

# AIAS Professional Indemnity Policy Comparison Checklist

PROFESSIONAL INDEMNITY INSURANCE CHECKLIST	AIAS POLICY	Other Policy
1. Does my policy wording provide indemnity for Civil Liabilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Does my policy wording provide indemnity for Defamation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Does my policy wording provide indemnity for breaches of the Trade Practices Act?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Does my policy wording provide indemnity for infringements of intellectual property?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Does my policy provide cover for fraud & dishonesty?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is vicarious liability cover available for the acts of subcontractors and/or Consultants?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Can my policy provide me with an indemnity for Inquiry Costs up to \$250,000?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is my retroactive date 'unlimited'?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Am I purchasing my own limit of Indemnity?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Can my policy include cover for acts errors and omissions associated with Genetically Modified crops?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Can my Professional Indemnity policy offer 2 reinstatements of the sum insured?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Can my policy provide cover for court attendance costs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Can my policy provide cover for public relations expenses?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Does my Insurer have a financial security rating of A+ by Standard and Poor's?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Does my broker contribute directly to my Association to improve member services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Can my policy provide continuous cover?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Does my broker have an extensive knowledge of my industry risk profile?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Does your current policy 'tick' all the boxes?**

(for a full explanation of items 1-17 please refer to JLT's Frequently Asked Questions)

# AIASST Professional Indemnity FAQ's

## PROFESSIONAL INDEMNITY FAQ's

### 1. Does my policy wording provide indemnity for Civil Liabilities?

Civil Liability is your potential responsibility for payment of damages or other court-enforcement in a lawsuit. A full Civil Liabilities insuring clause is broader than an Errors and Omissions insuring clause as a Civil Liabilities insuring clause will provide indemnity for strict liability – i.e. where no negligence is involved.

### 2. Does my policy wording provide indemnity for Defamation?

This refers to damaging or lowering a person's reputation in the eyes of others. Defamation can occur in written form (Libel) or in oral form (Slander). Allegations of defamation can be potentially crippling for your business.

### 3. Does my policy wording provide indemnity for breaches of the Trade Practices Act?

The Trade Practices Act 1974 (Cth) (TPA) regulates how Corporations act in trade or commerce. The TPA insuring clause provides cover for misleading and deceptive conduct resulting in a breach of the TPA.

### 4. Does my policy wording provide indemnity for infringements of intellectual property?

Intellectual property rights refers to legislative and common laws that protect the exclusive rights of intellectual property such as copyright, design, patents and trademarks. The infringement needs to be unintentional for indemnity to be granted under the policy.

### 5. Does my policy provide cover for fraud & dishonesty?

These acts are generally excluded by most if not all insurance policies, however there is a write back under the QBE Insurance programme where cover is provided for civil liability arising from the dishonest, fraudulent or criminal acts of the insured's employees. There is no cover for the actual perpetrator of such acts. – Refer to policy extension 2.2 of the policy wording.

### 6. Is vicarious liability cover provided for the acts of subcontractors and/or Consultants?

For the purpose of your insurance policy, the principal of vicarious liability can be defined as the liability created by a person who is working for or on behalf of your business. The QBE policy provides cover for instances where the acts, errors or omissions of your sub contractors or sub consultants brings you into a claim. It should be noted that cover under the policy does not extend to the sub contractors or sub consultants themselves without the express agreement of the underwriter.

### 7. Can my policy provide me with an indemnity for Inquiry Costs up to \$250,000

Traditionally, PI policies respond to actions bought by third parties. Some professionals may find themselves in a position where they are required to attend an official inquiry held by an official body. An inquiry costs clause will provide the insured with reasonable legal costs and expenses incurred in attending the inquiry.

### 8. Is my retroactive date 'unlimited'?

The retroactive date is the date after which acts errors or omissions of the Insured are covered. For example, if a business has been in operation since 1<sup>st</sup> January 2005 and a Professional Indemnity insurance policy was purchased with a retro active date of 1<sup>st</sup> January 2006, any acts, errors or omissions that occurred between 1<sup>st</sup> January 2005 and 31<sup>st</sup> December 2006 would not be covered by the policy.

### 9. Am I purchasing my own limit of Indemnity?

Some industry based insurance programmes are facilitated under one "master" policy. Be wary of such arrangements as these "master" policies have multiple businesses all sharing one limit. This could mean that by the time you need to submit a claim the "master" limit may be used up or significantly reduced.

### 10. Can my policy include cover for acts, errors and omissions associated with Genetically Modified Crops?

The QBE policy provides cover for any act, error or omission associated with the cultivation or importation to Australia of genetically modified crops provided by the Insured as a certified Monsanto Consultant for Roundup Ready or Bollgard II.

# AIAST Professional Indemnity FAQ's

## 11. Can my Professional Indemnity policy offer 2 reinstatements of the sum insured?

As most Professional Indemnity policies have aggregate limits, a reinstatement provision allows for the limit to be reinstated should the limit of indemnity be exhausted during the period of insurance. The QBE policy allows for 2 reinstatements.

## 12. Can my policy provide cover for court attendance costs?

If you are legally compelled to attend a civil proceeding as a witness for a claim covered by the policy, QBE will provide up to \$250.00 per day for court attendance costs up to an annual aggregate of \$50,000.

## 13. Can my policy provide cover for public relations expenses?

If the businesses reputation is brought into question as a direct result of a claim covered by the policy, QBE will agree to pay reasonable costs and expenses associated with the engagement of a public relations consultant (subject to the terms and conditions of the policy)

## 14. Does my Insurer have a financial security rating of A+ by Standard and Poors ?

Insurer financial strength ratings are a primary indicator of an insurer's ability to pay claims. Ratings range from AAA – Extremely Strong to CC or C – Highly Vulnerable.

## 15. Does my broker contribute directly to my Association to improve member services?

Jardine Lloyd Thompson (JLT) remits a portion of its placement fees back to your Association. JLT commits to this remuneration whilst maintaining the most competitive rates for members.

## 16. What is Continuous cover?

This is an important policy benefit due to the nature of claims made policies. An inadvertent or innocent failure to disclose a known fact or circumstance that may give rise to a claim could result in an uninsured loss. A continuous cover clause will address a situation where a fact or circumstance that may give rise to a claim was not notified to the insurer during the period of insurance. (With the exception of fraudulent non disclosure or misrepresentation)

## 17. What is Public Liability Insurance? Do I need it?

A public liability policy provides protection against your legal liability for causing accidental property damage or bodily injury to third parties. Accidents can and do happen. Litigation costs and eventual settlements can run into the tens of thousands very quickly. This class of insurance is relatively inexpensive with low excesses and should be purchased as part of your overall liability insurance programme.

## 18. What is a claims made policy?

A claims made policy is one that provides indemnity for claims made against the insured and reported to the insurer during the policy period. Claims made cover does not require the incident that gives rise to the claim against the insured to have taken place during the policy period. This is a key difference to most public liability insurance policies that are "occurrence based" wordings.

## 19. Does my broker have extensive knowledge of my industry risk profile?

JLT have been the broker of choice to the Australian Institute of Agricultural Science and Technology since 2005. During this time they have developed a detailed knowledge of the industry and the needs of its participants. JLT's experience and dedicated service team continue to meet and exceed the expectations of their clients.

**Please note that all policy coverage is subject to the policy terms, conditions and exclusions. Intending insureds should contact JLT for individual advice as to how the policy will suit their particular insurance needs.**

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