



MIND THE GAP DIRECTORS & OFFICERS

The following document is intended as a guide to understanding DUAL New Zealand Directors and Officers Policy Wording 08.18, what changes have been made to it and how the changes affect the cover provided.

The 08.13 Wording was a combined Policy Wording with all sections included. The 08.18 upgrade provides the policy wording plus a separate General Terms and Conditions Wording, so the product is truly modular.

Mind the Gap Directors & Officers	V08.13	V08.18	Comments
Language / General			
Defined Terms	Defined Terms identified by CAPITAL LETTERS	Defined terms identified by bold letters	
Sub-limits or %	Mentioned in Wording	Any reference to sub-limits removed from Wording and now specified in the Schedule.	
Insuring Clause			
Insured Person Liability Cover	Insuring Clause 2.1	Insuring Clause 1.1	
Insured Person Investigation Cover	Automatic Extension 3.10	Insuring Clause 1.2	Clarification
Company Reimbursement - Insured Person Liability	Insuring Clause 2.2	Insuring Clause 1.3	
Company Reimbursement - Investigations	Insuring Clause 2.2	Insuring Clause 1.4	Clarification
Securities Entity Cover	Optional Extension 4.5	Insuring Clause 1.5	Coverage Enhancement
Defence Costs in Addition	Insuring Clause 2.3 Not in addition to the indemnity limit	Insuring Clause 1.6 Offered in addition to the indemnity limit	Coverage Enhancement

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Insuring Clause			
Retroactive Date	Insuring Clause 2.4 The POLICY shall only provide cover with regard to: a. WRONGFUL ACTS; and b. conduct which is the subject of any investigation, examination or inquiry; committed or allegedly committed after the RETROACTIVE DATE.	Not Included	Coverage Enhancement: No retroactive date limitation Continuity Date is included under the Continuous Cover clause.
Automatic Coverage Clause (Section A)			
Additional Cover for Directors	Optional Extension 4.1	Automatic Coverage Clause 2.1 Sub-limited to 25% of policy limit	Coverage Enhancement
Automatic Run-off Cover for Retired Insured Persons	Optional Extension 4.4	Automatic Coverage Clause 2.2 Full Policy Limit or up to \$5,000,000	Coverage Enhancement
Bail Bond Expenses	Not Included	Automatic Coverage Clause 2.3 Sub-limited to \$500K	Coverage Enhancement: DUAL will pay the bail bond expenses of an insured person. Bail bond expenses means the reasonable premium (but not collateral) for a bond or other financial instrument to guarantee an insured person's contingent obligation for bail required by a court hearing a claim in relation to a wrongful act committed or allegedly committed by such insured person.
Continuous Cover	Automatic Extension 3.1 Subject to DUAL being the previous insurer	Automatic Coverage Clause 2.4 No requirement for DUAL to have been the previous insurer	Coverage Enhancement

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Automatic Coverage Clause (Section A)			
Court Attendance Costs	Automatic Extension 3.2 \$300 per day for each insured person, sub-limited to \$10,000 for all insured persons	Definition 5.27 included in the definition of Loss: \$500 per day for all insured persons. Full Policy limit	Coverage Enhancement
Crisis Costs	Not Included	Automatic Coverage Clause 2.5 Sub-limited to \$100,000	Coverage Enhancement: DUAL will pay the crisis loss of the insured following a crisis event.
Deprivation of Asset Expenses	Not Included	Automatic Coverage Clause 2.6 Full Policy Limit or up to \$5,000,000	Coverage Enhancement: DUAL will pay the deprivation of asset expenses of an insured person in the event that an interim or interlocutory court order is made against an insured person which seeks to confiscate, control, suspend or freeze rights of ownership of real property or personal assets of an insured person or creates a charge over real property or personal assets of an insured person.
Discovery Period	Automatic Extension 3.3 i. 30 days with no additional premium ii. 12 months for 50% of the expiring annual premium iii. 72 months if a transaction takes place, on such terms and conditions and for such additional premium as we may reasonably decide.	Automatic Coverage Clause 2.7 a. 60 days with no additional premium b. 12 months, for 100% of the expiring annual premium c. 84 months if a transaction takes place, on such terms and conditions and for such additional premium as we may reasonably decide.	Coverage Enhancement: 84 months available Clarification that for a 12 month discovery period, the applicable premium is now 100% of the expiring annual premium.
Employment Practices Liability Cover	Optional Extension 4.2 Sub-limited to \$1,000,000	Automatic Coverage Clause 2.8	Coverage Enhancement
Employment Practices Investigation Cover	Optional Extension 4.2	Automatic Coverage Clause 2.9	Coverage Enhancement
Estates, Heirs, Legal Representatives and Spousal Cover	Automatic Extension 3.7	Automatic Coverage Clause 2.10 Full Policy Limit or up to \$5,000,000	

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Automatic Coverage Clause (Section A)			
Former Subsidiary Cover	Automatic Extension 3.6	Definition 5.43	Cover is now provided for by definition as opposed to extension.
New Subsidiary Cover	<p>Automatic Extension 3.8</p> <p>WE agree to provide cover in respect of any SUBSIDIARY which is created or acquired by the INSURED ENTITY during the INSURANCE PERIOD, provided that the SUBSIDIARY has at the time of creation or acquisition:</p> <p>a. total gross assets which are less than 20% of the total gross assets of the INSURED ENTITY; or</p> <p>b. total gross assets which are less than 10% of the total gross assets of the INSURED ENTITY in the USA OR CANADA.</p> <p>The cover provided shall only apply in respect of</p> <p>a. WRONGFUL ACTS; and</p> <p>b. conduct which is the subject of any investigation, examination or inquiry; committed or allegedly committed after the date of creation or acquisition.</p>	<p>Definition 5.43</p> <p>Subsidiary includes:</p> <p>any legal entity which is created or acquired by the company during the insurance period, provided that the legal entity:</p> <p>i. has total gross assets which are less than 25% of the total gross assets of the company; or</p> <p>ii. has gross annual turnover of less than 25% of the total gross annual turnover of the company; or</p> <p>iii. has total gross assets which are less than 25% of the total gross assets of the company in the United States of America or Canada.</p> <p>The cover provided in this policy will only apply in respect of a wrongful act occurring after the date of creation or acquisition.</p>	<p>Coverage Enhancement:</p> <p>We have included an alternate trigger of turnover %. We have amended the asset trigger to 25% (from 20%) and we have increased the USA trigger to 25% (from 10%).</p>
Extradition Costs	<p>Automatic Extension 3.4</p> <p>Sub-limited to \$250,000</p>	<p>Automatic Coverage Clause 2.11</p> <p>Full Policy Limit or up to \$5,000,000</p>	Coverage Enhancement
Fines and Penalties	<p>Automatic Extension 3.5</p> <p>Sub-limited to \$500K</p>	<p>Definition 5.27</p> <p>Loss</p> <p>Full policy limit</p>	<p>Coverage Enhancement:</p> <p>DUAL will pay pecuniary penalties awarded against an insured person in and under the laws of the jurisdictions of Australia and New Zealand, provided that we are not legally prohibited from paying such pecuniary penalties.</p>

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Automatic Coverage Clause (Section A)			
Insured Person Tax Liability	Not Included	Automatic Coverage Clause 2.12 Full Policy Limit or up to \$1,000,000	Coverage Enhancement
Outside Entity Executive Cover	Automatic Extension 3.12	Automatic Coverage Clause 2.13 Full Policy Limit or up to \$5,000,000	Coverage Enhancement
Panel Counsel	Not Included	Automatic Coverage Clause 2.14	Coverage Enhancement: 1 hour free legal advice from a panel firm regarding a covered claim or circumstance accepted by the policy.
Pollution Defence Costs and Investigation Costs	Automatic Extension 3.14 Sub-limited to \$1,000,000	Automatic Coverage Clause 2.15 Full Policy Limit or up to \$2,000,000	
Prosecution Costs	Not included	Automatic Coverage Clause 2.16 Sub-limited to \$500,000	Coverage Enhancement: DUAL will pay the prosecution costs of an insured person. Prosecution costs means any reasonable fees, costs and expenses incurred by an insured person with DUAL's prior written consent (which will not be unreasonably withheld or delayed), to bring legal proceedings.
Public Relations Expenses	Automatic Extension 3.16 Sub-limited to \$250K	Automatic Coverage Clause 2.17 Sub-limited to \$250K	Coverage Enhancement: The new cover goes beyond the requirement for extradition and dissemination of findings.

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Automatic Coverage Clause (Section A)			
Reinstatement of Indemnity Limit-Insured Persons	Not Included	Automatic Coverage Clause 2.18	Coverage Enhancement: In the event of a reduction (in whole or in part) of the indemnity limit due to payment of loss by DUAL under this policy, it is agreed that the indemnity limit shall be reinstated by the amount by which the indemnity limit is reduced.
Shareholder Costs	Not Included	Automatic Coverage Clause 2.20 Full Policy Limit or up to \$5,000,000	Coverage Enhancement: DUAL will pay as loss any adverse costs orders awarded against the insured in favour of a shareholder or group of shareholders of the company.
Work Health and Safety Costs	Automatic Extension 3.9 Full Policy Limit or up to \$1,000,000	Automatic Coverage Clause 2.23 Full Policy Limit or up to \$1,000,000	Coverage Enhancement: DUAL covers the loss (including defence costs) of an insured person in relation to any claim arising from an alleged breach of the Health & Safety at Work Act 2015, not just the defence costs.
Definitions			
Company	Definition 6.12 Insured Entity	Definition 5.6 Company means the entity or entities specified in the schedule and any subsidiaries.	The terminology of insured entity has been replaced with company.
Investigation	Not Defined	Definition 5.24 Investigation	Coverage Enhancement: Investigation means a formal criminal, administrative or regulatory investigation, examination, hearing or inquiry, into the company, outside entity, or an insured person in their capacity as such, commenced in writing by an official body during the insurance period or any discovery period which may be operable.

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Definitions			
Loss	<p>Definition 6.14 LOSS means the total amount which a person or entity becomes legally obliged to pay in respect of a CLAIM. LOSS includes but is not limited to damages, judgments, settlements, costs and DEFENCE COSTS.</p>	<p>Definition 5.27 Loss means the total amount which an insured becomes legally obliged to pay on account of a claim or investigation. Loss includes, but is not limited to:</p> <ul style="list-style-type: none"> a. damages, judgments, settlements and adverse costs orders; b. defence costs; c. extradition costs; d. public relations expenses; e. bail bond expenses; f. deprivation of assets expenses; g. prosecution costs; h. investigation costs; i. (court attendance costs of any insured person who is legally required to attend court as a witness in a claim covered by the policy, to an amount not exceeding \$500 per day for all insured persons. No deductible applies; j. pecuniary penalties awarded against an insured person in and under the laws of the jurisdictions of Australia and New Zealand, provided that we are not legally prohibited from paying such pecuniary penalties. 	Coverage Enhancement:
General Conditions and Exclusions			
Molestation Exclusion	Not Included	Included	
Misuse of Drugs Exclusion	Not Included	Included	DUAL will not cover the use, manufacture or distribution of methamphetamine or any other substance prohibited by the Misuse of Drugs Act 1975 or any amending or replacement legislation.

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General Conditions and Exclusions			
Sanctions Limitation and Exclusion	Exclusion 7.13	Exclusion 6.14	Standard market exclusion
Cancellation Clause	<p>General Condition 9.3</p> <p>a. The INSURED may cancel the POLICY at any time by notifying US in writing.</p> <p>b. WE may cancel the POLICY at any time by sending 30 days notice in writing to the INSURED named in the Schedule of the date from which cancellation is to take effect. Such notice may be delivered personally, posted, emailed or faxed to the INSURED named in the Schedule or their representative last notified to US.</p> <p>c. On cancellation, WE agree to allow a pro-rata refund of premium based upon the unexpired INSURANCE PERIOD.</p>	<p>General Condition 6.18</p> <p>Clarification that the Insured may cancel the policy at any time with immediate effect. Provided that there have been no claims or notifications made on or under the policy, DUAL will agree to allow a refund of premium calculated on a pro-rata basis, provided that we will always retain a minimum of 25% of the full annual premium.</p>	<p>Clarification:</p> <p>The minimum retained premium was 15% but is now 25%.</p>
Other Insurance	Not Included	General Condition 6.33	<p>Clarification:</p> <p>This policy will only cover loss under the policy to the extent that the amount of such loss is in excess of any indemnity or cover available to the insured in respect of that loss under any other policy entered into by the insured, including but not limited to those policies specified in the schedule or by endorsement, even if the other insurance or indemnity has a term to that effect.</p> <p>Other insurance means any other insurance policy including but not limited to those policies specified in the schedule, or by endorsement.</p>