



MIND THE GAP PROFESSIONAL INDEMNITY

The following document is intended as a guide to understanding DUAL New Zealand Professional Indemnity Policy Wording 02.18, what changes have been made to it and how the changes affect the cover provided.

Mind the Gap Professional Indemnity	V04.16	V02.18	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			
Indemnity/payment language	"We agree to indemnify" language.	Amended to "We agree to pay on behalf of" language.	"Pay on behalf of" language is broader than an indemnity form, which requires the Insured to pay the claim before recovering from Insurers.
Insuring Clause	Breach of Professional Duty Insuring Clause.	Civil Liability Insuring Clause.	Civil liability insuring clause is broader than breach of professional duty. Civil liability is defined to mean a legally enforceable obligation to a third party.
Advancement of Defence Costs	Not included.	Included.	DUAL will advance defence costs within 28 days of receipt of sufficiently detailed invoices for those costs are received by us.
Defence Costs in Addition to the Limit	One aggregate limit available for defence costs, shared across all policy sections.	Defence Costs now apply In Addition to the Indemnity Limit for each policy.	Separate limit for defence costs applies in addition to the MTG PI policy.
Automatic Coverage Clause			
Attendance at Investigations	Referred to as 'Attendance and Inquiries' for \$250,000 sub limit.	Definition replaced with 'Attendance at Investigations' for Full Policy Limit.	

MIND THE GAP PROFESSIONAL INDEMNITY CHANGES TO COVER

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Automatic Coverage Clause			
Civil Penalties	Referred to as 'Compensatory Civil Penalties'.	Renamed 'Civil Penalties'.	
Continuous Coverage	Included in General Conditions Section of Wording.	Included in the Automatic Cover Section under Professional Indemnity Wording.	
Crime	Not Included.	Included for \$50,000 sub limit.	02.18 wording extends to first and third party whereas 04.16 wording was for first party only. Cover for fraud/dishonesty or principals, partners is contingent upon dual signatory and dual bank reconciliation controls. Coverage not limited to the consequences of any dishonest, fraudulent, malicious or reckless act or omission of an Insured.
Court Attendance Costs	\$250 per day for employees/\$500 per day for principals, partners. Included for \$100,000 sub limit.	\$500 day for all employees. Included for Full Policy Limit.	Full Limit available.
Emergency Defence Costs	Included for \$100,000 sub limit, provided that consent is obtained within 14 days.	Included for Full Policy Limit provided that consent is obtained within 30 days.	
Fraud and Dishonesty for Innocent Parties Clause	Included under Fraud and Dishonesty Extension.	Clarification that this cover is only afforded to innocent parties. No cover is provided for perpetrators of the fraud or any other party condoning fraudulent activity.	
Loss of Data	Referred to as 'Loss of Documents' for \$500,000 sub limit.	Renamed 'Loss of Data' for Full Policy limit.	02.18 provides a broader extension which now includes computer and electronic data.
Public Relations Costs	Not Included.	Included for Full Policy Limit. Covers all public relations expenses incurred by the Insured (with DUALS prior written consent) in order to prevent or minimise the risk of a claim as a result of an incident.	

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Automatic Coverage Clause			
Reinstatement of Indemnity Limit	Included.	Clarification that reinstatement applies in same manner as applicable limit ie. costs in addition.	
Panel Counsel	Not Included.	Included.	Coverage enhancement. 1 hour free legal advice from a panel firm regarding a covered claim or circumstance accepted by the policy.
General Conditions and Exclusions			
Molestation	Not Included.	Included.	
Misuse of Drugs	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.
Cancellation Clause	Included.	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.	