

Policy comparison

September 2022



Management Liability Insurance Policy

We have prepared this guide to help compare the current Management Liability Insurance Policy (V10288 02-17) with a new policy known as Management Liability Insurance Policy (V10288 01/09/22 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 1 September 2022. The cover offered to an insured may vary from that described.

Summary table – key changes to the policy wording

Item	Management Liability Insurance Policy (V10288 02-17)	Management Liability Insurance Policy (V10288 01/09/22 A)	
Prior consent.	Not included	Included	What is meant by “prior consent “ explained at the beginning.
Reasonable costs, charges, expenses and fees.	Not included	Included	What is meant by “reasonable“ explained at the beginning.
Insuring Clauses			
Insuring Clause: Legal consultation	Included	Included	Previously limited to 30 minutes. Now extended to 2 hours.
Extensions			
Auto reinstatement of limit of Liability for D&O	Included	Included	Amended provision to state that does not apply to sub-limits or aggregate limits.
Business crisis consultant fees	Included	Included	Now stipulates period for which costs are covered.
Emergency costs and expenses	Included	Included	Updated for emergency costs if prior consent not able to be obtained.
Extended reporting period	Included	Included	Sets out process for the return of premium if policy cancelled and new policy obtained.
Extended reporting period (retiring D&O's)	Included	Included	New paragraph provides that extension will be available if policy not renewed or replaced for any reason, other than non-payment of premium, Merger or Acquisition, winding up of the Policyholder or Insolvency.

Item	Management Liability Insurance Policy (V10288 02-17)	Management Liability Insurance Policy (V10288 01/09/22 A)	
Extradition expenses	Included	Included	Amended to now apply to Extradition Expenses (as now defined).
Fraud investigator expenses	Included	Included	Amended to now apply to Fraud Investigator Expenses (as now defined).
Outside directorships	Included	Included	New provisions applying to "other insurance" introduced.
Representation expenses	Included	Included	New paragraph excluding expenses relating to Privacy Act breaches inserted.
Social engineering fraud	Not included	Included	Provides a writeback to new social engineering fraud exclusion applicable to Crime cover.
WHS defence costs	Included	Included	Prior consent requirement introduced.
Exclusions			
Note: Most Exclusions now have the words "in connection with" inserted after the word "from.". Also, where legislation is referred to, there may now be a reference to "replacement or successor legislation".			
Subrogation waiver	Not included	Included	New paragraph inserted to exclude cover for loss where arrangements leading to waiver have been entered into without Insurer's consent.
Additional exclusions: company liability			
Cyber attack	Included	Included	Sets out what's included the Company's website, intranet, network or Computer Systems.
Privacy rights	Included	Included	Exclusion removes the writeback for internet liability extension.
Additional exclusions: crime			
Extra costs or losses	Included	Included	The 'Indirect or consequential loss' exclusion has been replaced with an 'Extra costs or losses' exclusion which sets out a list of the types of losses that are excluded.
Social engineering fraud	Not included	Included	New exclusion for loss associated with the transfer of Money or release of Covered Property due to a fraudulent misrepresentations by a Third Party. Does not apply to the social engineering fraud extension.
Additional exclusions: tax audit			
Failure by Insured	Included	Included	Sets out Insured's obligations.
Tax minimisation schemes	Included	Included	Insurer to have regard to guidance or resources provided by government or government authority.
Limit of Liability and Excess			
Note: Changes the words "...less than the Excess for each ..." to "...equal to or less than the Excess for each..." in numerous places throughout this section			
Excess	Included	Included	New paragraph about payment of Excess.

Item	Management Liability Insurance Policy (V10288 02-17)	Management Liability Insurance Policy (V10288 01/09/22 A)	
Claims Conditions			
Claims conditions	Not included	Included	Sets out process where the Insured has failed to comply with these conditions.
Claims notification and Claims Co-operation	Included	Included	Includes new notification obligations. Additional documentation and co-operation obligations.
Claims conduct	Included	Included	Now includes a mediation provision where the Insured disputes the approach to defending the claim.
Basis of valuation of crime loss	Included	Included	Sets out process of how crime loss is calculated.
Allocation of loss	Included	Included	Updated process on management of allocation disagreements.
Recovery rights	Included	Included	Introduces additional conduct obligations and Insurer's rights of recovery.
Crime recoveries	Included	Included	Updated co-operation obligations and provides examples of assistance.
General Conditions			
Cancellation	Included	Included	Updates cancellation process, and updated refund provision.
Definitions			
Business Crisis Event	Included	Included	Amended to exclude a Cyber Act or Cyber Incident.
Computer System	Not included	Included	Definition now included.
Covered Property	Included	Included	Amended to exclude Data.
Cyber Act, Cyber Incident and Data	Not included	Included	Three new definitions for the purposes of new silent cyber changes.
Extradition Expenses, Fraud Investigation Expenses	Not included	Included	Inserted to define what such expenses mean.
Insolvency or Insolvent	Not included	Included	New definition.
Internet liability	Included	Included	Amended definition so that Internet Liability no longer includes breach of privacy or unauthorised collection of data.
Officer	Included	Included	Amended to exclude a Director.
Pollution Expenses	Not included	Included	Consent requirements inserted.
Social Engineering Fraud	Not included	Included	New definition inserted for the purposes of silent cyber changes.