

# Policy Change Guide

October 2023



## Vero Steadfast Client Trading Platform (SCTP) Professional Indemnity Insurance

We have prepared this guide to help compare the current Vero Steadfast Client Trading Platform (SCTP) Professional Indemnity Insurance wording (V10381 01/09/22 A) with a new policy wording known as Vero Steadfast Client Trading Platform (SCTP) Professional Indemnity Insurance (V10381 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 SCTP Professional Indemnity Insurance (V10381 01/09/22 A)	Vero SCTP Professional Indemnity Insurance (V10381 25/10/23 A)	
<b>Policy Terms and Conditions for Professional Indemnity policy</b>			
Where our 'prior consent' is required	Not Included	New	Inserted an explanation of 'prior consent'.
Payment of reasonable amounts of any costs, charges, expenses and fees under this policy	Not included	New	Inserted an explanation of 'reasonable' when incurring amounts of costs, charges, expenses, and fees under the policy.
<b>Section 1 – Insuring Clauses</b>			
Insuring Clause B 1.2 Costs and Expenses Insuring Clause	Included	Updated	Inserted reasonableness and prior consent requirements in the 'Costs and Expenses' insuring clause, which were previously contained in the definition of 'Costs and Expenses'. Amended the advancement and claw-back provisions. Where it's established that exclusion 'Fraud, dishonesty or intentional acts' applies to an insured, advancement of costs is only ceased to that insured, and only that insured must repay costs previously advanced to them.

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Insuring Clause Clarification 1.7	Included	Updated	Amended so that defamation is only covered if the insured did not make the defamatory material or statement with ill intent or for an improper purpose.
Insuring Clause Clarification 1.8	Included	Updated	Added amendment, successor etc. legislation verbiage to the Competition and Consumer Act 2010 (Cth) clarification.
<b>Section 3 – Automatic Policy Extensions</b>			
Preamble	Included	Updated	Added an additional paragraph noting that the total of all payments made under the policy extensions will be part of and not in addition to the indemnity limit and the maximum aggregate limit, unless otherwise stated.
Additional benefit – Claims preparation costs	Included	Updated	Added costs advancement and claw-back provisions.
Consultants, sub-contractors and agents	Included	Updated	Replaced “direct control and supervision” proviso with “undertaking work under a contract for services entered into with the Named Insured.”
Continuous cover	Included	Updated	Added further details to manage the application and interaction of the previous policy and current policy terms, conditions, indemnity limits, maximum aggregate limits and sub-limits.
Court attendance costs	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. Increased per day limit for employees from \$250 to \$500.
Extended notification period	Included	Updated	Clause restructured.
Civil penalties	Included	Updated	Added express link to Insuring Clause A (clause 1.1).
Fraud, dishonesty or intentional acts	Included	Updated	Added express link to Insuring Clause A (clause 1.1).
Joint venture	Included	Updated	Added express link to Insuring Clause A (clause 1.1).
Loss of documents	Included	Updated	Clause restructured. Added additional wording setting out the insurer’s legal rights if the insured fails to comply with the electronic security obligations.
Newly created or acquired subsidiary	Included	Updated	Now includes a detailed process to apply for cover for a new subsidiary beyond the initial thirty days.
Official investigations and enquiries – costs and expenses	Included	Updated	Inserted reasonableness and prior consent requirements in the ‘Official investigations and enquiries’ extension, which were previously contained in the definition of ‘Investigation Costs and Expenses’. Restructured advancement and claw-back provisions. Where it’s established that exclusion ‘Fraud, dishonesty or intentional acts’ applies to an insured, advancement of costs is only ceased to that insured, and only that insured must repay costs previously advanced to them.

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Public relations expenses	Included	Updated	Notification timeframe updated from 28 days to as soon as reasonably practicable. Added costs advancement and claw-back provisions. Added a provision setting out that the assessment of reputational damage shall be based on the reasonable opinion of a principal, partner or director of the Named Insured.
Previous business	Included	Updated	Replaced the proviso that the extension only applies if the individual doesn't have the benefit of cover under another insurance or indemnity, with a provision that the cover under this extension applies excess of other insurance or indemnity to which the individual is entitled.
Emergency costs and expenses	Included	Updated	Removed the requirement to obtain the insurer's consent with 30 days of incurring the costs. Added a limitation that the insured can only incur costs without consent until such time they could reasonably have contacted the insurer to obtain consent. Added a reasonableness requirement to the costs. (This requirement was previously in the definition of each type of cost.) Removed the sub-limit. Added additional wording setting out the insurer's legal rights if the insured incurs costs without obtaining prior consent after they could reasonably have contacted the insurer to request prior consent.
Loss mitigation	Included	Updated	Updated the test from being based on whether the insurer considers a situation might give rise to a claim, to an objective test.
<b>Section 4 – Optional Extensions</b>			
Preamble	Included	Updated	Removed the proviso that the inclusion of any optional extension is at the insurer's absolute discretion. (This is because the inclusion of optional extensions forms part of the pre-contractual negotiation.)
Fidelity	Included	Updated	Rephrasing of proviso (b). Removed the proviso which placed the burden on the insured of adducing satisfactory proof of loss. Fidelity claims conditions are now in the claims conditions section of the wording. Removed the proviso relating to fidelity claim aggregation. This is now in general condition 'Multiple claims'.
Multi-year run-off after merger, takeover, sale, winding up of named insured	Included	Updated	Comprehensively updated to set out a much more detailed process for applying for multi-year run-off under this optional extension.
<b>Section 5 – Exclusions</b>			
Preamble	Included	Removed	Preamble with exclusionary lead-in wording has been removed. The exclusionary lead-in wording is now incorporated into every exclusion.
Fines and penalties	Included	Updated	Addressed interaction with extension 'Civil penalties'.
Fraud, dishonesty or intentional acts	Included	Updated	Addressed interaction with extension 'Fraud, dishonesty or intentional acts'.

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Jurisdictional limits	Included	Updated	Canada is no longer excluded.
Known claims and known circumstances	Included	Updated	Updated from "known Claims" to "Claims... which were known to the Insured"
Related or associated entities	Included	Updated	Added write-backs for cross-claims brought by an insured against another insured for the purposes of contribution or indemnity where a claim is brought by a third party, and claims brought by employee in relation to professional services provided to that employee.
Territorial limits	Included	Updated	Canada is no longer excluded.
Sanctions	Included	Updated	Sanctions exclusion has been broadened.
<b>Section 6 – Claims conditions</b>			
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 mitigation and co-operation	Included	Updated	Added examples of mitigation steps. Added examples of information and reasonable assistance that may be required.
Defence and settlement	Included	Updated	Amended paragraph (a) to limit the degree to which the insurer may reduce its liability for any settlement, costs incurred, admission made, offer made, payment made or obligation assumed without its prior consent, to the extent to which its interests have been prejudiced by the insured's failure to obtain consent. The insurer's rights in relation to the management of claims has been broadened. Added a provision relating to the insurer's rights under this Policy. Added a provision that when there is a conflict between the insured's interests and the insurer's interests, and the appointed lawyers cease acting for the insured, the insurer must at their costs facilitate the transfer of client documents held by those lawyers to the insured or the insured's new lawyers, following any such request by the insured.
Insured's right to contest	Included	Updated	Now encompasses situations where the insurer recommends compromising a claim. Added a new paragraph relating to official investigations and enquiries.
Senior Counsel clause	Included	Removed	Replaced with a mediation provision in the new 'Disputes about defence' clause.
Disputes about defence	Not Included	New	Added a mediation provision that replaces the Senior Counsel clause. The focus on the updated clause is on the approach to defence of a claim.
Allocation	Included	Updated	Comprehensively updated clause 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.
Fidelity mitigation	Not Included	New	New claim condition setting out the insured's obligations to mitigate fidelity losses.

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Fidelity recoveries	Not Included	New	New claim condition setting out the insured's and insurer's rights and obligations in relation to fidelity recoveries.
<b>Section 7 – General Conditions</b>			
Alteration to risk	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.
Deductible	Included	Updated	Comprehensively updated clause sets out how the deductible will apply to a range of policy extensions and includes examples of different methods for payment of the deductible.
Multiple claims	Included	Updated	Updated to set out how claims under certain policy extensions will be aggregated.
Policy construction and interpretation	Included	Updated	Additional provisions added in relation to legislation references and defined terms.
Complaints procedures	Included	Updated	Updated to refer to the relevant notice in the Notices section of the document.
General Insurance Code of Practice	Included	Removed	Removed because the relevant information is provided in the General Insurance Code of Practice notice in the Notices section of the document.
<b>Section 8 – Definitions</b>			
Bodily Injury	Included	Removed	Expanded to include resultant loss of consortium.
Claim	Included	Removed	The point about official investigations and enquiries has been updated so that the receipt of the notice of the investigation and enquiries is considered to be the claim.
Claimant's Costs	Not Included	New	New defined term replacing the frequently used phrase "claimants' costs, fees and expenses awarded against or recoverable from the insured".
Costs and Expenses	Included	Updated	Reasonableness and prior consent requirements removed from the definition. Now present in the relevant clauses.
Employment Practice Breach	Included	Updated	The words "any employment practices liability" have been updated to "any breach of any obligation owed as an employer to any past, present or prospective employee or Worker".
Investigation Costs and Expenses	Included	Updated	Reasonableness and prior consent requirements removed from the definition. Now present in the relevant clauses.
Named Insured	Included	Updated	Definition expanded to set out that the first Named Insured is considered to be the Named Insured for certain general conditions.
Senior Counsel	Included	Removed	Definition removed because it's no longer needed.