

Policy Briefing

Former Civil Liability Wording vs New Civil Liability Wording

The QBE Professional Liability Division are pleased to announce the release of their latest professional indemnity wording. This new wording will supersede both the QBE Act, Error or Omission Wording (QBE.AUAE0.V01/96) and the former QBE Civil Liability Wording (QBE.AUCL.V01/96). The following policy briefing has been prepared to assist in two ways. Firstly to identify the benefits within the new QBE Civil Liability Wording and secondly to highlight some of the main changes from the former QBE Civil Liability Wording.

This document is designed to be a summary document only. Please refer to the full policy wording for specific details.

Summary of Benefits

Civil Liability Insuring Clause

The QBE Civil Liability Wording clarifies its intention to offer cover in respect of a wide range of actions arising from a breach of professional duty including but not limited to negligence, breach of authority, breach of trust, & defamation.

Automatic Cover for

Intellectual Property

Unintentional infringements of copyright, trademark, registered design or patent, or any plagiarism or breach of confidentiality

Libel and Slander

Words spoken or written in the conduct of the Insured's Profession

Outgoing Principals

Extending to cover former principals, partners, directors, & employees for work undertaken while a principal, partner, director, or employee of the Named Insured

Trade Practices & Related Legislation

Not limited to Section 52 only

Estates and Legal Representatives

Protection included for the estate, heirs, legal representatives, or assigns of any Insured in the event of their death or incapacity

Fraud and Dishonesty

Indemnity available to innocent parties in the case of fraud committed by other Insureds

Loss of Documents

Cover for loss of documents within the physical custody or control of the Insured

Newly Created Subsidiaries (14 days)

14 day coverage for newly created subsidiaries (ongoing cover can be considered upon request)

Official Investigations & Enquiries – Costs & Expenses

Legal costs protection for attendance at certain inquiries or investigations

Run Off Cover Insured Entity

Provision of run-off cover up until the expiry date of the Policy arising from consolidation or acquisition by another entity

Severability

Full severability between Named Insureds and severability available within Named Insureds subject to duty of disclosure

Optional Extensions include

An Aggregate Limit of Indemnity

Option to increase the aggregate limit of indemnity

Fidelity

Protection for loss of cash or negotiable instruments caused by the dishonesty of an Insured

Previous Business

Indemnity for principals, partners, or directors of the Insured for claims arising from a prior business

Other Features

Bodily Injury Cover

Bodily injury cover other than where such injury occurs during the actual provision of the services of the Insured's Profession.

Conflict Write-back

Conflict Exclusion will not apply where Insured has sufficiently disclosed the potential for a conflict to occur. Risk management rewarded under Policy

Territorial & Jurisdictional Cover

World-wide Territorial & Jurisdictional limits excluding the United States of America or the Dominion of Canada or their territories or protectorates.



COMPARISON TABLES

The below table sets out some of the fundamental changes from the former Civil Liability Wording to the new Civil Liability Wording.

Comparison Table I – Insuring Clauses and Extensions

Insuring Clauses & Extensions, & Endorsements	Former Civil Liability Wording (QBE.AUCL.V01/96)	Standard/Frequent Endorsements/Exclusions to former Civil Liability Wording	New Civil Liability Wording (QBE.AUCL.V06.04)
Civil Liability Insuring Clause	Yes		Yes (breach of professional duty)
Costs & Expenses Insuring Clause	In addition to limit of indemnity (standard)	Converted to inclusive of costs limit of indemnity	Inclusive of costs limit of indemnity (standard). Exclusive of costs available
Additional Notification Period	Yes	Removed via endorsement	No. Will be reviewed with legislative changes
Assumed Duty or Obligation (Breach of Contract)	Yes, with qualification of contracts ‘normally assumed’	Limited to where duty exists in absence of contractual requirements	Limited to where duty exists in absence of contractual requirements
Trade Practices Act & Related Legislation	Yes		Yes
Libel & Slander	Yes		Yes
Intellectual Property	Yes		Yes. Clarification: unintentional breaches only
Joint Venture Liability	Yes		Yes (own acts). Inherent in policy wording
Continuous Cover Clause	Yes	Removed via endorsement	No. Will be reviewed with legislative changes
Severability & Non-Imputation	Yes		Yes. Full severability between Named Insureds. Severability available within Named Insured subject to duty of disclosure
Fraud & Dishonesty (non Fidelity)	Yes		Yes. Clarification in respect of electronic computer crime
Loss of Documents	Yes		Yes. Clarification in respect of electronically stored data
Newly Created Subsidiaries	Yes (14 days)		Yes (14 days). Can be considered beyond 14 days when underwritten
Newly Acquired Subsidiaries	Yes (14 days)		No. Can be considered when underwritten
Official Investigations & Enquiries (Costs & Expenses)	No		Yes. New policy extension
Run Off Cover Insured Entity (until expiry of Policy)	Yes		Yes
Estates and Legal Representatives	Yes		Yes
Previous Business	Yes	Removed via endorsement (optional)	Optional. Can be considered when underwritten

Comparison Table I – Insuring Clauses and Extensions *(continued)*

Insuring Clauses & Extensions, & Endorsements	Former Civil Liability Wording (QBE.AUCL.V01/96)	Standard/Frequent Endorsements/Exclusions to former Civil Liability Wording	New Civil Liability Wording (QBE.AUCL.V06.04)
Outgoing Principals	Yes		Yes
Consultants, Sub-Contractors and Agents (vicarious liability of Insured)	Yes		Yes. Inherent in policy wording
Increased Aggregate Limit of Indemnity	Optional		Optional
Fidelity	Optional		Optional
GST Endorsement	No	Included via endorsement	Yes
Bodily Injury claims	Yes, where incurred in the conduct of the Professional Business Practice	Yes, however excluding bodily injury to any person caused in the course of the Insured providing services	Yes, however not where bodily injury occurs at any time during the actual provision of services. Intended to avoid dual insurance with public liability and workers compensation issues

Comparison Table II – Exclusions

Exclusions	Former Civil Liability Wording (QBE.AUCL.V01/96)	Standard/Frequent Endorsements/Exclusions to former Civil Liability Wording	New Civil Liability Wording (QBE.AUCL.V06.04)
Terrorism Exclusion	No	Included via endorsement	Yes
Y2k (Date Conformity) Exclusion	No	Included via endorsement	Yes
Prior of Pending	Yes		Yes
Fraud & Dishonesty	Yes		Yes
Trading Debts	Yes		Yes
Related or Associated Entities	Yes		Yes
Obligation to Employees	Yes		Yes
Occupiers Liability	Yes		Yes
Fines & Penalties	Yes		Yes
Nuclear	Yes		Yes
War	Yes		Yes
Aircraft and Watercraft	No		Yes
Conflict	No	Included via endorsement	Yes
Financial Interest	No	Included via endorsement	Yes
Pollutants	No	Included via endorsement	Yes

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