

Association and Officials Liability Insurance

Liability Insurance Policy

POLICY

QM694

About this booklet

About QBE Commercial

QBE Commercial is part of QBE Insurance (Australia) Limited, a member of the QBE Group.

QBE Commercial manages over \$1.5 billion in Total Gross Written Premium and distributes its products through professional general insurance intermediaries. QBE Commercial has built up a strong reputation in the intermediary market and will continue to grow within the QBE Group.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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IMPORTANT NOTICES

1. This Policy is issued on a claims made basis.
2. This means the Policy responds to claims first made against You or an Officer during the Period of Insurance and notified to Us during that Period of Insurance, providing that You or an Officer were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in Your position or that of an Officer on notice that a claim may be made against You or an Officer.
3. Section 40 (3) of the Insurance Contracts Act 1984 states:
“Where the insured gave notice in writing to the insurer of facts that might give rise to a claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the Insurance cover provided by the contract expired, the Insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the period of Insurance cover provided by the contract”.
4. You or an Officer will not be entitled to indemnity under the new policy in respect of any claim arising out of circumstances of which You or an Officer were aware at any time prior to policy inception and which would have put a reasonable person in Your position or that of an Officer on notice that a claim may be made against You or an Officer.
5. In accordance with the provision of the Insurance Contracts Act 1984 we are required to advise You of Your responsibilities in relation to the disclosure of relevant information.

Your duty of disclosure

Before You enter into a contract of general insurance with an Insurer, You have a duty, under the Insurance Contracts Act, 1984 to disclose to the Insurer every matter that You know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the Insurer before You renew, extend, vary or reinstate a contract of general insurance. Your duty however does not require disclosure of matters -

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that Your Insurer knows, or in the ordinary course of their business, ought to know;
- as to which compliance with Your duty is waived by the Insurer.

Non-disclosure

If You fail to comply with Your duty of disclosure, the Insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If Your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning.

It is therefore vital that You enquire of all Principals and Senior Staff before You complete Your proposal form and before You sign any declaration that there has been no change in the information disclosed.

In consideration of the payment of the premium stated in the Certificate and subject to the terms, conditions, provisions, exclusions and Limits of Liability, incorporated in this Policy we agree to indemnify You as follows.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth) and its principles when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaus, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

Please contact your Financial Services Provider to obtain a copy of the QBE Privacy information brochure. A copy of the brochure may also be obtained from any QBE Commercial office or from our website at www.qbecommercial.com

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to raise standards of practice and service in the insurance industry.

It:

- promotes better communication between insurers and customers which will lead to better public understanding of insurance to allow customers to make informed choices, and
- outlines good standards of practice and service to be met by insurers to enhance their reputation for responding efficiently to their customers' needs.

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE Commercial office and ask to speak to a dispute resolution specialist.

Definitions

When used in this Policy the following definitions apply:

Definition	Meaning
Certificate	the Certificate of Insurance issued by Local Government Risk Services which forms part of this policy and shows important details of cover.
Claim	<p>(a) Any writ, summons, application or other originating legal or arbitral proceeding, cross claim or counter claim issued against or served upon You or an Officer alleging a Wrongful Act.</p> <p>(b) Any written or verbal demand alleging a Wrongful Act communicated to You or an Officer under any circumstance and by whatsoever means.</p>
Loss	<p>(a) Money payable by reason of a judgment ordered by a Court of competent jurisdiction or by reason of any arbitration award or settlement of any Claim negotiated with Our consent but does not include any money payable by way of any fine or penalty or punitive, exemplary or aggravated damages.</p> <p>(b) Legal costs and expenses awarded against You or an Officer.</p> <p>(c) Costs and expenses incurred by You or an Officer or on behalf of You or an Officer with Our prior written consent in the investigation, defence or settlement of any such Claim or circumstance which may give rise to a Claim in respect of which You or such Officer are at the time when the costs and expenses incurred entitled to indemnity under this policy.</p>

Definition	Meaning
Officer	any person who has been, now is or shall become a duly elected director or trustee, a duly elected or appointed officer, a committee member, an employee of Yours or a member but only whilst that member is acting in a voluntary capacity on Your behalf and in accordance with the directions of Your board of directors or committee of management.
Period of Insurance	the period stated in the Certificate.
Power of Authority	an express or implied representation made by You or an Officer that You or the Officer has the proper authority to act on Your behalf.
Proposal	any signed proposal form and declaration and any information supplied by or on behalf of You or an Officer in addition thereto or in substitution thereof.
We, our, us	QBE Insurance (Australia) Limited, ABN 78 003 191 035.
Wrongful Act	any actual or alleged mis-statement or misleading statement or negligent act or error or omission or breach of duty or breach of Power of Authority.
You, your	the Club, Association or Community Group named in the Certificate of Insurance issued by Local Government Risk Services.

Coverage

We will indemnify:

- (a) You against Loss in respect of Claims made against You arising from any Wrongful Act.
- (b) Any Officer against Loss in respect of Claims made against any Officer jointly or severally arising from any Wrongful Act committed or allegedly committed by them in their capacity as director, trustees, Officers, employees or committee members of Yours.

Provided that in respect of (a) and (b) the Claim is first made against You or an Officer and notified to Us during the same Period of Insurance.

Extensions

- (a) In the event of an Officer being deceased or becoming insolvent, bankrupt or incapable of managing his or her own affairs by reason of mental disorder or other incapacity We will, subject to the terms, conditions, provisions, exclusions and Limits of Liability incorporated in this Policy indemnify the estates, heirs, legal representatives or assignee of such Officer in respect of Claims against such Officer.

- (b) If any Officer, at Your specific request, represents You in any other club, association or community group (excluding a club, association, company or community group incorporated under the Corporations Laws). We will indemnify such Officer provided that,
 - (i) This insurance will not extend to the other club, association or community group or to any of the directors, trustees, officers, employees or committee member of such club, association or community group.
 - (ii) The indemnity hereunder shall be specifically in excess of any other indemnity or insurance available to the Officer by reason of serving in such position.
- (c) If We refuse to renew this Policy You or the Officers shall have the right upon payment of a premium equal to 50% of the current annual premium to extend the current Period of Insurance for an unbroken period up to 12 months provided that:
 - (i) The cover granted by this extension shall apply only to Wrongful Acts committed or allegedly committed prior to the commencement date of the Period of Extension.
 - (ii) The right to extend is exercised within 30 days of the notification of non-renewal.
 - (iii) The offer by Us of renewal terms different to those applying during the Period of Insurance which is due to expire shall not constitute a refusal to renew.

Limit of indemnity

The amount payable by Us for any Loss or Losses in respect of all Claims shall not exceed in the aggregate during the Period of Insurance the relevant sum stated in the Certificate irrespective of the number of Claims during the Period of Insurance.

Exclusions

We shall not indemnify You or any Officer in connection with any Claim in respect or by reason of:

- (a) Any Claim brought about or attributable to or consequent upon any dishonesty, fraudulent or malicious conduct by You or any Officer provided however that You or such Officer shall be entitled to indemnity in respect of:
 - (i) Costs and expenses reasonably incurred in successfully defending any action which arise out of such Claim.
 - (ii) Any Claim where the final judgment and or other adjudication of the court proceedings against You or any Officer determine that You or such Officer is liable at law in respect of a Wrongful Act on some cause of action which is not dependent on the existence of a dishonest, fraudulent or malicious purpose or intent and make no finding that You or such Officer was guilty of dishonest, fraudulent or malicious conduct in relation to the Wrongful Act in question.

- (b) Any Claim based upon or attributable to You or any Officer gaining any profit or advantage or receiving any remuneration or gratuity to which You or such Officer were not legally entitled.
- (c) Any liability arising out of bodily injury, sickness or disease of any person or loss or damage to any property (including loss of use of such property).
- (d) Any liability arising out of an intentional exercise of the powers conferred on any Officer for a purpose other than for which such powers were conferred by the by-laws or other constituting document of the Club, Association or Community Group.
- (e) Made or threatened or in any way intimated in or before the inception date of this Policy.
- (f) Arising from any circumstance or circumstances of which You or any Officer had become aware prior to the inception of this Policy and which a reasonable person in Your position or that of a such Officer would at any time prior to the inception of the Policy had considered may give rise to a Claim.
- (g) Notified under any other insurance which was in force prior to the inception of this Policy.
- (h) Arising out of any matter disclosed by You or an Officer or on behalf of You or any Officer in proposing or arranging this insurance.
- (i) First notified to Us after the expiry of the Policy.
- (j) Brought against You or an Officer in a court of law outside Australia.
- (k) In respect to any guarantee or warranty (other than a Power of Authority) given by You or an Officer.
- (l) Arising out of any intentional breach of contract by You or an Officer.
- (m) Any Claim made (whether or not in Your name) and instigated by an Officer against any other Officer except in respect of wrongful dismissal, sexual harassment or discrimination.
- (n) Arising out of seepage, pollution or contamination whether sudden or gradual howsoever occurring or out of any breach of statute regulation or by-law prohibiting or controlling emissions, effluent or pollution of any kind or from any enforcement action or proceeding brought under a pursuant to any such statute, regulation or by-law.
- (o) Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:-
 - (i) Ionising, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - (ii) The radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
 - (iii) Nuclear weapons material.

(p) Any act(s) of Terrorism

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- involves violence against one or more persons, or
- involves damage to property, or
- endangers life other than that of the person committing the action, or
- creates a risk to health or safety of the public or a section of the public, or
- is designed to interfere with or to disrupt an electronic system.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

Claims conditions

- (a) You must give written notice of a Claim upon You or any Officer (whether or not the amount of the claim is likely to be greater than the deductible) to Us as soon as possible after becoming aware of the Claim.
- (b) You or an Officer must take all reasonable practicable steps and precautions to mitigate, diminish or extinguish any claim, liability or loss which may be or is the subject of a claim by You or an Officer against the Us.
- (c) You or an Officer must not make any admission, offer, settlement, promise or payment in respect of any right or claim which may be the subject of a claim by You or an Officer insured against Us under this Policy nor incur any costs or expenses without Our written consent.
- (d) You or an Officer may at Your own risk contest any claim which in Our opinion should be settled, but We will not be liable for any damages, costs or expenses incurred directly or indirectly in addition to those which would have been incurred if the offer to settle had been accepted.
- (e) We have the option to take over and conduct in Your name or that of an Officer, the investigation, defence or settlement of any claims ("Defence Option") and You or such Officer, at its Your expense, assist and co-operate with Us, and provide Us with such information, including signed statements as We may reasonably require.

(f) You or an Officer agree that if We exercise the Defence Option, We may appoint a solicitor or barrister to act for Us and that We will be entitled to disclosure by such solicitor or barrister of any information or document whether or not it is confidential in relation to this insurance, the Claim against You or an Officer and You or the Officer's claim against Us.

(g) You or the Officer must take all necessary steps to preserve and will not, without Our prior consent in writing, release, agree not to sue on, waive or prejudice, any rights in relation to any Claim against You or the Officer or enter into any arrangements or compromise or do any act which prejudices any of Your or the Officer's or Our rights.

(h) Subject to the Insurance Contracts Act 1984, after We have made any payment under this Policy We will be subrogated to You or the Officer's rights including rights of recovery in relation to the Claim. You or the Officer must assist and co-operate with Us and provide Us with any information, including signed statements as We may reasonably require for the exercise of those rights.

General conditions

- (a) You must give Us notice in writing of every change materially varying any of the facts or circumstances existing at the commencement of this Insurance that shall come to Your knowledge.
- (b) This Policy may be cancelled
- (i) By You giving written notice to Us at any time The Notice shall be effective when received by Us. We may retain or be entitled to the premium for the period during which the Policy was in force, plus 10% of the premium for the unexpired Period of Insurance.
- (ii) By Us in accordance with the provisions of the Insurance Contracts Act 1984, You shall be entitled to a refund in respect of the unexpired Period of Insurance.
- (c) We shall not avoid this Policy (unless required to do so by a declaration or order of a Court) by reason only that We may be entitled to do so by virtue of any statute or rule of law that makes or deems void any provision or contract of insurance to indemnify You or an Officer against liability for any Wrongful Act.