

Policy Change Guide

October 2023



Vero Civil Liability Professional Indemnity Insurance Policy

We have prepared this guide to help compare the current Vero Civil Liability Professional Indemnity Insurance Policy (V9902 01/09/22 A) with a new policy known as Vero Civil Liability Professional Indemnity Insurance Policy (V9902 25/10/23 A). Please read the new policy for full details of the terms, conditions, limitations and exclusions.

This comparison does not constitute advice and should not be used by a potential insured for any purposes, including making a decision about a financial product or class of products. It is intended to be a summary of key changes only and does not represent an exact or full outline of the policy wording or scope of cover.

This comparison is current as at 25 October 2023. The cover offered to an insured may vary from that described.

Summary table – key changes to the policy wording

Item	Vero Civil Liability Professional Indemnity Insurance Policy (V9902 01/09/22 A)	Vero Civil Liability Professional Indemnity Insurance Policy (V9902 25/10/23 A)	
Policy wording introduction			
Where prior consent is required from the insurer	Not included	New	An explanation of 'prior consent' inserted.
Payment of reasonable amounts of any costs, charges, expenses and fees under this policy	Not included	New	An explanation of 'reasonable' when incurring amounts of costs, charges, expenses, and fees under the policy.
Policy terms			
Insured costs	Included	Updated	Inserted reasonableness and prior consent requirements to 'Insured Costs' clause, previously contained in the definition of 'Insured Costs'.
Insurance clarification			
Defamation	Included	Updated	Changed heading from 'Libel and slander' to 'Defamation'. Rephrased extension to replace with more modern language.
Contractual liability	Included	Updated	Now refers to interaction with 'Assumption of liability' exclusion. Rephrased to capture any deed or agreement, with specific types of agreements used as examples.

Item	Vero Civil Liability Professional Indemnity Insurance Policy (V9902 01/09/22 A)	Vero Civil Liability Professional Indemnity Insurance Policy (V9902 25/10/23 A)	
Extensions			
Advancement of costs	Included	Updated	Added in reasonableness requirements. Removed proviso that prior consent needs to be in writing.
Compensation for court attendance	Included	Updated	Removed proviso that the person required to attend court must be a witness. Removed requirement that indemnity be decided, instead a claw-back provision has been inserted.
Continuous cover	Included	Updated	Further details included to manage the application and interaction of the previous policy and current policy terms, conditions, limits of indemnity, aggregate limits of indemnity and sub-limits.
Emergency insured costs and inquiry costs	Not included	New	New extension expressly provides for situations where the insured may incur a reasonable amount of 'Insured Costs' and 'Inquiry Costs', without obtaining the insurer's prior consent, with certain conditions.
Excess reduction	Included	Updated	Where excess is 'Inclusive of Insured Costs' and a claim is settled without incurring insured costs, the excess is now reduced by \$10,000.00. Removed policy compliance obligation for cover under extension.
Extended reporting period	Included	Updated	Split the extension into two sections, firstly how to purchase an extended reporting period and secondly, details of the extended reporting period. The policyholder may now cancel the extended reporting period, with a mechanism for a pro rata refund of premium actually paid, less government charges, except where cancelled due to fraud or any notifications made.
Indemnity to contractors	Included	Updated	Updated to include cover for entity contractors that only have one person providing the services. Removed condition of disclosure of contractor income and replaced with a process of premium adjustment.
Inquiry costs	Included	Updated	Removed proviso that prior consent needs to be in writing. Moved paragraph relating to legal representation to the claims conditions. Moved reasonability and prior consent provisos from the definition of 'Inquiry Costs' to this cover section. Now included a defined term 'Inquiry Notice' to support this extension.
Joint venture liability	Included	Updated	Removed condition of disclosure of joint venture income and replaced with a process of premium adjustment.
Legal consultation	Included	Updated	Removed the one hour cap per matter, keeping the maximum of two hours legal advice for the policy period.
Lost documents	Included	Updated	A restructure of the extension, which includes additional wording setting out the insurer's legal rights if the insured fails to comply with the electronic security obligations.
Mitigation of loss	Included	Updated	Introduced a defined term 'Mitigation Costs' to support cover wording.
Newly acquired subsidiary	Included	Updated	Now includes a detailed process to apply for cover for a new subsidiary beyond the initial thirty days.
Privacy breach costs	Included	Updated	Removed requirement to provide the insurer with written notice of intention to incur costs. Removed requirement that prior consent needs to be in writing.

Item	Vero Civil Liability Professional Indemnity Insurance Policy (V9902 01/09/22 A)	Vero Civil Liability Professional Indemnity Insurance Policy (V9902 25/10/23 A)	
Public relations expenses	Included	Updated	Moved reasonability, prior consent and 30 day limit provisos from the definition of 'Public Relations Expenses' to this extension. The excess requirements have been moved to the 'Excess' clause and excess amount has been moved to the definition of 'Excess'.
Thirty-day reporting period	Included	Updated	Included additional wording setting out insurer's rights where an insured fails to comply with this cover section.
Exclusions			
Updated most exclusions to have the words "in connection with" contained in the introductory sentence.			
Assumption of liability	Included	Updated	Introduced objective language. Addressed interaction with insurance clarification 'Contractual liability'.
Dishonest, fraudulent, or criminal actions	Included	Updated	Addressed interaction with extension 'Dishonesty of employees'.
Sanctions	Included	Updated	The sanctions exclusion has been moved to a standalone exclusion and updated to broaden instances where cover is excluded where doing so will violate any sanctions or laws of Australia, New Zealand, United Kingdom, United States of America and in any United Nations resolutions.
Subrogation waiver	Included	Updated	Updated to allow for situations where a deed or agreement is entered into at direction or with prior consent of the insurer.
Claims conditions			
Introductory paragraph	Not included	New	An introductory paragraph sets out the insurer's legal rights where an insured fails to comply with any claims conditions.
Claims notifications	Included	Included	Updated to include notification of 'Inquiry Notice'. Includes new notification obligations.
Claims co-operation	Included	Included	The scope of insured's obligation to co-operate has been broadened. Inserted examples of what types of things 'reasonable assistance' might include. Inserted examples of what types of steps can be taken to try and avoid or diminish further loss from occurring.
Claims conduct	Included	Included	The insurer's rights in relation to the management of claims has been broadened. Replaced the Senior Counsel dispute clause with a mediation process where the insured disputes the insurer's approach to defending a claim.
Claims settlement	Included	Included	Updated to include reference to 'Inquiry Costs' and situations where the insured objects to insurer proposal to resolve an 'Inquiry Notice'.
Allocation of loss	Not included	New	New section sets out in detail the process for allocating loss where indemnity is extended to more than one person or entity, where jointly or severally and where loss is partly covered or not covered under the policy. Sets out an expert determination process where an insured disputes the insurer's allocation of loss decision.

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Recovery rights	Not included	New	Introduces additional conduct obligations for the insured and details of the insurer's rights of recovery. Sets out how recoveries will be allocated following a claim settlement.
General conditions			
Cancellation	Included	Updated	Provides examples of when the insurer may exercise its legal right to cancel the policy. Removes the 10% penalty provision upon any cancellation. Now stipulates that reimbursement of premium is less any non-government charges and subject to any notifications made or if the policy is cancelled due to fraud.
Goods and services tax	Included	Updated	Updated information on how GST is applied to and effects the policy.
Material change	Included	Updated	Now includes an exhaustive list of matters that must be notified to the insurer. A new section sets out the process and insurer's rights where an insured notifies the insurer. A new section sets out the insurer's legal rights where an insured does not notify the insurer when required.
Paying of premium	Included	Updated	Amended to state that the insurer may cancel where the law allows it to do so.
Words with special meanings	Not included	New	New condition deals with treatment of defined terms in endorsements.
Definitions			
Claimant's Costs	Not included	New	Definition now included to clarify what such costs mean.
Employee	Included	Updated	Now means a person who is employed under a contract of service or apprenticeship. The requirement that such contract is with the policyholder has been removed.
Excess	Included	Updated	Updated to include reference to excess applicable to 'Public Relations Expenses'.
Inquiry Costs	Included	Updated	Removes reasonability proviso (moved to the extension). Updated to include situations where an inquiring body 'invites' a response or an attendance from the insured.
Inquiry Notice	Not included	New	Definition now included to clarify the event where an insured may incur 'Inquiry Costs'.
Insured Costs	Included	Updated	Removed reasonability and prior consent provisos and moved them to the 'Insured costs' clause.
Limit of Indemnity	Included	Updated	Updated to specify that the Limit of Indemnity is exclusive of GST where the insured is entitled to claim an input tax credit.
Mitigation Costs	Not included	New	Definition now included to clarify what such costs mean.
Public Relations Expenses	Included	Included	Removed reasonability and prior consent provisos and moved them to the 'Public relations expenses' extension.