

What's changed

LCIS Association Liability Wording

The purpose of this document is to highlight the changes between QM694-0105 Association and Officials Liability Insurance Policy and QM694-0121 LCIS Association Liability Wording.

Please note that this is a summary only. It does not form part of your policy and does not take into account your individual circumstances. Please read the new Policy Wording thoroughly for full details of cover, conditions and exclusions to ensure it meets your requirements. Insofar as there is any reduction or difference in cover from that provided in the earlier wording this document also serves as a Derogation Notice.

Format	Clarification	Clauses now have titles to enable ease of navigation through the policy.
Sections	Clarification and Benefit	Coverage is divided between six sections each with its own specific extensions and exclusions, plus a seventh section setting out terms and conditions applicable to all of the previous six insuring clauses.

Important Information		
Important Notices	Clarification	Now given the title "Claims made" and appears after Resolving Complaints and Disputes. Sections 1, 2, 3, 5 and 6 of the Policy operate on a claims made and notified basis. Section 4, Fidelity operates on a discovery basis.
Dispute Resolution	Clarification	Now called "Resolving complaints and disputes" and details the process.
Definitions	Clarification	Now appear in Section 7: "Terms Applicable to all Sections", 7.5 "Words with Special Meaning". Many new definitions have been included to clarify the extent of the coverage provided by the new insuring clauses.
How much we will pay	Clarification and Benefit	Sub limits for cover for Extensions set out.
Certificate	Clarification	Now called "Policy Schedule" and contains fields for variable information allowing greater flexibility to tailor the coverage required.

Coverage: now called Insuring clauses - Insuring clause clarification and addition of new coverage		
Coverage clause (a). We will indemnify you against loss in respect of Claims made against You arising from any Wrongful Act.	Clarification and Benefit	Now called Insuring Clause 2.1.1 Associations Liability.
Coverage clause (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.	Clarification and Benefit	Now called Insuring Clause 1.1.1 Directors' and Officers' Liability.

Extensions		
Extension (a) Officer being deceased, becoming insolvent, bankrupt or incapable of managing affairs.	Clarification and Benefit	Formerly cover only extended to the estate of a deceased, insolvent, bankrupt or incompetent Insured. Now 7.5 Definition of Insured Person extends cover to include a lawful spouse, de facto partner and domestic partner.
Extension (b) Officer at another club.	Clarification	Now Extension 1.2.1 External Directorship Cover up to \$250,000.
Extension (c)	Clarification and Benefit	Now Extension 7.1.5 Discovery Period adds further discovery periods - 60 days automatically and up to 24 months on payment of additional premium.

New Insuring Clauses and Extensions		
Section 1: Directors' and Officers' Liability	Benefit	New Insuring Clause 1.1.2 Association Reimbursement-
	Benefit	1.2.2 Superannuation Trustee Liability for Directors and Officers up to \$250,000.
	Benefit	1.2.3 Pre-Investigation Costs for Directors and Officers up to \$50,000.
	Benefit	1.2.4 Investigation Costs for Directors and Officers up to \$250,000.
	Benefit	1.2.5 Tax Liability up to \$50,000.

Section 2: Association Liability	Benefit	2.2.1 Defence of Breach of Contract up to \$50,000.
	Benefit	2.2.2 Defence of Fraud up to \$50,000.
	Benefit	2.2.3 Tax Audit and Review Costs up to \$10,000.

New Section 3: Employment Practices Liability	Benefit	3.1.1 Employment Practices Liability - confirms the Association and Insured persons are covered for employment disputes.
	Benefit	3.1.2 Third Party Liability - confirms the Association and Insured persons are covered for harrasment and discrimination claims by third parties up to the limit specified for Employment Practices Liability.

New Section 4: Fidelity	Benefit	4.1.1 Employee Theft reimburses theft of money and some other property by employees.
	Benefit	4.1.2 Liability to a Third Party reimburses theft of third party funds for which the Association is responsible.
	Benefit	4.3.1 Fraud Investigator - costs of fraud investigator up to \$10,000.

New Section 5: Statutory Liability	Benefit	5.1.1 Association Statutory Liability.

Section 6: Civil Liability Professional Indemnity	Benefit	6.1.1 Civil Liability- compensates for loss arising from civil liability related to the provision of professional services.
	Benefit	6.1.2 Defence Costs pays defence costs incurred in response to allegations of liability arising from the delivery of professional services.
	Benefit	6.2.1 Emergency First Aid - up to \$5,000.
	Benefit	6.2.2 Fund Raising and Social Activities up to \$5,000.
	Benefit	6.2.3 Loss of Documents up to \$20,000 to repair or replace lost or damaged documents.
	Benefit	6.2.4 Inquiries into conduct of Association Services up to \$10,000.
	Benefit	6.2.5 Joint Venture Liability proportion of legal liability arising out of the provision of services by the Association in a joint venture or partnership.

New Extensions		
7.1.1 Access to Complimentary Legal Advice	Benefit	One hour of free legal advice from our legal panel about facts with respect to matters arising under the policy.
7.1.2 Advance Payment of Costs	Benefit	Various costs to be paid while waiting for a determination on indemnity under the policy.
7.1.3 Emergency Defence Costs	Benefit	Up to \$25,000 in emergency defence costs while waiting for a decision on indemnity.
7.1.4 Court Attendance Costs	Benefit	Up to \$25,000 to compensate attendance at Court.
7.1.5 Discovery Period	Benefit	New discovery period of 60 days automatically, and up to 24 months on payment of additional premium.
7.1.6 New Subsidiary	Benefit	Automatic cover for a new subsidiary provided it is not incorporated or domiciled in the USA.
7.1.7 Continuous Cover	Benefit	Allows late notification of a claim that ought to have been reported to QBE in a preceding policy period provided the policy was renewed continuously with QBE only.

Limit of Indemnity	Clarification and Benefit	Now in Section 7.4 General Conditions Each Section has a Limit of Indemnity.
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Exclusions		In the new wording, exclusions specific to each Insuring Clause are contained in each Insuring Section. Exclusions applicable to all Sections are in 7.2 General Exclusions. Please read the exclusions for the relevant section carefully.
(a) Dishonesty or fraud with writeback for successful defence costs and innocent parties	Clarification	7.2.2 Conduct. 7.2.3 Anti Competitive Conduct.
(b) Profit or advantage not legally entitled	Clarification	7.2.2 Conduct.7.2.3 Anti Competitive Conduct.
(c) Bodily injury and property damage	Benefit	1.3.1 (but does not apply to mental anguish or distress under Extensions 1.2.2, 1.2.3, 1.2.4.) 2.3.1, 3.31.
(d) Intentional exercise of powers outside of purpose	Clarification	7.2.1 Prior Claims and Circumstances.
(e) Claims made or intimated prior to inception of Policy	Clarification	7.2.1 Prior Claims and Circumstances.
(f) Prior known circumstances	Clarification	7.2.1 Prior Claims and Circumstances.
(g) Prior notified circumstances or claim	Clarification	7.2.1 Prior Claims and Circumstances.
(h) Arising out of matters disclosed prior to inception	Clarification	7.2.1 Prior Claims and Circumstances.
(i) Notified after expiry of policy	Clarification	7.2.1 Prior Claims and Circumstances.
(j) Commenced outside of Australia	Benefit	7.2.5 Except for Statutory Liability or Regulatory Prosecution Costs outside of Australia or New Zealand, Worldwide jurisdiction available excluding those of the USA, its territories and protectorates.
(k) Guarantee or warranty given by officer	Clarification	7.2.8 Trading Debts.
(l) Intentional breach of contract	Clarification	7.2.2 Conduct.7.2.3 Anti Competitive Conduct.
(m) Insured v Insured	Clarification	7.2.6 Insured v Insured.
(n) Pollution	Benefit	Now called 2.3.5 Environmental Violation, applies to Section 2 Association Liability only.
(o) Nuclear, radiation	Clarification	7.2.13 Nuclear.
(p) Any acts of terrorism	Clarification	7.2.12 War or Terrorism.

Additional Exclusions		(NEW) Additional Exclusions
7.2.4 Cyber Liability or Spam	Reduction	Exclusion for liability for claim arising from Cyber Event or violation of the Spam Act 2003 (Cth).
7.2.7 Molestation exclusion	Reduction	Exclusion for liability for claim in consequence of any molestation or physical interference with any person.
7.2.9 Product Liability	Clarification	Exclusion for liability for claim arising from manufacture, assembly processing etc or supply of any goods.
7.2.10 Tax	Clarification	Exclusion for liability for claim arising from violation of law with respect to taxes, duty, levies or other charges.
7.2.11 Traffic	Clarification	Exclusion for liability for claim arising from violation of law with respect to vehicular, air, or marine traffic.

Claims Conditions		Now 7.3 Claims Conditions
(a) Written notice required to be given	Clarification	7.3.1 Notification - Address now provided to enable notification to right person at QBE.
(b) Mitigation	Clarification	7.3.4 Claims Mitigation and Cooperation.
(c) No admissions	Clarification	7.3.2 Defence and Settlement.
(d) Defence and settlement	Clarification	7.3.2 Defence and Settlement.
(e) Conduct of claim & cooperation	Benefit	7.3.5 Legal opinion. We don't require you to contest a claim unless the legal opinion of an independent lawyer advises that the claim should be contested.
(f) Appointment of Solicitor	Clarification	7.3.2 Defence and Settlement.
(g) Preservation of rights	Clarification	7.3.4 Claims Mitigation and Cooperation.
(h) Subrogation	Clarification	Now 7.4 General Conditions 7.4.1 Subrogation.

General Conditions		
(a) Material Change	Clarification	7.4.2 Change in Risk.
(b) Cancellation	Clarification	7.4.7 Cancellation.
(c) Non Avoidance	Clarification	7.4.8 Non Avoidance.

Additional General Conditions		
7.4.4 Deductible	Clarification	New clause setting out how the deductible operates.
7.4.5 Multiple Claims	Clarification	Provides that all interrelated claims operate as a single claim with a single deductible.
7.4.6 Severability and Non-Imputation	Benefit	Provides that the policy operates independently for each Insured.
7.4.9 Sanctions	Reduction	No payment where to do so would breach an international sanction.
7.4.11 Non-assignment	Clarification	The policy may not be assigned to another.
7.4.13 Governing Law	Clarification	The law applicable to disputes between you and us is the law of the country, state or territory in which the policy was issued.

Definitions		Now 7.5 'Words With Special Meaning'
Certificate	Clarification	Now called Policy Schedule.
Claim	Clarification	Now includes pre investigation and investigation.
Loss	Clarification/ Benefit	Lists what is not considered Loss as well.
Officer	Clarification and Benefit	"Now Employee" replaces definition of "Officer". Clarifies that trainees, temporary employees and casuals are covered.
Power of Authority	Clarification	Term is not used in new wording. Coverage set out in the Insuring clauses for each Section.
Wrongful Act	Clarification	Term is not used in new wording. Coverage set out in the Insuring clauses for each Section.
You, Your	Clarification	Now defined as Insured and Named Insured. Clarifies when cover, exclusions, and conditions apply to both the Association and directors and officers.
You, Your	Benefit	Now defines Insured Person. Extends cover to include an Insured person's representatives including a spouse or domestic partner.

New Definitions		
Association	Clarification	Includes subsidiaries within the meaning of Association.
Association Liability	Clarification	Replaces "Wrongful Act" but only in relation to the Association, not the directors or officers.
Association Services	Clarification	The services or activities undertaken by the Insured.
Bodily Injury	Reduction	Now includes emotional distress and death.
Computer virus	Clarification	Defined for clarity.

New Definitions		
Continuity Date	Benefit	Defines date from which Insured has maintained uninterrupted cover.
Cyber Event	Clarification	Defined for clarity.
Data	Clarification	Defined for clarity.
Deductible	Clarification	Defined for clarity.
Defence Costs	Clarification	Defined for clarity.
Discovery Period	Clarification	Clarifies the period of time referred to as a discovery period.
Documents	Benefit	Clarifies what constitutes documents for purpose of Extension for Loss of Documents.
Employee Superannuation Plan	Clarification	Defined for clarity.
Employment Benefits	Clarification	Clarifies employment benefits that are excluded from cover.
Employment Practices Liability	Benefit	Clarifies the extent of cover for employment practices liability.
Environmental Violation	Clarification	Clarifies the meaning of environmental violation as defence costs now paid following environmental violation.
Fidelity Loss	Benefit	Defines date from which Insured has maintained uninterrupted cover.
Fraud Investigator	Benefit	Clarifies meaning of fraud investigator for purpose of paying fraud investigator costs under 4.3.1.
Funds	Clarification	Clarifies for purpose of crime loss cover.
Information and Communication Assets	Reduction	Cyber liability excluded.
Insured Person	Clarification	Extends cover to include an Insured person's representatives including a spouse or domestic partner.
Interrelated Claim	Benefit	Now defined for clarity.
Investigation	Clarification	Clarifies when Investigation Costs will be paid.
Investigation Costs	Benefit	Defined for clarity.
Limit of Indemnity	Clarification	Defined for clarity.
Money	Benefit	Now defined for clarity. It does not include crypto currency.
Named Insured Director	Clarification	Defined for clarity and includes a spouse, domestic partner and heirs and executors.
Not for Profit Entity	Clarification	Defined for clarity.
Personally Identifiable Information	Clarification	Cyber liability excluded.

New Definitions		
Policy	Clarification	Defined for clarity.
Policy Period	Clarification	Was "Period of Insurance".
Pre-Investigation	Benefit	Defined for clarity.
Pre-Investigation Costs	Clarification	New cover for costs of advice and representation at pre-investigations.
Premium	Benefit	Includes the annual premium and any additional premium payable throughout the policy period or the Discovery Period.
Professional Liability	Clarification	Defined for clarity.
Property	Clarification	Defined for clarity.
Property Damage	Benefit	Defined for clarity.
QBE Association Liability Panel	Benefit	Defined to clarify who will provide the complimentary legal advice.
Regulatory Authority	Clarification	Defined for clarity.
Regulatory Prosecution Costs	Clarification	Defined for clarity of cover in relation to representation before a Regulatory Authority.
Retroactive Date	Benefit	Defined for clarity.
Senior Counsel	Benefit	Defined for clarity.
Service Provider	Clarification	Defined for clarity.
Statutory Liability	Clarification	Defined for clarity of statutory liability cover.
Subsidiary	Clarification	Defined for clarity.
Superannuation Trustee	Benefit	Defined for clarity.
Superannuation Trustee Liability	Benefit	Defined for clarity.
Tangible Securities	Benefit	Defined for clarity.
Tax Audit and Review Costs	Benefit	Defined for clarity.
Theft	Benefit	Defined for clarity.
Third Party	Benefit	Defined for clarity in relation to third party liability.
Third Party Liability	Benefit	Defined for clarity in relation to liability owing to third parties.
Transaction	Benefit	Defined for clarity when policy may cease during the policy period.
US Litigation	Benefit	Defined for clarity of jurisdictional cover.
Volunteer	Benefit	Defined for clarity.
War or Terrorism	Reduction	War now excluded as well as terrorism.

New Definitions

Work Health & Safety Incident	Clarification	Defined for clarity of cover.
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