or omitted with a reckless disregard for the consequences by any Insured or their consultants, contractors, subcontractors, or agents. <p>D. EXCLUSIONS</p> <p>Underwriters shall not be liable to indemnify the Insured for any claim made under this Contract which arises directly or indirectly from or in connection with:</p> <ul style="list-style-type: none"> a. any dishonest, fraudulent, criminal, reckless or malicious act or omission of any Insured or of: <ul style="list-style-type: none"> (i) their predecessor(s) in business; or (ii) any company, person or entity which has a beneficial interest in such Insured; or (iii) any of their consultants, contractors, sub-contractors, or agents; or b. any wilful breach of any statute, contract or duty, or any act or omission committed or omitted or alleged to have been committed or omitted with a reckless disregard for the consequences by any Insured or their consultants, contractors, subcontractors, or agents; except to the extent covered under extensions 2., 4 and 10. <p>E. CONDITIONS</p> <p>6. If any payment is made under this Contract, Underwriters are thereupon subrogated to all the Insured's rights of recovery in relation thereto. Underwriters will not exercise any such rights against any Employee of the Professional Business unless a loss has been brought about or contributed to by any dishonest, fraudulent, criminal, reckless or malicious act or omission of the Employee.</p>
CGU	Breaches of the Auditing Standards automatically covered within the insuring clause (Section 3.1), subject to the Intentional Damage Exclusion (Section 6.11).
Chubb	<p>Liability for Breach of Auditing Standards</p> <p>Chubb shall pay to or on behalf of any Insured for Loss for legal liability for any strict liability penalties or compensation orders incurred as a result of any actual or alleged breach of:</p> <p>Australian Auditing Standards in relation to audits which are the subject to the Corporations Act 2001; or Tax Agent Services Act 2009 (TASA); or SIS Act and Regulations 1994 (SIS Regulations).</p> <p>In the event that strict liability penalties or compensation order proceedings are withdrawn or that coverage under this Extension 3.22 is subsequently withdrawn or denied, Chubb shall cease to pay Defence Costs and the Insured shall refund any such Defence Costs paid by Chubb to the extent that ACE is satisfied that the Insured was not entitled to such Defence Costs, unless Chubb agrees in writing to waive the recovery of such Defence Costs.</p>

Criminal proceedings and auditing standards provisions (continued)

Insurers	Wording used has been supplied by the underwriters
DUAL (Lloyds)	<p>Australian Auditing Standards</p> <p>Notwithstanding Clause 3.11 (Fraud and Dishonesty) and to the extent permitted by law, we agree that Clause 5.13 will not apply to a claim for compensation in respect of any civil liability arising from any failure of the insured to conduct an audit or review in accordance with the auditing standards made for the purposes of the Corporations Act 2001 as required by section 307A of the Corporations Act 2001, or any amendments thereto, but:</p> <ul style="list-style-type: none"> a. only where such failure was not reckless, fraudulent, dishonest, malicious or wilful; and b. provided always that, where indemnity has been granted in respect of such policy; and <ul style="list-style-type: none"> (i) such indemnity is subsequently withdrawn by us; or (ii) the insured surrenders its entitlement to such indemnity, <p>any payments made by us to, or for and on behalf of, the insured in respect of such claim must be repaid to us by the insured.</p>
Liberty International Underwriters	<p>Notwithstanding Exclusion 4.7 in respect of "Fraud & Dishonesty", Liberty will indemnify the Insured against civil liability the Insured incurs in respect of a Claim arising from the performance of Professional Services alleging fraudulent or dishonest conduct by the Insured or their Agent.</p> <p>However, no cover is provided under this extension:</p> <ul style="list-style-type: none"> (a) to any person, company or other entity who has committed or condoned the fraudulent or dishonest conduct; or (b) in respect of a Claim arising from or in any way connected with loss of Money.
London Australia Underwriting (100% Lloyd's)	<p>3.13 Australian Auditing Standards</p> <p>Underwriters shall indemnify the Insured against any Claim first made and Notified during the Policy Period for any civil liability arising out of any failure by the Insured to conduct an audit in accordance with the auditing standards prescribed by the Corporations Act 2001 (or as amended from time to time), provided that:</p> <ul style="list-style-type: none"> a. the Claim has not arisen due to any fraudulent, dishonest, reckless or wilful act of an Insured, Subsidiary, sub-contractor, agent or Named Consultant. <p>3.3 Dishonesty and Fraud (Third Party Liability)</p> <p>Notwithstanding Exclusions 4.4 (Dishonesty) and 4.18 (Deliberate Acts), Underwriters shall indemnify the Insured against any Claim first made and Notified during the Policy Period and which arises out of the conduct of the Insured's Business by reason of Dishonesty on the part of any Employee (other than any director).</p> <p>3.4 Fidelity (Own Losses)</p> <p>Notwithstanding Exclusions 4.4 (Dishonesty) or 4.18 (Deliberate Acts), Underwriters shall indemnify the Insured for any Loss of Money where such Loss of Money is sustained as a result of any Dishonesty by an employee committed in the conduct of the Insured's Business.</p> <p>4.18 Deliberate Acts</p> <p>Apart from cover afforded under extension 3.3 (Dishonesty & Fraud) and 3.4 (Fidelity), any Dishonesty or any criminal, malicious or wilful act, criminal, malicious or wilful error or criminal, malicious or wilful omission by the Insured or by any other person, firm or company directly appointed by and acting for or on behalf of the Insured.</p>
Marsh (Dual) Low Fee Income Earners	<p>3.1 Fraud and Dishonesty</p> <p>Notwithstanding Exclusion 6.14 of the Policy, We agree to provide cover:</p> <ul style="list-style-type: none"> a) in respect of any Claim against the Insured for civil liability incurred in the conduct of the Professional Business resulting from a dishonest, fraudulent, malicious or criminal act or omission of any Insured; and b) to the extent permitted by law, in respect of any civil liability arising from any failure of the Insured to conduct an audit or review in accordance with the auditing standards made for the purposes of the Corporations Act 2001 as required by section 307A of the Corporations Act 2001, or any amendments thereto, <p>but We will not provide cover in respect of any:</p> <ul style="list-style-type: none"> a) person committing or condoning any act, omission or breach excluded by Exclusion 7.14 of the Policy; or b) loss of Money.

Insurers	Wording used has been supplied by the underwriters
Marsh (Vero)	<p>7.5 Dishonesty</p> <p>The Insurer will, notwithstanding exclusion 9.2.4 'Dishonest, Fraudulent or Criminal Acts', indemnify the Insured against civil liability and claimant's costs and expenses in respect of any Claim first made against the Insured and notified to the Insurer during the Policy Period resulting from:</p> <ol style="list-style-type: none"> any dishonest, fraudulent, criminal or malicious act or omission by any Insured who is a natural person occurring or committed in connection with the Professional Services; <u>and</u> any failure by an Insured to conduct an audit or review in accordance with auditing standards. <p>The Insurer will pay Insured Costs on the basis already set out in this Policy.</p> <p>Provided that nothing in this extension shall require the Insurer to indemnify:</p> <ol style="list-style-type: none"> any Insured who has perpetrated any such dishonest, fraudulent, criminal or malicious act or omission <u>or breach</u> or who by act or omission has condoned, aided or abetted any such act or omission <u>or breach</u>. Any Insured whose failure to conduct an audit or review in accordance with auditing standards was committed with dishonest, fraudulent, malicious or criminal failure.
Pen Underwriting Pty Ltd	<p>2. EXTENSIONS</p> <p>2.9 Costs of Official Inquiries</p> <p>Underwriters agree to indemnify the Insured for the costs incurred by Underwriters, or the reasonable costs incurred by the Insured with Underwriters' written consent, of the Insured's legal representation at any inquiry or hearing held before a court, tribunal or legally constituted industry or professional board (including any coronial inquiry, any investigation or hearing under any accountant's registration and/or licensing legislation, any proceeding or prosecution in respect to alleged breaches of auditing standards issued by the Auditing and Assurance Standards Board as a legislative instrument under the Corporations Act 2001, or any inquiry under the disciplinary rules of a professional association of which the Insured is a member) or other similar process relating to or connected with the affairs of the Professional Business Practice, which the Insured is legally compelled to attend. Provided always that:</p> <ol style="list-style-type: none"> the inquiry or hearing is ordered or commissioned during the Period of Cover; and Underwriters shall be entitled to nominate lawyers to represent the Insured; and the Insured notified Underwriters in writing within the Period of Cover and within 28 days of having received notice of the inquiry or hearing; and indemnity under this Extension is subject to Exclusion 3.2 (Fraud and Dishonesty); and Underwriters' aggregate liability for all costs payable under this Extension shall not exceed the amount stated in the Schedule for the Period of Cover. <p>3. EXCLUSIONS</p> <p>3.2 Fraud and Dishonesty</p> <p>3.2 directly or indirectly based upon, attributable to, or in consequence of:</p> <ol style="list-style-type: none"> any actual or alleged dishonest, fraudulent, criminal, or malicious act or omission of any Insured or their consultants, sub-contractors, or agents; or any act or omission of any Insured or their consultants, sub-contractors, or agents committed or alleged to have been committed with a reckless disregard for the consequences thereof; or wilful breach of any statute, contract or duty by any Insured or their consultants, sub-contractors or agents, provided that this Exclusion 3.2 shall not apply to any actual or alleged breach by the Insured of auditing standards issued by the Auditing and Assurance Standards Board as a legislative instrument under the Corporations Act 2001, unless such breach was fraudulent, malicious, or wilful or committed with a reckless disregard for the consequences thereof.
SURA Professional Risks (Lloyd's)	<p>Australian Auditing Standards</p> <p>We agree to indemnify You against any Claim first made and notified during the Period of Insurance for any civil liability arising out of any failure by You to conduct an audit in accordance with the auditing standards prescribed by the Corporations Act 2001 (or as amended from time to time), provided that the Claim has not arisen due to any fraudulent, dishonest, reckless or wilful act of Yours, a Subsidiary, sub-contractor or agent.</p> <p>SMSF Auditor Standards</p> <p>We agree to indemnify You in the course of Your Professional Business Practice against any Claim first made and notified during the Period of Insurance for any civil liability arising out of any failure by You to conduct an audit in accordance with the auditing standards prescribed by the Corporations Act 2001, Superannuation Industry (Supervision) Act 1993 (SIS Act) and Regulations 1994 (SIS Regulations); so long as the Auditor is approved under Regulation 1.04 of the Superannuation Industry (Supervision) Regulations 1994 and Schedule 1AAA (or as amended from time to time) and provided that the Claim has not arisen due to any fraudulent, dishonest, reckless or wilful act of Yours, Subsidiary, sub-contractor or agent.</p>

Criminal proceedings and auditing standards provisions (continued)

Insurers	Wording used has been supplied by the underwriters
Tasman Underwriting (Lloyd's)	<p>C) The Underwriters shall not indemnify the Assured, other than as provided in Extension 3B, in respect of any Claim made against them brought about or contributed to by the dishonest, fraudulent, criminal or malicious act, error or omission of an Assured (and/or any corporation or entity which has a financial interest in the Assured) or their predecessors in business.</p> <p>However, in respect of the Assured's auditing activities, the Underwriters agree that the term "criminal" in this Exclusion does not apply to any actual or alleged act or omission of the Assured which constitutes a contravention of Section 307A of the Corporations Act 2001 or of Section 344(1) of the Corporations Act 2001 (insofar as it applies to Section 307A of the Corporations Act 2001).</p> <p>3. B) Dishonesty of Partners or Employees</p> <p>(i) Assured parties (other than any Assured and/or Employee(s) involved in dishonesty) shall be protected, within the terms of this Policy for any Claim arising by reason of any alleged dishonesty, misstatement or fraud on the part of the Assured or its Partners or its employees, unless a judgment or other final adjudication adverse to the Assured establishes that an act or acts of active or deliberate fraud or dishonesty committed by any Partner or Partners of the Assured with fraudulent or dishonest purpose and intent were material to the cause of action so adjudicated and notwithstanding that such acts were not disclosed within the Assured's Proposal Form.</p> <p>(ii) In the event of such judgement or other final adjudication this Policy shall not indemnify any dishonest Partner or employee and shall pay only in excess of the full extent of the dishonest person's assets in the Firm. Any other personal assets of the dishonest Partner or Partners recovered by the Assured shall inure to the extent of the amount paid under this Policy, to the benefit of the Underwriters.</p>
Vero Insurance – accountants wording	<p>Endorsement:</p> <p>Strict liability for failure to conduct an audit or review in accordance with auditing standard</p> <p>The Dishonest, Fraudulent or Criminal Acts Exception is hereby deleted in its entirety and is replaced by the following:</p> <p>arising directly or indirectly from or in respect of any dishonest, fraudulent, criminal or malicious act or omission by the Insured, provided that this Exception shall not apply to a failure by an Insured to conduct an audit or review in accordance with auditing standards, unless such failure was committed by that Insured with wilful, reckless, dishonest, fraudulent, malicious or criminal intent.</p>
Vero Insurance – standard wording	<p>Endorsement:</p> <p>Strict liability for failure to conduct an audit or review in accordance with auditing standard</p> <p>The Dishonest, Fraudulent or Criminal Acts Exclusion is hereby deleted in its entirety and is replaced by the following:</p> <p>arising directly or indirectly from or in respect of any:</p> <p>a. dishonest, fraudulent, criminal or malicious act or omission by the Insured; or</p> <p>b. criminal act or omission or breach of any statute committed by the Insured with reckless or wilful intent,</p> <p>provided that this Exclusion shall not apply to a failure by an Insured to conduct an audit or review in accordance with auditing standards, unless such failure was committed by that Insured with wilful, reckless, dishonest, fraudulent, malicious or criminal intent.</p>
Zurich	<p>Accountant Auditing Standards</p> <p>Notwithstanding Extension 3.8 in respect of 'Dishonesty' and to the extent permitted by law, we agree that Exclusion 6.5 in respect of 'Fraud and dishonesty' will not apply to any <i>claim</i> for compensation in respect of any <i>civil liability</i> arising from any failure of the <i>insured</i> to conduct an audit or review in accordance with the auditing standards made for the purposes of the Corporations Act 2001 as required by section 307A of the Corporations Act 2001, or any amendments thereto but only where such failure was not reckless, fraudulent, dishonest, malicious or wilful.</p>

2.9 Specific terms: Financial advisory services provisions

Insurers	Wording used has been supplied by the underwriters
Abacus Australia Ltd (Lloyd's)	Information not provided
AIG Australia Limited (per Arthur J. Gallagher)	Definition of Professional Services is extended to include "advice the insured is licensed to provide under a limited Australian Financial Services Licence".
Allianz	Information not provided
Arch Underwriting (Lloyd's)	Various specific exclusions apply in relation to Financial advisory services – refer Paragraphs 21 and 23 to 25 of Accountants PLUS (April 2015) wording. Limited AFSL services can be accommodated by endorsement.
CGU	Consideration can be given on a risk by risk basis
Chubb	No coverage for Financial Planning Services, however, policy does provide cover for referral service liability for Financial Planning (Extension 3.16).
DUAL (Lloyds)	<p>Financial Conduct, Advice and Performance Any claim or investigation arising from or directly or indirectly attributable to or in consequence of:</p> <ol style="list-style-type: none"> any actual or alleged dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or of any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings; or any advice, recommendation, guarantee or representation by the insured as to the performance of any investment or product; or a failure by the insured to warn of the risks of market fluctuation of any investment. <p>Disclosure of Commissions / Conflict of Interest Any claim or investigation arising from or directly or indirectly attributable to or in consequence of:</p> <ol style="list-style-type: none"> any failure of any insured (or any of its agents) to disclose or adequately disclose any: <ol style="list-style-type: none"> conflict of interest; or commissions, fees or other remuneration or benefits received or that may be received or payable. any transaction in which any insured (or any of its agents) has a direct or indirect beneficial ownership or interest as a buyer or seller of securities. This exclusion does not apply to a direct or indirect beneficial interest or shareholding of less than 5% in a public listed company. <p>Excluded Activities Any claim or investigation arising from or directly or indirectly attributable to or in consequence of:</p> <ol style="list-style-type: none"> Finance and/or mortgage broking; or Corporate advisory services; including but not limited to advice or consulting in connection with mergers and acquisitions of entities or businesses or parts thereof; or Stockbroking, financial planning, investment or financial advice or insurance-related or funds management activities, whether or not it requires an AFSL or an authority under such a Licence.
Liberty International Underwriters	Liberty will not pay for any amounts insured under the Policy for or arising out of any financial planning or superannuation advice or services where such advice or services requires the provision of an AFS Licence.
London Australia Underwriting (100% Lloyd's)	Write-back available upon request

Financial advisory services provisions (continued)

Insurers	Wording used has been supplied by the underwriters
Marsh (Dual) Low Fee Income Earners	<p>6.18 Excluded Activities</p> <p>Any Claim arising from or directly or indirectly attributable to or in consequence of:</p> <ul style="list-style-type: none"> a) Mortgage Broking; b) Advice in connection with any investment which has not received confirmation from the Commissioner of Taxation and/or the Australian Taxation Office of any allowable taxation concessions or deductions; c) Financial Planning, Investment or Financial advice or funds management, whether or not it requires an Australian Financial Services Licence or an authority under such a License; d) Advice or consulting in connection with mergers and acquisitions of entities or businesses or parts thereof, except where the entity, business or part thereof being acquired by a client of the Insured is for less than \$20 million turnover. <p>6.19 Financial Conduct, Advice and Performance</p> <p>Any Claim arising from or directly or indirectly attributable to or in consequence of:</p> <ul style="list-style-type: none"> a) any actual or alleged dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or of any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings; b) any advice, recommendation, guarantee or representation by the Insured as to the performance of any investment or product; c) a failure by the Insured to warn of the risks of market fluctuation of any investment.
Marsh (Vero)	<p>Exclusion - Specified Activities</p> <ul style="list-style-type: none"> (f) investment advice or investment management (g) any financial, wealth Management or investment advice or services under an Australian Financial Services Licence (whether in the capacity of a licence holder or Authorised Representative) or for which an Australian Financial Services Licence would be required; <p>However (f) and (g) shall not apply to advice and services provided by the Insured in their capacity as a Limited AFSL licensee or Authorised Representative under a Limited AFSL</p>
Pen Underwriting Pty Ltd	As per each individual risk.

Insurers	Wording used has been supplied by the underwriters
SURA Professional Risks (Lloyd's)	<p><i>Cover for financial planning advice can be added to the policy (subject to underwriting criteria) and the following policy amendments added:</i></p> <p>Endorsements:</p> <p>Deletion of Exclusion The Financial Planning and Advice Exclusion is deleted in its entirety from the Policy wording.</p> <p>The following Exclusions and Endorsements are added in relation to financial planning activities only:</p> <p>Definition of Claim</p> <p>The Definition of Claim is deleted in its entirety from the Policy Wording and replaced by the following:</p> <p>Claim</p> <p>Claim means:</p> <ul style="list-style-type: none">a) Any written complaint from a client about work undertaken by You and which cannot be resolved immediatelyb) any series of written complaints from a client about work done by You;c) any situation by which You become aware of any shortcoming in work carried out by You for a client (whether this is known to the client or not);d) any situation in which a client, following a written complaint, fails to pay fees invoiced by You;e) any written threat of a claim being brought against You;f) for the purpose of the Fidelity Extension only, the discovery, or reasonable cause for suspicion, of dishonesty or fraud on the part of any current or former partner, director, member of Employee of Yours. <p>Investment Performance Exclusion arising directly or indirectly from or in respect of:</p> <ul style="list-style-type: none">a. the depreciation of, or any loss in respect of, an investment or the value of an investment, or the failure of an investment or the value of an investment to appreciate, including but not limited to any:<ul style="list-style-type: none">(i) securities, commodities, currencies, options and futures transactions; or(ii) real estate investment, including but not limited to any related return on investment, capital appreciation or tax benefits; or(iii) loss of value, surrender value or cancellation value of any leased product or service as a result of fluctuations in value of any leased product or service as a result of fluctuations in the value of such product or service; or(iv) profit projections or financial forecasts; orb. any actual or alleged representation, forecast or guarantee, whether express or inferred, provided by You or on Your behalf as to the performance of any investment. <p>Provided that this Exclusion shall not apply in respect of any Claim, liability, compensation, costs of official inquiries, claimant's costs and expenses or insured costs arising from Your failure to arrange a financial product in accordance with the client's instructions.</p> <p>For the purposes of this Exclusion, the terms "arrange" and "financial product" have the meanings prescribed in Chapter 7 of the Corporations Act 2001 (Cth).</p> <p>Reinstatement of Limit of Indemnity Where reinstatement/s are specified in the Policy Schedule, We agree that the amount of the reduction in the aggregate Limit of Indemnity stated in the Policy Schedule on account of any payment(s) of any Claim(s), Costs and Expenses, losses(s) or other amounts under this Policy shall be reinstated, without payment of additional Premium, provided always that:</p> <ul style="list-style-type: none">a. the number of reinstatements shall be as stated in the Policy Schedule, andb. such reinstatement amount(s) shall apply after exhaustion of the Limit of Indemnity and any applicable insurance/s in excess of this Policy, andc. such reinstatement amount(s) shall apply only in respect of Claims, facts or matters which are totally unrelated and have no common originating cause or source to the Claims, facts or matters giving rise to the payment(s) which caused such reduction, andd. the maximum amount payable under this Policy in the aggregate for all Claims, Costs and Expenses, losses and other amounts within the Period of Insurance is limited to twice (2 times) the Limit of Indemnity. <p>For the avoidance of doubt, a common originating cause or source shall include but not be limited to the acts or omissions of one or more persons acting together or acts or omissions in which such person(s) is/are concerned or implicated.</p>

Insurers	Wording used has been supplied by the underwriters
<p>SURA Professional Risks (Lloyd's) (continued)</p>	<p>Limit of Indemnity Our total liability is provided jointly to all parties constituting the Insured and for all purposes the cover under this Policy shall be considered as joint for all parties with a single limit of indemnity as specified in the Policy Schedule unless otherwise stated. The total amount payable by Us under this Policy in respect of or arising out of any one Claim or loss and in the aggregate in respect of all Claims and losses during any one Period of Insurance shall not exceed such Limit of Indemnity.</p> <p>Subject to the provisions of Insuring Clause B of this Policy, We will pay Costs and Expenses up to an amount equal to the Limit of Indemnity.</p> <p>Related Parties Exclusion arising directly or indirectly from or in respect of any advice or inducement by the Insured to any third party to invest in or lend money to any:</p> <ol style="list-style-type: none"> other Insured; or subsidiary of an Insured; or company of which an Insured has or has held at least a 20% financial interest or on which an Insured has board representation; or relative or company owned or controlled by a relative. <p>Insurance / Financial Institutions arising directly or indirectly from or in respect of:</p> <ol style="list-style-type: none"> any financial institution, underwriting agency, insurance broker, or any other insurance intermediary becoming or being insolvent; or any Insured signing any insurance document or proposal form on behalf of any client. <p>For the purposes of this exclusion, Financial Institution means: any insurer, bank, building society, deposit taker, fund manager, hedge fund, stockbroker or similar institution.</p> <p>Approved Products arising directly or indirectly from or in respect of any:</p> <ol style="list-style-type: none"> advice by You or Your Authorised Representatives to invest in or use products that are not included on Your Approved Product List; or failure to comply with Your own compliance guidelines in approving a product for addition to the Approved Product List. <p>For purposes of this exclusion, the term "Approved Product List" means any product which has been approved in writing by You as the licensee by Your investment committee or for which You have written guidelines regarding advice or services.</p> <p>Managed Discretionary Funds arising directly or indirectly from or in respect of any professional services provided in connection with managed discretionary accounts operated by Australian Financial Services Licensees.</p> <p>Mezzanine Finance arising directly or indirectly from or in respect of:</p> <ol style="list-style-type: none"> any mezzanine finance arrangements; or Westpoint Corporation (ABN 81 009 395 751) and/or its subsidiaries or companies controlled or owned by any executive of Westpoint Corporation (ABN 81 009 395 751) and/or its subsidiaries. <p>Margin Lending arising directly or indirectly from or in respect of any professional services provided in connection with margin lending products, provided that this Exclusion shall not apply to margin lending products operated by Australian Financial Services Licensees, where such services account for less than ten per cent (10%) of Financial Planning Fees and where the Margin Lending loan to value ratio (LVR) is less than fifty one per cent (51%).</p>

Insurers	Wording used has been supplied by the underwriters
<p>SURA Professional Risks (Lloyd's) (continued)</p>	<p>External Dispute Resolution Scheme Extension</p> <p>We will indemnify You against a binding award against You made by an ASIC-approved External Dispute Resolution Scheme in respect of any Claim arising from the conduct of the Professional Business Practice, where the Claim is first made against You and notified to Us during the Period of Insurance, but not in respect of any such Claim resulting from an act, error or omission occurring or committed prior to the Retroactive Date. Provided that:</p> <ol style="list-style-type: none"> a. Our total liability for any one award is part of and not in addition to the Limit of Indemnity and shall not exceed: <ol style="list-style-type: none"> (i) AUD309,000 for investment, fund management, financial planning or life insurance disputes; and (ii) AUD166,000 for general insurance broking disputes. b. We shall not be liable in respect of: <ol style="list-style-type: none"> (i) The cost of membership to the ASIC-approved External Dispute Resolution Scheme or any professional association to which You belong; or (ii) The costs of any ASIC-approved External Dispute Resolution Scheme services or facilities or those of any professional association to which You belong; or (iii) The costs arising from any dispute between members of such professional association. <p>For the purposes of this automatic extension only:</p> <ol style="list-style-type: none"> a. The definition of "Claim" in the Policy is deleted and instead means a complaint against You by a third party to an ASIC-approved External Dispute Resolution Scheme; and b. All such Claims arising out of, based upon, attributable to or in respect of a single act, error or omission or series of acts, errors or omissions consequent or attributable to one source or original cause shall be considered to be a single Claim and shall attract one Deductible. <p>Authorised Representatives Indemnity</p> <p>We will indemnify any current or past Authorised Representative of the Insured against civil liability for compensation and claimants costs and expenses in respect of any Claim first made against the Authorised Representative and notified to Us during the Period of Insurance resulting from the ordinary conduct of the Professional Business Practice on behalf of the Insured but not in respect of any such Claim resulting from any act, error or omission occurring or committed prior to the Retroactive Date.</p> <p>We will pay Costs and Expenses for such Claims as part of, and not in addition to, the Limit of Indemnity.</p> <p>However, We shall not be liable in respect of any Claim brought against You or the Insured by an Authorised Representative.</p> <p>Life Broking Activities</p> <p>Where the Professional Business Practice includes life broking services, any failure on the part of any Insured to comply with the duty of disclosure under the Insurance Contracts Act 1984 shall not prejudice the right of any other Insured to indemnity under this Certificate, provided that such other Insured shall:</p> <ol style="list-style-type: none"> a. Be entirely innocent of and have had no prior knowledge of any such failure; and b. As soon as practicable after becoming aware of any such failure, advise Us in writing of all relevant circumstances.
<p>Tasman Underwriting (Lloyd's)</p>	<p>The Underwriters shall not provide indemnity in respect of any Claim arising out of any Financial Planning/Investment Advice activities.</p> <p>Tasman Underwriting will consider removing this exclusion and provide cover for Financial Planning/Investment Advice activities upon receipt of full information regarding such activities including whether they are conducted as an AFS Licensee or as an Authorised Representative of an AFS Licensee.</p>
<p>Vero Insurance – accountants wording</p>	<p>The Insurer shall not be liable in respect of any Professional Services, Claim, liability, compensation, Inquiry Costs, claimant's costs and expenses or insured Costs arising directly or indirectly from or in respect of the Insured's activities whilst acting in the capacity as a:</p> <ol style="list-style-type: none"> a. financial planner; or b. security dealer; or c. as an investment adviser, <p>which requires an Australian Financial Services or any other legislative license or registration.</p>

Financial advisory services provisions (continued)

Insurers	Wording used has been supplied by the underwriters
Vero Insurance – standard wording	<p>Exclusion by endorsement:</p> <p>The Insurer shall not be liable in respect of any Professional Services, Claim, liability, compensation, Inquiry Costs, claimant's costs and expenses, Insured Costs or compensation for court attendance arising directly or indirectly arising from or in respect of:</p> <ol style="list-style-type: none"> a. the depreciation of, or any loss in respect of, an investment or the value of an investment, or the failure of an investment or the value of an investment to appreciate, including but not limited to any: <ol style="list-style-type: none"> (i) securities, commodities, currencies, options and futures transactions; (ii) real estate investment, including but not limited to any related return on investment, capital appreciation or tax benefits; or (iii) leased equipment or any other goods; or b. any actual or alleged representation, advice, forecast or guarantee, whether express or inferred, provided by or on behalf of the Insured as to the performance of any investment. <p>Provided that this Exclusion shall not apply in respect of any Claim, liability, compensation, Inquiry Costs, claimant's costs and expenses, Insured Costs or compensation for court attendance arising from the Insured's failure to arrange a financial product in accordance with the client's instructions.</p> <p>For the purposes of this Exclusion, the terms "arrange" and "financial product" have the meanings prescribed in Chapter 7 of the Corporations Act 2001 (Cth).</p> <p>Exclusion by endorsement (only certain relevant points have been noted here):</p> <p>The Insurer shall not be liable in respect of any Professional Services, Claim, liability, compensation, Inquiry Costs, claimant's costs and expenses, Insured Costs or compensation for court attendance arising directly or indirectly arising from or in respect of:</p> <ul style="list-style-type: none"> • any valuation made by or on behalf of the Insured; • finance or mortgage broking activities; • insurance agency activities; • ... • the Insured's activities whilst acting in the capacity as a financial planner, security dealer or as an investment adviser with an ASIC licence;
Zurich	<p>Financial planning / Finance broking exclusion</p> <p>We will not pay anything in respect of any claim directly or indirectly arising from or in connection with:</p> <ol style="list-style-type: none"> a. any financial advice, investment advice, information or opinion regarding investment, financial planning activities/advice provided by the insured; b. any finance broking activities/advice provided by the insured; and/or c. an agreement to provide, introduce or arrange finance by the insured

2.10 Specific terms: SMSF audit services

Regulatory Guide 243 Registration of self-managed superannuation fund auditors (RG 243) explains the types of registers of SMSF auditors maintained by ASIC and the continuing legal obligations of approved SMSF auditors.

Information used here has been supplied by the underwriters:

Insurer	Compliance with the PI insurance requirements of RG 243	Additional comments by the underwriters
Abacus Australia Ltd (Lloyd's)	Yes	
AIIG Australia Limited (per Arthur J. Gallagher)	Yes	Recent changes have been made to the cancellation provisions and fraud/dishonesty provisions in line with ASICs requirements
Allianz	Yes	
Arch Underwriting (Lloyd's)	Yes	Refer to SIS Act Extension endorsement in policy
CGU	Yes	
Chubb	Yes	Extension for civil penalties under section 193 of the SIS Act and penalty under section 131B of the SIS Act.
DUAL (Lloyds)	Yes, via an Endorsement	Endorsement clarifies policy coverage in accordance with ASIC's requirements.
Liberty International Underwriters	Yes.	Cover is subject to the terms and conditions of the policy.
London Australia Underwriting (100% Lloyd's)	Yes, via an endorsement	Civil Liability
Marsh (Vero)	Yes	
Pen Underwriting Pty Ltd	Yes	It is the responsibility of the Insured to declare such activities, and select the relevant limits and excess options.
SURA Professional Risks (Lloyd's)	Yes	Endorsement clarifies policy coverage in accordance with ASIC's requirements
Tasman Underwriting (Lloyd's)	Yes	
Vero Insurance	Response to RG 243.34 (Appropriateness of the terms and conditions of insurance): <ul style="list-style-type: none"> a. The Vero policy is a civil liability policy, with no exclusion for claims made in respect of SIS Act audits; b. Insured costs are covered; c. Cover for claims arising from the dishonest or fraudulent acts of Principals, Employees and contractors can be provided via endorsement (although cover will not extend to the dishonest or fraudulent party); d. The policy can be endorsed so that the Insurer cannot cancel for innocent non-disclosure or misrepresentation; e. One reinstatement is normally provided; f. A standard wording with a standard suite of endorsements is usually used, however this may vary on a case-by-case basis. 	Insureds should discuss with their broker to review how their specific policy terms and conditions interact with RG 243 requirements.
Zurich	Yes	The policy complies with RG243, however, the insured should discuss the appropriateness of cover with their insurance broker

2.11 Specific terms: ASIC PI insurance requirements for AFS Licensees

Regulatory Guide 126 Compensation and insurance arrangements for AFS licensees (RG 126) explains compensation requirements for providers of financial services and ASIC's related PI insurance requirements.

Information used here has been supplied by the underwriters:

Insurer	Compliance with the PI insurance requirements of RG 126	Additional comments by the underwriters
Abacus Australia Ltd (Lloyd's)	Yes	
AIIG Australia Limited (per Arthur J. Gallagher)	No	
Arch Underwriting (Lloyd's)	Yes	
CGU	Yes	Compliance with RG126 is not automatic and is considered on an Insured by Insured basis.
Chubb	Yes	Insured to review and discuss with handling broker any necessary amendments to policy in relation to ASIC requirements.
DUAL (Lloyds)	Yes, via an Endorsement	Endorsement clarifies policy coverage in accordance with ASIC's requirements. Considered on a case by case basis.
Liberty International Underwriters	Yes, for general advice, where no AFS licence is required.	Cover for advice or services which require an AFS licence is available by endorsement or under a complimentary policy.
London Australia Underwriting (100% Lloyd's)	Yes, via an endorsement	
Marsh (Dual) Low Fee Income Earners	Yes, via an Endorsement	Endorsement clarifies policy coverage in accordance with ASIC's requirements. Considered on a case by case basis.
Marsh (Vero)	Yes	
Pen Underwriting Pty Ltd	Yes, via an Endorsement	On a case by case basis if and when required
SURA Professional Risks (Lloyd's)	Yes	Endorsement clarifies policy coverage in accordance with ASIC's requirements
Tasman Underwriting (Lloyd's)	Yes	
Vero Insurance	Yes	Insureds should discuss with their broker to review how their specific policy terms and conditions interact with ASIC's requirements.
Zurich	No, as Zurich does not provide PI cover for financial planning exposures.	

3. Glossary of terms

The following draws from a glossary of terms commonly used in the professional indemnity insurance context issued by Vero. This is provided for an explanation of the terms used in this document and is not intended to and does not provide any form of advice or contain legal definitions. You should always look to the definitions contained in your insurance policy or other legal document as these will always prevail.

Automatic reinstatement (also known as increased aggregate limit of indemnity)

Unless otherwise specified in the policy the *Limit of Indemnity* (see definition) represents the maximum amount that can be paid in any one policy period.

Some policies, however, include a clause known as an Automatic Reinstatement Clause which allows the *Limit of Indemnity* to be 'reinstated' for new, unrelated claims, should the original sum be depleted by a claim or series of claims that equals the *Limit of Indemnity*.

Depending on the number of reinstatements provided by the policy this clause can provide indemnity for multiple claims during the year where the total of these claims exceeds the policy *Limit of Indemnity*. However, no one claim payment by the insurer will exceed the policy *Limit of Indemnity*.

For example, if the Insured purchases a policy with a \$1,000,000 limit of indemnity, and the policy contains one automatic reinstatement the policy provides cover for claims aggregating up to \$2,000,000 during the period of insurance, subject to any one claim being no greater than \$1,000,000.

Note: Some professional indemnity policies only provide this on an optional basis. Please check the quote or policy wording to ascertain whether the policy contains an Automatic reinstatement clause and the number of reinstatement provided.

Civil liability

Some professional indemnity policies provide cover for an insured's 'civil liability' to a third party arising out of the insured's conduct of their professional business or the provision of professional services.

Civil liability is liability of one party to another arising out of civil law, as opposed to criminal law.

There are four branches of civil law:

1. Tort law (the common law of torts of negligence, nuisance, and defamation);
2. Contract law (breach of contract);
3. Statutory law (e.g. the *Competition and Consumer Act 2010* (Cth))
4. Equity – (a system of law based on the principle of 'fairness' designed to furnish remedies for wrongs which were not legally recognised or for which no adequate remedy was provided by the common law).

A civil liability ordinarily covers all four branches of civil law. However, the policy only responds to civil liability for claims arising from the conduct by the insured in relation to the nominated professional services stated in the policy schedule.

Claim

A 'claim' means any demand or notice (verbal or written) made by a third party against the insured for payment under the terms of the professional indemnity insurance policy to compensate them for a loss. A claim may be made by, a writ, statement of claim, application or other originating legal process or by other written or verbal notice.

Note: All professional indemnity policies have a different definition of 'claim'. Please check the policy wording carefully.

Claims made

A reference to a 'claims made' policy refers to a policy which provides access to indemnity for claims made against the insured and reported to the insurer during the period of the policy. If during the period of insurance the insured notifies a circumstance that may give rise to a claim then, because of the requirements of the *Insurance Contracts Act 1984* (Cth) that also triggers coverage under the policy.

Claims made cover does not require the incident that gives rise to the claim against the insured to have taken place during the period of the policy.

Costs exclusive limit of indemnity

The *Limit of Indemnity* is the maximum amount the insurer will pay in respect of any one claim first made against the insured and notified to the insurer during the period of insurance. A costs exclusive limit of indemnity does not include *Insured costs* within this limit. These costs are in addition to the *Limit of Indemnity* (subject to any Averaging provision). See *Insured costs*.

Costs inclusive limit of indemnity

The *Limit of Indemnity* is the maximum amount the insurer will pay in respect of any one claim first made against the insured and notified to the insurer during the period of insurance. A costs inclusive limit of indemnity includes within this limit *Insured costs*. This means that *Insured costs* incurred in defending a claim reduce the *Limit of Indemnity* available to satisfy the 'indemnity' or compensation amount of the claim. See *Insured costs*.

Excess (also known as deductible)

The excess is a policy condition requiring the insured to pay a portion of the loss. Usually this amount represents the first amount which is payable by the insured in respect of any one claim with the insurer paying the balance over that amount up to the Limit of Indemnity.

Fraud and dishonesty

Professional indemnity policies will generally exclude cover for claims arising from a fraudulent, dishonest or criminal act.

Note: Many professional indemnity policies however will provide a 'writeback' covering claims made against innocent insureds against civil liability for compensation resulting from fraudulent, dishonest or criminal acts, BUT cover will not extend to the perpetrator of such fraudulent, dishonesty or criminal act. This cover varies significantly across different insurers' wordings.

Limit of indemnity

The limit of indemnity is the maximum amount the insurer will pay for compensation and claimant's costs and expenses arising from any one claim and all claims in the aggregate made by the insured under a policy during the period of insurance. Also see Automatic reinstatement, Costs inclusive and Costs exclusive limit of indemnity.

Prior claims or known circumstances

Claims made policies generally exclude claims arising from facts and circumstances known to the insured before the period of insurance. Just like any other form of insurance, a professional indemnity policy is intended to cover unforeseen circumstances/events only.

The Prior claims or Known circumstances exclusion is a clarification that any prior claims or known circumstances to the insured are not covered by the policy.

Professional services

Professional services are the insured's business activities which are covered under the professional indemnity policy. The Professional services description is usually defined manually by the insurer in the quotation supplied. Professional services can be defined within the policy wording and generally occurs when the policy wording is tailored for a specific profession.

Note: it is important that the Professional services description in a professional indemnity policy matches the activities performed by the insured.

Retroactive date

The Retroactive date of a policy is the date after which acts, errors or omissions of the insured are covered; any act, error or omission occurring before that date will not be covered. That is, any act, error or omission arising from professional services provided after the Retroactive date will be covered under the policy. Retroactive cover extends cover under the policy to acts, errors or omissions that occurred prior to the inception date of the current policy period.

Policies can be underwritten with two types of retroactive dates.

- a. Unlimited retroactivity – where the policy will cover a claim made and reported during the policy period relating to an act, error or omission, regardless of when the act, error or omission occurred; Or
- b. A "dated" retroactivity clause – where the policy will cover a claim made and reported during the policy period relating to an act, error or omission that occurred after the retroactive date.

Note: If a Retroactive date is imposed, insureds should be aware of this limitation of cover.

Run-off cover

Professional indemnity policies are usually claims made and notified policies. This means that in order to trigger the policy the claim must be made against the insured and reported to the insurer during the policy period. Companies or individuals ceasing business still have exposure to claims being made after their business ceases from their previous business activities.

Run off cover provides cover for unknown claims made and reported following expiration of the professional indemnity policy, arising out of acts, errors or omissions made during the period when the business was active.

Note: Some Professional indemnity policies will provide automatic run-off cover up until the end of the policy period of insurance should the policy be cancelled during the policy period. Further run-off cover can then be purchased by the client for multiple years thereafter. Some insurers may only consider run-off on a year by year basis, whereas some insurers can offer multiple years of run-off in a single policy.

[Vero Insurance's full glossary of terms](#) commonly used in the professional indemnity insurance context is available on their website.

4. Other resources

Our website holds a wealth of information on PI insurance. In particular:

- [General information on PI insurance](#)
- [A calculator to calculate the amount of PI insurance you need](#)
- [PI Broker details](#)
- [Small practice PI insurance policies](#)(for members with a small practice and a limited range of services) (for members with a small practice and a limited range of services)
- [Regulation CR2A](#)
- [Without Fear of Favour Podcast series](#)