

Management Liability Insurance Product Disclosure Statement and Policy

SUMMARY OF CHANGES

EFFECTIVE: POLICIES DUE ON OR AFTER 1ST JUNE 2024

Management Liability Insurance Product Disclosure Statement and Policy Summary of Changes

Introduction

We have updated our Ansvar Management Liability, Product Disclosure Statement and Policy Wording.

This document provides a summary of the key changes made. This document is not exhaustive in addressing general editing to improve or update the language of the policy. It is important to read the new wording so that you understand the cover available to you. If you have any questions these should be directed to your Insurance Broker.

(This Summary of Change Document Is a guide only and does not form part of your policy).

SUMMARY OF CHANGES REMOVED, UPDATED OR ADDED

- Definition applicable to the policy - **claim**
- Definition applicable to the policy - **extradition proceedings**
- Definition applicable to the policy - **loss**
- Definition applicable to the policy - **money**
- Automatic Extension applicable to the policy - 17. Runoff cover for subsidiary organisation
- Automatic Extension applicable to the policy - 18. Runoff cover for outside directorship
- Automatic Extension applicable to the policy - 19. Spousal liability cover
- Exclusions applicable to the policy - 6. Employment liability
- Conditions applicable to the policy - 16. Sanctions

DEFINITIONS APPLICABLE TO THE POLICY

claim means:

- any writ, summons, application cross claim, counter-claim or other legal or arbitral proceedings or process, or written demand seeking monetary or non-monetary relief and alleging any **wrongful act**, or **employment practice breach**;
- any written notice of any proceedings, **investigation** or inquiry which may give rise to the imposition of a **penalty**;
- any extradition proceeding against an **insured person**;
- any criminal proceeding;

Claim does not mean an action solely for declaratory or injunctive relief where there is no demand for **compensation** or damages and/or the only **compensation** claimed is for legal costs.

extradition proceeding means:

- written request for extradition of an **insured person**, a warrant for the arrest of an **insured person** or other proceedings commenced by a writ, complaint, summons or other originating process against an **insured person** under the provisions or regulations of the Extradition Act 1988 (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation; and
- any associated appeals, including but not limited to the pursuit of judicial review proceedings, against the decision of the Attorney General or other appropriately authorised representative of the Australian Government to issue a surrender warrant under the Extradition Act 1988 (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation; and
- equivalent of the above in any other jurisdiction.

Management Liability Insurance Product Disclosure Statement and Policy Summary of Changes (continued)

loss means **compensation** for which **you** and/or an **insured person** are legally liable and **defence costs** incurred by **you** or an **insured person**.

- i. In respect of Insuring clause 4 – Employment Practices Liability, **loss** also includes **back-pay**;
 - ii. In respect of Insuring clause 6 – Statutory Liability, **loss** also includes any **penalty**;
 - iii. In respect of Automatic extension 28 – Employee fidelity, loss also includes direct financial loss;
 - iv. In respect of Automatic extension 29 – Third party fidelity, loss also includes direct financial loss;
 - v. In respect of Automatic extension 32 – Identity fraud expenses, loss also includes **identity fraud expenses**;
 - vi. In respect of Automatic extension 35 – Tax audit, loss also includes **professional fees**;
- but loss does not include **crisis loss**.

money means physical or electronic legally acceptable currency, coins, bank notes, bullion, negotiable and non-negotiable instruments, either belonging to or in the care, physical custody or control of the insured and for which the **insured** is legally liable, other than bitcoins or other crypto currencies or **property** excluded by this **policy**.

AUTOMATIC EXTENSIONS APPLICABLE TO THE POLICY

17. Runoff cover for subsidiary organisations

In the event that a **subsidiary organisation** ceases to be a **subsidiary organisation** during the **period of insurance**, then the **policy** shall continue to apply with respect to any **claim** first made against such **subsidiary organisation** and any **insured person** of such **subsidiary organisation** and notified to **us** during the **period of insurance** or the **extended notification period**.

Provided always that:

- cover is only provided in respect of any **wrongful act** or **employment practice breach** committed prior to the date such entity ceased to be a **subsidiary organisation** and committed during the time such entity was a **subsidiary organisation**;
- cover is only provided for any **direct financial loss** resulting from **dishonest acts** committed prior to the date such entity ceased to be a **subsidiary organisation** and committed during the time such entity was a **subsidiary organisation** or otherwise covered by this **policy**;
- cover is not provided for any **wrongful act** or **employment practice breach** preceding the **retroactive date** shown in the **certificate of insurance**.

18. Runoff cover for outside directorship

In the event that an **insured person** ceases to act as an **outside director** of an **outside entity** at any time prior to or during the **period of insurance**, then the **policy** shall continue to apply with respect to any **claim** first made against such **insured person** and notified to **us** during the **period of insurance** or the **extended notification period**.

Provided always that:

- cover is only provided with respect to **wrongful act** or **employment practice breach** committed prior to the date such person ceased to be an **outside director** of such **outside entity** and committed during the time such person was an **outside director** of such **outside entity**;
- cover is not provided for any **wrongful act** or **employment practice breach** preceding the **retroactive date** shown in the **certificate of insurance**.

19. Spousal liability cover

We agree to pay on behalf of the lawful spouse of an **insured person** their liability for all **loss** as a result of an alleged **wrongful act**.

Provided always that **we** shall only indemnify the spouse in respect of **loss** arising from any **claim**:

- made against the lawful spouse only because they are the lawful spouse of the **insured person**;
- which is not brought by reason of the lawful spouse being knowingly or recklessly party to or involved in any wrongful act; and
- relating to **property** either jointly held by the **insured person** and their lawful spouse, or transferred by that **insured person** to their lawful spouse for legitimate purposes only.

Where a conflict arises between this **automatic extension** and Exclusion 11 – Insured versus insured of the **policy**, the provisions of this **automatic extension** shall prevail.

EXCLUSIONS APPLICABLE TO THE POLICY

6. Employment Liability

Any **claim** by an **employee** arising from

- The employment of any person by you;
- any employment dispute; or
- leave, worker's compensation, disability benefits, unemployment benefits, redundancy or severance payments, retirement benefits, social security benefits, superannuation benefits, **employee** underpayment or any similar employment obligation, other than as provided under Insuring clause 4 – Employment Practices Liability.

CONDITIONS APPLICABLE TO THE POLICY

16. Sanctions

We shall not be required to pay any **claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, New Zealand, European Union, United Kingdom or United States of America.



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