

Policy comparison

September 2022



Association Liability Insurance Policy

We have prepared this guide to help compare the current Association Liability Insurance Policy (V10293 02-17) with a new policy known as Association Liability Insurance Policy (V10293 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	Association Liability Insurance Policy (V10293 02-17)	Association Liability Insurance Policy (V10293 01/09/22 A)	
Policy wording introduction			
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 clause - civil liability professional indemnity			
Introduction	Included	Included	The line leading into the insuring clause clarifications now states “civil liability includes, but is not limited to:”
Defamation	Not included	Included	New coverage clause for Defamation.
Extensions			
Emergency costs and expenses	Included	Included	Amended to allow for incurring of emergency costs if prior consent not able to be obtained.
Extended reporting period	Included	Included	New paragraph deals with the return of premium if policy cancelled and new policy obtained.

Item	Association Liability Insurance Policy (V10293 02-17)	Association Liability Insurance Policy (V10293 01/09/22 A)	
Extended reporting period: retiring office bearers	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.
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).
Joint venture liability	Included	Included	Amended to set out declaration of income requirements.
Lost documents	Included	Included	Amended to set out requirements with respect to IT security measures. New exclusion for loss or damaged caused by Cyber Act.
Mitigation of loss	Included	Included	Now includes a cyber exclusion for any cyber ransom or extortion payments.
Outside directorships	Included	Included	New provisions applying to "other insurance" introduced.
Pecuniary penalties	Included	Included	Penalties related to the Privacy Act excluded.
Representation expenses	Included	Included	New paragraph excluding Privacy Act breaches inserted.
Social engineering fraud	Not Included	Included	New extension provides a writeback to social engineering fraud exclusion.
General 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	Excludes loss where arrangements that have led to waiver have been entered into without Insurer's consent.
Additional exclusions: civil liability professional indemnity			
Assumed liability	Included	Included	New paragraph inserted to exclude unless the assumption of liability would be customary for a prudent operator carrying on business of the same nature as the Insured.
Mental injury	Not included	Included	New exclusion inserted to exclude mental or psychological injury where privacy or Data breaches are involved.
Additional exclusions: Association liability			
Cyber attack	Included	Included	New paragraph inserted to set out what is included as the Association's website, intranet, network or Computer Systems.
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 social engineering fraud. Does not apply to 'Social engineering fraud' extension.

Item	Association Liability Insurance Policy (V10293 02-17)	Association Liability Insurance Policy (V10293 01/09/22 A)	
Additional exclusions: tax audit			
Tax minimisation schemes	Included	Included	New provision allowing the Insurer to have regard to any guidance or resources provided by the relevant government or government authority or agency.
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 outlining how Excess may be paid.
Claims conditions			
Claims conditions	Included	Included	Sets out process where the Insured has failed to comply with claims conditions.
Notification of the claim	Included	Included	Includes obligations on the Insured with respect to notification.
Claims co-operation	Included	Included	Includes additional documentation and co-operation obligations.
Claims conduct	Included	Included	Mediation provision where Insured disputes the approach to defending the claim.
Allocation of loss	Included	Included	Amendments to expert determination where insured does not agree.
The section Subrogation and Recoveries has been updated and split into 3 separate sections: Recovery rights, Crime recoveries and Application of recoveries.			
Recovery rights	Included	Included	Additional detail on the Insured’s conduct obligations and Insurer’s rights of recovery.
Crime recoveries	Included	Included	Updated co-operation obligations in relation to recovery of crime loss.
General Conditions			
Cancellation	Included	Included	Updated process for cancellation, and updated refund of premium 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 silent cyber changes.
Extradition Expenses	Not included	Included	Inserted to clarify what such expenses mean.
Fraud Investigation Expenses	Not included	Included	Inserted to clarify what such expenses mean.
Insolvency or Insolvent	Not included	Included	New definition.
Officer	Included	Included	Amended to exclude a Director.
Social Engineering Fraud	Not included	Included	New definition inserted for the new social engineering fraud exclusion and extension.