



One Underwriting Pty Ltd

Commercial Legal Protection

Policy Wording

February 2024

Arranged by One Underwriting Pty Ltd
ABN 50 006 767 540 AFSL 236 653

one
UNDERWRITING

Commercial Legal Protection Policy

Please read this **Policy** carefully and ensure that **You** understand its terms including, but not limited to: the cover being provided; the conditions **Relating To** the cover; and the exclusions to cover.

Important Information

The information set out in this Section is not intended to amend the terms and conditions of this **Policy** in any way. The intent of this Section is to highlight the important benefits **You** are entitled to:

1. Legal Advice Service

You can contact the Legal Advice Service provider legal.advice@sparke.com.au for legal advice on any problem directly related to **Your Core Business Activities**. The advice available is limited to the law of and conduct of business in Australia and is only available to **You** if **Your Core Business Activities** are conducted within the Commonwealth of Australia.

2. Making a Claim

In order to make a **Claim** please contact the **Claims Manager** as follows:

Proclaim Management Solutions Pty. Ltd
271 Collins Street
Melbourne, VIC 3000
Email: legalexpenses@Proclaim.com.au

3. Privacy Statement

National Privacy Principles (“**NPPs**”)

One Underwriting Pty Ltd ABN 50 006 767 540 AFSL 236 653 abides by the National Privacy Principles established under the *Privacy Amendment (Private Sector) Act 2001*. This sets out the standards to be met in the collection, use, disclosure and handling of personal information. One Underwriting is subject to the Australian Privacy Principles as set out in the Privacy Amendment (Enhancing Privacy Protection) Act 2012 (Cth), which applies from 12 March 2014.

4. General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice (“the Code”), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd’s has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers’ compliance with

the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au

5. Complaints and disputes

If **You** have any concerns or wish to make a complaint in relation to this **Policy**, **Our** services or **Your** insurance claim, please let **Us** know and **We** will attempt to resolve **Your** concerns in accordance with **Our** Internal Dispute Resolution procedure. Please contact One Underwriting in the first instance:

Complaints Manager

One Underwriting Pty Ltd
oneunderwriting@oneunderwriting.com.au

If **Your** complaint is not satisfactorily and promptly resolved, please contact the One Underwriting National Complaints Manager at:

Level 50, 80 Collins St, Melbourne, Vic 3000 or phone 03 9211 3700 Who will attempt to resolve it in accordance with **Our** Complaints and Disputes Handling **Policy**.

You may obtain a copy of this **Policy** from **Our** Website: www.oneunderwriting.com.au

We will acknowledge receipt of **Your** complaint and do **Our** utmost to resolve the complaint to

Your satisfaction within 10 business days.

If **We** cannot resolve **Your** complaint to **Your** satisfaction, **We** will escalate **Your** matter to Lloyd’s Australia who will determine whether it will be reviewed by their office or the Lloyd’s UK Complaints team. Lloyd’s contact details are:

Lloyd’s Australia Limited

Email: ldraustralia@lloyds.com
Phone: 02 8298 0783
Post: Suite 1603 Level 16,
1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to **You** within 30 calendar days of the date on which **You** first made the complaint unless certain exceptions apply.

You may refer **Your** complaint to the Australian Financial Complaints Authority (AFCA) if **Your** complaint is not resolved to **Your** satisfaction within 30 calendar days of the date on which **You** first made the complaint, or at any time. AFCA can be contacted as follows:

Australian Financial Complaints Authority (AFCA)

Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3 Melbourne VIC 3001
Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If **Your** complaint is not eligible for consideration by AFCA, **You** may be referred to the Financial Ombudsman Service (UK) or **You** can seek independent

legal advice. **You** can also access any other external dispute resolution or other options that may be available to **You**.

We agree that:

- i. if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- ii. any summons notice or process to be served upon Us may be served upon:

Lloyd's Underwriters' General Representative in Australia

Suite 1603, Level 16
1 Macquarie Place
Sydney NSW 2000

who has authority to accept service on **Our** behalf;

- iii. if a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

Welcome to the Lloyd's Market

Lloyd's is the world's specialist insurance and reinsurance market, bringing together an outstanding concentration of underwriting expertise and talent. It is often the first to insure emerging, unusual and complex risks.

Around 80 syndicates are underwriting insurance at Lloyd's, covering all classes of business. Together they interact with thousands of brokers daily to create insurance solutions for businesses in over 200 countries and territories around the world. Lloyd's insures the majority of FTSE 100 and Dow Jones industrial average companies.

Lloyd's enjoys strong financial security supported by excellent ratings. Visit www.lloyds.com for more information.

Commercial Legal Protection Policy Wording

1. Definitions

For the purposes of this **Policy**, the following terms shall have the respective meanings set out below when they appear in bold in this **Policy** regardless of whether they appear before or after the place in this **Policy** where they are defined. Grammatical variations of such terms shall have corresponding meanings.

- 1.1 **Aggregate Claims Limit** means the amount specified in the **Schedule** being the maximum amount **We** will pay to **You** for all **Claims** in the **Policy Period**.
- 1.2 **Any One Claim** means all **Claims** arising from the same originating cause, event or circumstances which will be treated as a single **Claim** for the purposes of this **Policy**.
- 1.3 **Applicable Law** means, with respect to any **Person**, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law (collectively the "Law") relating or applicable to such **Person**, property, transaction, event or matter and includes any interpretation, bulletins, circular letters, guidelines, instruments, provisions, notices and **Policy** statements published or issued in respect of any such Law by any **Person** having jurisdiction over the Law, or charged with its administration or interpretation and also shall include any economic and trade sanctions, anti-bribery laws and personal data laws and regulations.
- 1.4 **Appointed Professional** means any legal advisor, financial advisor or other professional advisor or third-party **Person** appointed by the **Claims Manager** to act on **Your** behalf.
- 1.5 **ATO** means the Australian Taxation Office or appropriate government authority charged with the administration of **Tax Legislation**.
- 1.6 **Business Premises** means the premises from which **You** conduct and/or undertake **Your Core Business Activities**.
- 1.7 **Claim** means a claim under this **Policy** related to a dispute which is made and communicated in accordance with clause 4.3 during the **Policy Period**.
- 1.8 **Claim Amount** means the amount of indemnity being claimed by **You** from **Us** for a **Claim**.

- 1.9 **Claims Manager** means Proclaim Management Solutions Pty. Ltd
- 1.10 **Communicable Disease** means any infectious, communicable or contagious disease and any mutation or variation thereof, which:
- 1.10.1 can be caused by any substance or agent including, but not limited to, a virus, bacterium, parasite, microorganism or any other pathogen (whether living or not); and
- 1.10.2 can be transmitted from organism to organism regardless of the method of transmission including, but not limited to, by direct or indirect airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas.
- For the avoidance of doubt **Communicable Disease** includes (but is not limited to) coronavirus disease 2019 (COVID-19) and any mutation or variation thereof.
- 1.11 **Computer Virus** means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature, including 'trojan horses', 'worms' and 'time or logic bombs'.
- 1.12 **Construction Services** means
- 1.12.1 the design, construction or erection of buildings, spas and swimming pools,
- 1.12.2 alterations, additions, extensions, refurbishment, repairs, replacement, reinstatement conversion or demolition of pre-existing buildings or structures;
- 1.12.3 landscaping.
- 1.13 **Core Business Activities** means the principal areas or activities specified in the **Schedule**.
- 1.14 **Court or Tribunal** means a court, tribunal or other **Statutory Body** within the Commonwealth of Australia and its external territories that have jurisdiction in respect of the **Applicable Laws**.
- 1.15 **Coverholder** means One Underwriting Pty Ltd ABN 50 006 767540, AFSL 236 653.
- 1.16 **Debt Recovery Professional** means the **Person** named as 'Debt Recovery Professional' in the **Schedule**.
- 1.17 **Electronic Data** means facts, concepts and information converted to a form Useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- 1.18 **Excess** means the amount specified in the **Schedule** that **You** are required to pay towards a **Claim** in respect of each **Claim**.
- 1.19 **GST** means goods and services tax.
- 1.20 **Heads of Cover** means the heads of cover listed in this **Policy** at clause 2 for which **We** will indemnify **You** for in accordance with the terms of this **Policy**.
- 1.21 **Opponent** means any third-party **Person** who **You** are engaged in a dispute with.
- 1.22 **Opponent's Costs** means the legal fees and disbursements of an **Opponent** arising from a dispute which are either:
- 1.22.1 ordered by a **Court or Tribunal** to be paid by **You** to an **Opponent**; or
- 1.22.2 agreed by the **Claims Manager** in a negotiated settlement with an **Opponent** as payable by **You** to an **Opponent**.
- 1.23 **Person** means any individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organisation or other legal entity.
- 1.24 **Policy** means the insurance contract entered into between **You** and **Us** which consists of this policy wording and the **Schedule**.
- 1.25 **Policy Limits** means the maximum amounts **We** will pay under this **Policy**, as stated in the **Schedule**, in respect of **Any One Claim** and for all **Claims** in the **Policy Period**, subject always to the **Aggregate Claims Limit**.
- 1.26 **Policy Period** means the period for which this **Policy** is in force as specified in the **Schedule**.
- 1.27 **Positive Outcome** means a financial outcome that is more favourable to **You** as a consequence of the continuance of any proceedings after **We** determined there were no **Reasonable Prospects** having regard to the offers that were made before that determination and the costs incurred before and after that determination.
- 1.28 **Reasonable Prospects** means it is more probable than not that the determination of the dispute at a final hearing will:
- 1.28.1 in respect of a dispute brought against **You**, result in **You** obtaining

- a better outcome than the compensation or remedy sought by the **Opponent**, and
- 1.28.2 in respect of a dispute brought by **You**, result in **You** obtaining a better outcome than has been offered to **You** by the **Opponent**; and
- 1.28.3 in respect of an appeal, it is more probable than not that **You** will on appeal obtain a more favourable outcome than the judgement or decision appealed; and
- 1.28.3.1 in respect of a **Claim** under clause 2.3 “**Head of Cover 3: Statutory Licence Protection**”, it is more probable than not that **You** will overturn the suspension, revocation or amendment of the **Statutory Licence**.
- 1.29 **Relating To** means relating to, arising under, arising out of, arising from, as a result of, resulting from, as a consequence of, attributable to, contributed to by, caused by, involving.
- 1.30 **Schedule** means the schedule to this **Policy**.
- 1.31 **Significant Financial Loss** means an amount greater than \$5,000.
- 1.32 **Statutory Body** means a government department, agency or body, and judicial officers appointed by any government charged with the administration of, and investigation into, compliance with **Applicable Law** in the **Territorial Limits**.
- 1.33 **Statutory Licence** means a licence granted to **You** by the government or a local authority which is utilised by **You** to conduct **Your Core Business Activities**.
- 1.34 **Tax Legislation** means any Commonwealth legislation which imposes obligations in relation to income tax, **GST** or fringe benefits tax.
- 1.35 **Territorial Limits** means the Commonwealth of Australia and its external territories and all Australian States and Territories.
- 1.36 **Us/We/Our** means Certain Underwriters at Lloyd’s of London specified as ‘Insurer’ in the **Schedule**.
- 1.37 **You/Your** means the **Persons** named as ‘Insured’ in the **Schedule**.
- 1.38 **Your Costs** means the reasonable legal and professional fees and disbursements an

Appointed Professional incurs on **Your** behalf in the course of pursuing or defending a **Claim** which are payable by **You** to the **Appointed Professional**.

2. Heads of Cover

We will indemnify **You** under the following **Heads of Cover**, subject always to the terms of this **Policy** including, but limited to, the applicable **Policy Limits** and **Excess**:

2.1 Head of Cover 1: Contractual Disputes

- 2.1.1 Subject to clause 2.1.2, **We** will indemnify **You** for **Your Costs** and **Your Opponent’s Costs** arising from a dispute between **You** and **Your Opponent** in respect of an alleged breach, whether committed by **You** or by **Your Opponent**, of the terms of a written contract entered into between **You** and **Your Opponent** for the supply of goods and/or services.
- 2.1.2 **We** have no liability for a **Claim** under clause 2.1.1 where:
- 2.1.2.1 the **Claim Amount** is the lesser of:
- a. \$5,000 (five thousand Australian dollars); or
 - b. the applicable small **Claims** threshold stipulated by the **Court or Tribunal** in which proceedings **Relating To** the dispute are or will be commenced.
- 2.1.2.2 **You** are pursuing, the **Claim Amount** is likely to exceed 75% (seventy-five percent) of the total amount in dispute.
- 2.1.2.3 Written notice of the dispute was served by/ on **You** within 90 (ninety) calendar days of the commencement of this **Policy**, unless there is evidence of continuous equivalent insurance or indemnity prior to this **Policy** commencing.
- 2.1.3 **We** will not indemnify **You** under this **Head of Cover** for a dispute:
- 2.1.3.1 which relates to any contract other than for the

- supply of goods and/or services.
- 2.1.3.2 which relates to any contract entered into by **You** in respect of which coverage under any other **Heads of Cover** in this **Policy** is applicable and therefore indemnity shall be provided in accordance with the terms of that **Heads of Cover**.
- 2.1.3.3 which relates solely to non-payment where **You** or an **Opponent** has failed to pay in a timely manner in accordance with the terms of the relevant contract save for where **You** have completed the debt recovery process outlined in clause 2.7 (**Head of Cover** 7: Debt Recovery).
- 2.1.3.4 arising from a contract **Relating To Construction Services**, unless:
- a. **Your Core Business Activities** include **Construction Services**; and
 - b. the dispute is with a supplier directly related to the **Construction Services** undertaken by **You** as part of **Your Core Business Activities**.
- 2.1.3.5 arising from a contract:
- a. for employment; for the provision of insurance, securities, financial accommodation, credit or guarantees;
 - b. **Relating To** a motor vehicle;
 - c. **Relating To** the occupation of property including leases, tenancy agreements or a licence to occupy;
- d. **Relating To** the sale or purchase of real property;
- 2.1.3.6 over franchise agreements.
- 2.2 Head of Cover 2: Tax Audit**
- 2.2.1 Subject to clause 2.2.2, **We** will indemnify **You** for **Your Costs** in responding to an audit by the **ATO** in respect of:
- 2.2.1.1 an investigation or inquiry into **Your** tax affairs in accordance with **Tax Legislation**;
 - 2.2.1.2 a claim from the **ATO** that:
 - a. additional **GST** is due from **You**;
 - b. additional income tax or fringe benefits tax is due from **You** in accordance with **Tax Legislation**.
- 2.2.2 **We** have no liability for a **Claim** under clause 2.2.1 where:
- 2.2.2.1 written notice of an audit by the **ATO** has been served on **You** within 90 (ninety) calendar days of the commencement of this **Policy** unless there is evidence of continuous equivalent insurance or indemnity prior to this **Policy** commencing.
 - 2.2.2.2 the tax returns which are the subject of the dispute:
 - a. were not lodged by a suitably qualified and licenced accountant or tax professional appointed by **You** to prepare and lodge **Your** tax returns;
 - b. were not lodged within the relevant statutory time limits;
 - 2.2.2.3 **You** have not made all payments for due taxes, superannuation and provided all necessary

- documentation to the **ATO** within the relevant time limits specified by the **ATO**.
- 2.2.3 **You** must notify the **Claims Manager** as soon as reasonably practicable if **You** are in receipt of a notice of audit. **You** must also advise the **Claims Manager** of any notice received from the **ATO** notifying **You** of the end of an audit and the date such notice is received by **You**. **We** will not be liable for **Your Costs** which are incurred after the end of the audit.
- 2.2.4 **We** will not indemnify **You** under this **Head of Cover** for:
- 2.2.4.1 routine responses to requests for information and other contacts **You** may have with the **ATO** which do not amount to an audit of **Your** tax affairs, including but not limited to lodgement of Business Activity Statements, payroll tax and superannuation payments and returns.
- 2.2.4.2 costs which are not directly incurred in relation to the audit which is the subject of the **Claim**. If **Your Appointed Professional** conducts additional work outside of the scope of the **Claim**, costs will be apportioned as appropriate to ensure that only those costs directly incurred in relation to the audit are indemnified.
- 2.2.4.3 costs incurred as a result of an audit arising from a change in **Applicable Law** (including but not limited to **Tax Legislation**) which has retrospective effect.
- 2.2.4.4 costs incurred in relation to action taken by the **ATO** once an audit or investigation is transferred to the department in the **ATO** responsible for prosecution of offences under the **Tax Legislation**.
- 2.2.4.5 costs in relation to professional services advising on tax avoidance schemes or other attempts to avoid due payment of tax or superannuation of any kind, and audits **Relating To** such schemes.
- 2.3 Head of Cover 3: Statutory Licence Protection**
- 2.3.1 **We** will indemnify **You** for **Your Costs** and **Your Opponent's Costs** incurred in seeking to protect **Your** rights under a **Statutory Licence** which is under threat of suspension, revocation or amendment, which, if not disputed, will have a financial impact on **Your** ability to conduct **Your Core Business Activities**.
- 2.3.2 **We** will not be liable to indemnify **You** for any **Claim** under clause 2.3.1 where the **Statutory Licence** which is the subject of the **Claim** is utilised by **You** to generate less than 20% (twenty percent) of **Your** gross operating income.
- 2.3.3 **We** will not be liable to indemnify **You** under this **Head of Cover** for any dispute **Relating To** a **Statutory Licence** which is:
- 2.3.3.1 suspended, revoked or amended as a result of a general industry wide policy rather than for a reason particular to **You**;
- 2.3.3.2 a first application for, or a renewal of a **Statutory Licence** due to lapse of time;
- 2.3.3.3 due to a suspension, revocation or amendment arising from a change in **Applicable Law**.
- 2.4 Head of Cover 4: Landlord Disputes**
- 2.4.1 **We** will indemnify **You** under this **Head of Cover** for:
- 2.4.1.1 **Your Costs** and **Your Opponent's Costs** arising from a dispute with **Your** commercial landlord arising out of an alleged breach of the lease, tenancy

- agreement or licence in place in respect of **Your Business Premises**;
- 2.4.1.2 **Your Costs** and **Your Opponent's Costs** where **Your Core Business Activities** are those of a commercial landlord, arising from a dispute with a tenant over an alleged breach of the lease, tenancy agreement or licence in place in respect of commercial premises leased to them by **You**, provided that the consequences of not pursuing or defending the dispute include that **You** will suffer **Significant Financial Loss** and **Your Costs** are reasonable and proportionate having regard to the costs to be expended and the benefit **You** will obtain.
- 2.4.2 It is a precondition to indemnity for a **Claim** under clause 2.4.1.2 that **You** have served any and all required statutory and/or contractual notices prior to any dispute.
- 2.4.3 **We** will not indemnify **You** under this **Head of Cover** for any dispute arising:
- 2.4.3.1 from the first negotiation of a lease, tenancy agreement or licence;
- 2.4.3.2 from the renewal, renegotiation or review of a lease, tenancy agreement or licence at normal expiry;
- 2.4.3.3 solely from a failure to pay rent or other amounts due under the terms of a lease, tenancy agreement or licence;
- 2.4.3.4 from the refusal of a party to meet obligations under the terms of a lease, tenancy agreement or licence when there is no dispute that such obligations are owed;
- 2.4.3.5 from a contract or agreement which is not a lease, tenancy agreement or licence.
- 2.5 Head of Cover 5: Restrictive Covenants**
- 2.5.1 Subject to clause 2.5.2, **We** will indemnify **You** for **Your Costs** and **Your Opponent's Costs** arising from a dispute with a former employee in relation to an alleged breach of a restrictive covenant, either by **You** or the former employee, contained within a written employment contract between **You** and the former employee.
- 2.5.2 **We** have no liability for a **Claim** under clause 2.5.1 where:
- 2.5.2.1 the restrictive covenant is unreasonable as to scope or duration; or
- 2.5.2.2 the alleged breach by the former employee will not have a material detrimental effect on **Your** business' revenue generation; or
- 2.5.2.3 there will be no financial benefit for **You** if the restraint is enforced.
- 2.5.3 **We** will not be liable to indemnify **You** under this **Head of Cover** for any restrictive covenant exceeding 12 (twelve) months in duration.
- 2.6 Head of Cover 6: Third Party Damage to Goods or Premises**
- 2.6.1 **We** will indemnify **You** for **Your Costs** and **Your Opponent's Costs** of pursuing a third party who has by their own act or omission caused **You** uninsured losses by causing physical damage to **Your Business Premises**, or goods, machinery or other property located at **Your Business Premises**.
- 2.6.2 **We** will not be liable to indemnify **You** under this **Head of Cover** for any damage:
- 2.6.2.1 caused by **You** or **Your** employees;
- 2.6.2.2 to goods not at **Your Business Premises**, unless the goods are under **Your** direct care and control;

2.6.2.3 to a motor vehicle, except where stationary and located at **Your Business Premises**.

2.7 Head of Cover 7: Debt Recovery

2.7.1 **We** will indemnify **You** for **Your Costs** arising from a dispute with an **Opponent** where **You** are owed payment under an invoice which has not been settled despite the payment terms having expired.

2.7.2 Any **Claim** in relation to clause 2.7.1 shall be subject to **You** following the process below:

Stage 1:

2.7.2.1 **You** must log on to <https://www.oneunderwriting.com.au/> and complete the template letter with the applicable details and send this letter to the debtor.

2.7.2.2 If on expiry of the fourteen (14) calendar days allowed to pay as specified in the template letter **You** have not received payment, **You** must move to stage 2.

Stage 2:

2.7.2.3 **You** must provide full details of the amount due to the **Debt Recovery Professional** via the following email address: legalexpenditures@Proclaim.com.au

2.7.2.4 The **Debt Recovery Professional** will then communicate a letter on **Your** behalf advising the debtor that if they do not pay in seven (7) calendar days court proceedings will be issued.

2.7.2.5 If payment is still not forthcoming, the recovery will become a **Claim** under clause 2.1 (Head of Cover 1: Contractual Disputes), and the **Debt Recovery Professional** will issue court proceedings on **Your** behalf to seek recovery of the amount due.

2.7.3 **We** will not be liable to indemnify **You** under this **Head of Cover** for any dispute in relation to a debt sum of less than \$2,500 (two thousand five hundred Australian dollars) for the services under the heading "Stage 2" in clause 2.7.2.4 or for the services specified in clause 2.7.2.5 where the debt sum is less than \$5,000 (five thousand Australian dollars).

3. General Exclusions Applicable to ALL Heads of Cover

3.1 Cover is excluded under this **Policy** in respect of any **Claim**:

3.1.1 arising from outside of the territory of the Commonwealth of Australia;

3.1.2 arising from an appeal, unless it is more probable than not that **You** will on appeal obtain a more favourable outcome than the judgement or decision appealed;

3.1.3 arising from a dispute between **You, Us, the Coverholder** and/or **Claims Manager**;

3.1.4 arising from a dispute between **You** and any holding, subsidiary or associated corporation (including franchisor/franchisees) or any trust operated by **You**;

3.1.5 where **You** have in place other insurance which indemnifies **You** for the same **Claim**, or where **You** are required by **Applicable Law** to have such a policy, whether one is in place or not;

3.1.6 in respect of a dispute where **You** are insured under another insurance policy for the liability that is the subject of the dispute;

3.1.7 where **We** have suffered prejudice due to **Your** deliberate, intentional or reckless failure to take all reasonable steps to avoid a **Claim** or dispute arising;

3.1.8 where **You** have acted with any criminal intent or have otherwise recklessly or through omission committed criminal act(s);

3.1.9 where **You** have breached a term of this **Policy** in relation to that **Claim, We** may, subject to section 54 of Insurance Contracts Act 1984 (Cth),

- refuse to pay a **Claim** under this **Policy**;
- 3.1.10 arising from the following:
- 3.1.10.1 **Construction Services**, subject to the terms in clause 2.1 of the Head of Cover 1: Contractual Disputes;
- 3.1.10.2 franchise agreements;
- 3.1.10.3 planning laws or regulations;
- 3.1.10.4 intellectual property of any kind, including but not limited to patents, copyrights, trademarks, passing off, registered designs and similar (unless directly related to a **Claim** under clause 2.5 Head of Cover 5: Restrictive Covenants);
- 3.1.10.5 a warranty or guarantee;
- 3.1.10.6 subsidence, land heave, land slip, mining or quarrying;
- 3.1.10.7 allegations of defamation of any kind or malicious falsehood;
- 3.1.10.8 judicial review;
- 3.1.10.9 worker's compensation.
- 3.1.11 for costs incurred by **You** and after **You** fail to accept the advice of the **Appointed Professional** to settle a **Claim**.
- 3.2** Notwithstanding any other provision, clause or term of this **Policy** and/or any endorsement thereof to the contrary, this **Policy** excludes and does not insure any **Claim**, loss, liability, damage, cost, fine, penalty, expense or other sum of any kind whatsoever **Relating To**, whether directly or indirectly and/or regardless of any other cause or event contributing concurrently or in any other sequence thereto, a **Communicable Disease** and/or any fear or threat (whether actual or perceived) thereof or action taken in response to a **Communicable Disease**.
- 3.3** **We** are not liable for any fines, damages, compensation, taxes, penalties or interest which **You** are ordered to or agree to pay.

4. Claims Conditions

- 4.1** In the event of:
- 4.1.1 a **Claim** arising under this **Policy**; or
- 4.1.2 the receipt by **You** of notice from any **Person** of facts of circumstances that may give rise to a dispute; or
- 4.1.3 any cause, event, dispute or circumstances which may give rise to a **Claim**,
- You** must, as soon as reasonably practicable, and in any event within the **Policy Period**, given written notice to the **Claims Manager** at the following email addresses:
- legal.expenses@Proclaim.com.au and oneunderwriting@oneunderwriting.com.au.
- 4.2** **You** must receive formal written confirmation from the **Claims Manager** that **Your Claim** is covered before **You** start incurring **Your Costs** or **Opponent's Costs** (such confirmation will not be unreasonably withheld or delayed). Where **You** fail to seek confirmation of cover, **We** will only be liable to indemnify **You** for **Your Costs** or **Opponent's Costs** which would have been incurred had such confirmation of cover been granted.
- 4.3** **Claims Made and Notified**
- 4.3.1 This is a "claims made" **Policy**, which means that **You** shall only be indemnified for **Claims** where:
- 4.3.1.1 **You** first become aware of a cause, event, dispute or circumstance giving rise to the **Claim** during the **Policy Period**; and
- 4.3.1.2 **You** first notify the **Claim** to the **Claims Manager** during the **Policy Period**.
- 4.4** Upon accepting the **Claim**, the **Claims Manager** will engage an **Appointed Professional** on **Your** behalf and will appoint any further professionals (for example legal counsel) as necessary and appropriate throughout the course of the **Claim**.
- 4.5** **You** must authorise and instruct the **Appointed Professional** to comply fully with the reasonable instructions and directions of the **Claims Manager** at all times throughout the duration of the **Claim**.

- 4.6 **You** must comply promptly with all reasonable requests for information or other forms of assistance made by either the **Claims Manager** or **Appointed Professional** which is in **Your** power to provide in connection with the investigation, defence or settlement of any **Claim** or investigation of any circumstances which may give rise to a **Claim** in respect of which indemnity is sought under this **Policy**. This includes attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements and in conducting litigation, arbitration or other proceedings. **We** will only request information or assistance relevant to handling the **Claim** and **We** will explain why it is needed.
- 4.7 **You** must where possible take all reasonable steps to recover any costs paid by **Us** and recoverable by **You** from other **Persons** and have these costs paid directly to **Us** when requested to do so.
- 4.8 **You** must advise the **Claims Manager** in writing as soon as reasonably practicable if **You** receive an offer to settle or compromise a **Claim** and must not admit liability for, settle or make or promise any payment in respect of any **Claim**, circumstance or event which is likely to be the subject of indemnity under this **Policy** without the prior written approval of the **Claims Manager**, which shall not be unreasonably withheld or delayed.
- 4.9 **We** shall be entitled, if **We** so desire, to take over and conduct in **Your** name the defence or settlement of any **Claim**, or to prosecute in **Your** name for **Our** benefit and at **Our** expense, any **Claim**, subject to **Your** right to be informed of the status of the proceedings and to be consulted where appropriate.

5. Requirement for Reasonable Prospects of Success

- 5.1 **We** will not be liable to indemnify **You** for **Claims** under this **Policy**, unless:
- 5.1.1 the action taken by **You** in pursuing or defending the **Claim** is reasonable and proportionate with regard to the costs to be expended and the benefit **You** will obtain, and there must not be a more appropriate manner in which to protect **Your** interests; and
- 5.1.2 the dispute has **Reasonable Prospects**; and

- 5.1.3 it is more likely than not that **Your** version of events relevant to the dispute will be accepted by a **Court or Tribunal**.

- 5.2 Having **Reasonable Prospects** is an ongoing requirement for **Our** liability for a **Claim** and if during a dispute or where a **Claim** no longer has **Reasonable Prospects**, **We** will not be liable to indemnify **You** under the **Heads of Cover** for costs where there are no **Reasonable Prospects**. If **You** choose to continue the defence or pursuit of a dispute or case where there are no **Reasonable Prospects**, all costs and expenses incurred by **You** are at **Your** own cost, but should **You** ultimately achieve a **Positive Outcome**, **We** will reimburse **You** for any costs or disbursements **You** fail to recover from **Your Opponent**.

- 5.3 The **Claims Manager** will provide **You** with written reasons if it decides that the **Claim** does not have **Reasonable Prospects**. If **You** disagree with the **Claims Manager** over whether a **Claim** has **Reasonable Prospects** or not, **You** can either:

- 5.3.1 at **Your** own expense seek an opinion from another legal practitioner from a selection of 3 legal practitioners nominated by the **Claims Manager**. If this opinion is contrary to the **Claims Manager's** view, **We** will reimburse **You** for the cost of the opinion (subject to **Policy Limits**) and **Your Claim** shall be covered from that point, subject to the terms and conditions of this **Policy**, and that legal practitioner will be the **Appointed Professional** who will continue to act for **You**; or

- 5.3.2 access **Our** complaints process as outlined in the complaints and disputes section of this document.

6. Misrepresentation and Non-Disclosure

- 6.1 If **You**:
- 6.1.1 fail to disclose as soon as reasonably practicable any material fact, dispute or legal proceedings which **You** are under a duty to disclose by **Applicable Law** to **Us**; or
- 6.1.2 make a misrepresentation to **Us** prior to the inception date of this **Policy**, to the extent such actions or inactions are:

- 6.1.2.1 fraudulent, without prejudice to the other rights **We** may have, however arising, under this **Policy**, **We** shall, subject to the provisions of the Insurance Contracts Act 1984 (Cth), have the right to avoid this **Policy**;
- 6.1.2.2 non-fraudulent, if **We** would have entered into this **Policy** on different terms (including, but not limited to, the premium payable) having been aware of such actions or inactions, **Our** liability in respect of any **Claim** shall be reduced to what it would have been had the concealment, misrepresentation or non-disclosure not taken place.

7. Fraud and Dishonest Conduct

If any **Claim** is in any respect fraudulent or if any fraudulent means or devices is Used by **You** or anyone acting on **Your** behalf to obtain any benefit under this **Policy**, or if any destruction or damage is occasioned by **Your** wilful act or with **Your** connivance, **We**, without prejudice to any other right(s) **We** might have under this **Policy**, shall, subject to the provisions of the Insurance Contracts Act 1984 (Cth), be entitled to refuse to pay such **Claim**.

We may not refuse indemnity by reason only that **We** consider that this Exclusion 7 (Fraud and Dishonest Conduct) applies until a final adjudication by a **Court or Tribunal** with jurisdiction to determine such matters (including any appeal therefrom), or a written admission by **You**, establishes such conduct.

8. Cancellation Rights

- 8.1 **We** may cancel this **Policy** in accordance with Sections 59 and 60 of the *Insurance Contracts Act 1984 (Cth)* by giving the appropriate notice to **You**.
- 8.2 This **Policy** may be cancelled by **You** giving written notice to **Us** at any time.
- 8.3 Upon cancellation of the **Policy** by **You**, a pro-rata refund of premium will be allowed for the unexpired portion of the **Policy Period** less any taxes and duties paid for the **Policy** that **We** cannot recover. There will be no pro-rata refund of premium if there has been any notification of

a circumstance or **Claim**.

- 8.4 It is a condition of this **Policy** that **You** pay the premium **We** charge **You** and **We** may take steps to cancel the **Policy** for non-payment of the premium.

9. Insolvency

If at any point during the **Policy Period** or duration of a **Claim You** file for bankruptcy, file a winding up petition, go into liquidation or voluntary administration, enter into any arrangement with creditors, or have a receiver or controller appointed (each an "Insolvency Act"), **We** will not be liable under the **Heads of Cover** after an Insolvency Act.

10. Terrorism / War / Contamination Exclusion

- 10.1 This **Policy** excludes cover for losses as a result of terrorism.
- 10.2 In the event that damage to property occurs and the cause of the damage is declared a terrorist incident by the responsible Government Minister, then **You** may be afforded protection within the limits of indemnity of this **Policy** by virtue of the Terrorism Insurance Act 2003 (Cth). The operation of this Act may also serve to reduce the settlement of **Your** loss to a percentage of the otherwise recoverable loss. In the event that the settlement is reduced then this will be at the direction of the Government Minister.
- 10.3 A more detailed explanation of the operation of the Terrorism Insurance Act 2003 (Cth) can be obtained at www.arpc.gov.au.
- 10.4 This **Policy** excludes loss, destruction, damage, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in other sequence to the loss:
 - 10.4.1 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, conspiracy, rebellion, revolution, insurrection, mutiny, military or **Usurped** power; or
 - 10.4.2 confiscation or nationalisation, or requisition or destruction of or damage to property by or under the order of any government (whether lawfully constituted or otherwise) or public or local authority.
- 10.5 Furthermore any loss, destruction or damage, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling,

preventing, suppressing or in any way relating to clause 10.4.1 or clause 10.4.2 is also excluded from this **Policy**.

11. Electronic Data Exclusion

11.1 Notwithstanding any provision to the contrary within this **Policy** or any endorsement thereto, it is understood and agreed that this **Policy** does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of **Electronic Data** from any cause whatsoever (including but not limited to **Computer Virus**) or loss of **Use**, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any sequence to the loss.

12. Strikes, Riots or Civil Commotion Exclusion

Notwithstanding anything contained herein to the contrary, **We** will not be liable for any loss, damage, liability, expense, fines or penalties or any other amount directly or indirectly caused by or arising from riot, civil commotion, strikers, locked out workers, or **Persons** in labour disturbances.

13. General Conditions

13.1 Confidentiality

You will not, without **Our** prior written consent, disclose the existence of this **Policy** to any **Person** or party outside **Your** organisation except insofar as is required in order to comply with the terms of this **Policy** or an **Applicable Law**.

13.2 Subrogation

In the event of any payment made under this **Policy**, **We** will be subrogated to the extent of such payment to all **Your** rights of recovery. In such case, **You** will execute all documents required and will do everything reasonably necessary to secure and preserve such rights to enable **Us** effectively to bring suit in **Your** name.

13.3 How Goods and Services Tax (GST) Affects Claim Payments

13.3.1 Where **We** make a payment under this **Policy** for the acquisition of goods, services or other supply, **We** will reduce the amount of the payment by the amount of any input tax credit that **You** are, or will be, or would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* (Cth), in relation to that acquisition, whether or not that acquisition is actually made.

13.3.2 Where **We** make a payment under this **Policy** as compensation instead of payment for the acquisition of goods, services or other supply, **We** will reduce the amount of the payment by the amount of any input tax credit that **You** would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* (Cth) had the payment been applied to acquire such goods, services or other supply.

13.4 Amendments

Any amendment of a clause, condition, term or provision of this **Policy** must be set out in writing and agreed by **You** and **Us**.

13.5 Third Party Beneficiary Rights

We and **You** do not intend to create in any other **Person** the status of a third-party beneficiary, and this **Policy** will not be construed so as to create such status.

13.6 Assignment

Neither this **Policy** nor any right, authority or obligation arising under it may be assigned, transferred or otherwise disposed of, in whole or in part, by **You** without **Our** prior written consent which shall not be unreasonably withheld.

13.7 Notices

Any notice, including notice of termination or breach of this **Policy**, any statutory notice, or any notice relating to **Applicable Law**, required or permitted to be given to **Us** shall be in writing or provided by email and addressed as follows:

One Underwriting Pty Ltd
oneunderwriting@oneunderwriting.com.au

13.8 Waiver

No provision of this **Policy** shall be deemed waived by a course of conduct. Any waiver must be in writing signed by **Us** and **You** and stating specifically that it was intended to modify a right or provision under the **Policy**. No waiver of any provision of this **Policy** shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver.

13.9 Severability

If any provision of this **Policy** is, for any reason, held to be invalid, prohibited, or otherwise unenforceable, the other provisions of this **Policy** shall remain enforceable and the invalid or unenforceable provision shall be

deemed modified so that they are valid and enforceable to the maximum extent permitted by **Applicable Law**.

13.10 Governing Law and Jurisdiction

13.10.1 This **Policy** and the **Schedule** will be interpreted in accordance with the law of the Commonwealth of Australia and shall be read together as the contract of insurance and any word or expression to which a specific meaning has been given in any part of this **Policy** or the **Schedule** shall bear such specific meaning wherever it may appear.

13.10.2 In the event of a dispute arising under this **Policy**, **We**, at the request of **You**, will submit to the jurisdiction of any competent **Court** in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such **Court**.

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One Underwriting's global network and expertise allows Us to deliver responsive and innovative risk solutions so You can focus on growing Your business.

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