



INFORMATION TECHNOLOGY - CHANGES TO COVER

We believe Information Technology Liability should be easy to deliver and understand which is why we've released our 08/14 version in plain language with a simplified layout. Please note the clause numbers and titles have changed.

	V09/12	V08/14	COMMENTS
<u>Insuring Clauses</u>			
Civil Liability	Act, error or omission	Civil Liability	Broad form Civil Liability.
Defence Costs in Addition	Insuring Clause 2.2	Insuring Clause 2.2	Available under Section A and B.
Advancement of Defence Costs	Not Included	Insuring Clause 2.3	V08/14 "within 30 days of receipt of sufficiently detailed invoices for those costs as received by us." Available in respect of both Section A and B.
<u>Extensions</u>			
Amounts paid for Product & Service	Not Included	Extension 3.1 Sub-limited to \$250K	First party cover for amounts the Insured has paid for information technology products/services.
Attendance at Investigations	Extension 3.8 Sub-limited to \$250K	Extension 3.2 Full Policy Limit	V09/12 Definition 6.9 'Inquiry' replaced with V08/14 Definition 6.22 'Investigation' Available in respect of Section A and B
Continuous Cover	Extension 3.15 Subject to DUAL being the previous insurer.	Extension 3.5 No requirement for DUAL to have been the previous insurer	Coverage enhancement
Contractual Liability	Not included	Extension 3.6	Coverage enhancement Coverage for Insured's civil liability in connection with an indemnity/hold harmless provision of a contract, to extent the Insured's liability arises from their performance of information technology services or the provision of information technology products.
Court Attendance Costs	Extension 3.9 \$250 per day for employees/ \$500 per day for principals, partners	Extension 3.7 \$500 per day for all employees	Coverage enhancement

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Crime	Extension 3.20	Extension 3.8	V08/14 extends to first and third party crime loss (V09/12 first party only). Cover for fraud/dishonesty for 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.
Discovery Period	Not Included	Extension 3.10	Coverage enhancement i) 60 days for nil EP ii) 12 months discovery period for 100% of the annual premium iii) 84 months available, subject to underwriting criteria and additional premium.
Emergency Defence Costs	Extension 3.16 Sub-limited \$100,000	Extension 3.11 Full Policy Limit	Coverage enhancement Full Policy Limit
Fee Recovery	General Condition 10.2 Sub limited to \$100k (including Claims Mitigation)	Extension 3.12 Sub-limit \$250K	Coverage enhancement First party loss of the Insured for outstanding fees owed by client in order to avoid a claim.
Implied Warranties & Conditions (Fit for purpose)	Not Included	Extension 3.16	Coverage enhancement Includes cover for a breach of warranty or condition implied in a contract under common law and/or the terms of the <i>Competition and Consumer Act</i> (2010) (Cth) or any similar legislation.
Intellectual Property	Extension 3.7 Sub-limited by Endorsement	Extension 3.17 Full Policy Limit	Coverage enhancement V08/14 extends to unintentional patent breaches and trade secrets.
Key Man Loss	Not Included	Extension 3.19 Sub-limited to \$250K, no deductible.	Coverage enhancement First party cover for policyholder for costs and expenses for a key man loss.
Limitation of Liability Contracts	Not Included	Extension 3.21	Coverage enhancement Our recognition the insured may enter into written commercial contracts or agreements with other parties which may exclude or limit the liability of such parties, and we agree that such agreements will not prejudice the insured's right to claim under the policy.
Lost Data	Extension 3.3 Sub-limit to \$500K	Extension 3.23 Full Policy Limit	Coverage enhancement Full Policy Limit
Newly Created Subsidiary	General Condition 10.1	Extension 3.24	Automatic 60 days cover for an acquired subsidiary. No size threshold for automatic coverage to apply to new subsidiaries.

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Panel Counsel	Not Included	Extension 3.25	Coverage enhancement 1 hour free legal advice from a panel firm regarding a covered claim or circumstance accepted by the policy. Available in respect of Section A and B
Public Relations	Extension 3.10 Sub-limited to \$50k	Extension 3.27 Full Policy Limit	Coverage enhancement Full Policy Limit
Section B: Insuring Clauses			
Product Recall Expenses	Not Included	Sub-limited to \$250K	Coverage enhancement Covers product recall expenses incurred by the insured in the event that the Insured's information technology products are recalled from the market or from use
<u>Extensions</u>			
Principal's Vicarious Liability	Not included	Extension 6.5	Coverage enhancement Will indemnify claims made against the Principal for acts, errors and omissions of the Insured.
Vendor's Liability	Not included	Extension 6.7	Coverage enhancement Will indemnify claims made against the Vendor by third parties arising out of the distribution or sale of the Insured's information technology products.
<u>Exclusions</u>			
GMO's	Exclusion 8.19	Deleted	Coverage enhancement
TSE	Exclusion 8.20	Deleted	Coverage enhancement
Deliberate Acts	Exclusion 8.9	Exclusion 8.7	V08/14 clarifies deliberate and intentional act or failure to act by the Insured is not covered by the policy.
Fraud & Dishonesty	Exclusion 8.9	Exclusion 8.13	V08/14 clarifies exclusion will only apply where it is established by admission or final adjudication.
Sanctions Limitation	Applied by Endorsement	Exclusion 8.24	Standard market Exclusion.
Known Defects	Not included	Exclusion 8.24	Clarification clause
Own costs of rectification	Not included	Exclusion 8.16	Clarification clause Excludes any claim arising from the cost of performing, correcting rectifying or improving any information technology products provided or any information technology services performed by the insured.

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Deterioration, wear & tear	Not included	Exclusion 8.8	Clarification clause Excludes any claim arising from or directly or indirectly attributable to or in consequence of the normal deterioration or wear and tear of the information technology products.
<u>Definitions</u>			
Civil liability	Not Included	Definition 9.4	V08/14 clarifies any legally enforceable obligation to a third party would be covered, subject to all other policy terms and conditions.
Claim	Definition 9.3	Definition 9.5	V08/14 now includes 'verbal notice'. Claims must still be substantiated in writing.
Insured	Definition 7.15	Definition 9.25	V08/14 removes the requirement for subsidiaries to be named in the Schedule.
Insured person	Not included	Definition 9.26	V08/14 includes automatic coverage for sub-contractors, agents and consultants for Section A and B.
<u>Conditions</u>			
Notification	Condition 8.2	Condition 7.1	V08/14 clarifies obligations of Insured as to information required for notifying a claim.
Legal Representation & Settlement	Condition 8.4 Insurer 'Right to Defend'	Condition 7.1 Insurer 'Duty to Defend'	Coverage enhancement It is our duty and not the duty of the insured to defend claims and arrange for legal representation at investigations.
Confidentiality	Not included	Condition 8.7	V08/14 clarifies policy details must not be disclosed to an external third party, unless required to do so by law, with our prior written consent, or via the Certificate of Currency which can be provided to third parties.
Severability, Non-imputation & Non-avoidance	Condition 9.8	Condition 8.13	V08/14 clarifies we will waive our rights under section 28(3) of the <i>Insurance Contracts Act</i> (1984) for innocent non-disclosure and innocent misrepresentations by the insured.
Territorial Limitation	Condition 8.1	Condition 8.8	V09/12 Worldwide excluding USA/ Canada V08/14 Worldwide.