

NORTHERN TERRITORY LEGAL PRACTITIONERS' COMPULSORY PROFESSIONAL INDEMNITY INSURANCE

2016 – 2017 Renewal Information Paper



Introduction

Your Legal Practitioner Professional Indemnity Certificate of Insurance is due to expire at 4.00pm on **30 June 2016**. All cover under this Certificate will cease at that time and you must have a new Certificate of Insurance issued for the period 30 June 2016 to 30 June 2017 to ensure continuity of Practising Certificates.

Under the terms of the Legal Profession Act 2006 a late fee will apply for Practising Certificate (PC) applications paid after 31 May 2016 and evidence of your Professional Indemnity Insurance is required as a part of your PC application. As such it is imperative if you are to avoid the PC late fee that you submit your insurance declaration and premium payment to Marsh Pty Ltd (Marsh) by the **27 May 2016** at the latest to allow sufficient time for cover to be evidenced to the Law Society.

Final date for receipt by Marsh of your Insurance Declaration and payment to ensure your Insurance Certificate can be verified to the Law Society as required under the Act is Tuesday 28 June 2016.

Program Details

The Master Policy arrangement has been renewed with QBE Insurance (Australia) Ltd (QBE) for the period 4.00pm, 30 June 2016 to 4.00pm 30 June 2017 for a Sum Insured of \$2 million each and every claim. The limit under this policy is inclusive of defence costs and any defence costs incurred will reduce the limit of liability. An additional limit for defence costs only will apply up to \$500,000 should a charge be granted against the full policy limit under the terms of the Law Reform (Miscellaneous Provisions) Act 1956.

Premium Details (30 June 2016 to 30 June 2017)

Marsh is pleased to advise that after extensive negotiations with QBE, we have achieved a significant reduction in premium across all categories as noted below. In line with the reduction received from QBE, Marsh has also significantly reduced their broker fee this year.

Categories	Premium per practitioner	GST	Stamp Duty	Marsh Fee	2016 Total Payable	2015 Total Payable
Self-Audit discounted premium	\$4,202.00	\$501.20	\$462.22	\$810.00	\$5,975.42	\$6,869.39
Part Time Self-Audit discounted premium (<15 hours per week)	\$3,151.50	\$396.10	\$346.67	\$810.00	\$4,704.27	\$5,459.74
Premium with no audit discount	\$6,002.00	\$681.20	\$660.22	\$810.00	\$8,153.42	\$9,284.55
Part Time Premium with no audit discount (<15 hours per week)	\$4,501.50	\$453.10	\$495.16	\$810.00	\$6,259.76	\$7,271.11
Criminal Law Firms (>50% fees from criminal law)						
Self-Audit discounted premium	\$3,782.00	\$459.20	\$416.02	\$810.00	\$5,467.22	\$6,305.53
Part Time Self-Audit discounted premium (<15 hours per week)	\$2,836.50	\$364.65	\$312.02	\$810.00	\$4,323.17	\$5,037.45
Premium with no audit discount	\$5,412.00	\$622.20	\$595.32	\$810.00	\$7,439.52	\$8,479.90
Part Time Premium with no audit discount (<15 hours per week)	\$4,059.00	\$486.90	\$446.49	\$810.00	\$5,802.39	\$6,667.32
North Australian Aboriginal Justice Agency (NAAJA) / Central Australian Aboriginal Legal Aid Service (CAALAS)						
Self-Audit discounted premium	\$1,008.00	\$130.80	\$110.88	\$300.00	\$1,549.68	\$1,737.78
Premium with no audit discount	\$1,440.00	\$174.00	\$158.40	\$300.00	\$2,072.40	\$2,317.37

Note: A proportion of the Marsh Fee is remitted to Law Society to assist with administration, education and Risk Management initiatives. QBE also contribute an additional amount towards Risk Management expenses incurred by the Law Society.

Self-Audit Discount

The premium discount will continue to apply for firms conducting the Self Audit Reviews or other approved program prior to submission of your declaration. You MUST provide the completed Self Audit Declaration confirming that ALL practitioners of over 6 months tenure as a practitioner in your firm have had 2 audits completed for the discount to be granted. If you have an external audit program you would like approved as an alternative please provide details which we will submit to the QBE for approval.

Part-time Discount

A discount is again available for practitioners who work less than 15 hours per week in the firm. We confirm that the firm's excess is applicable to these practitioners.

Low Fee Earners

Low Fee Earner discounts are available for sole-practitioners earning less than \$50,000 per annum. The Low Fee Earner declaration form will be available on the Law Society website or you can contact Marsh who can email one to you.

Excess

The excess applicable for claims made is:

- Sole Practitioners or single partner firms, NAAJA, CAALAS and Land Councils - \$5,000 each claim; and
- Firms - \$5,000 multiplied by the number of Partners up to a maximum of \$20,000 each claim.

The excess continues to be "*costs exclusive*". This means the excess contribution is only required for damages and settlements, and will no longer apply to defence costs.

Declarations

The 2016/2017 Insurance Declaration Form for completion and invoice based on your current information, is enclosed. Please forward the completed declaration along with full payment to Marsh by 28 June 2016. Your declaration form has been pre-populated with key information however it is important that you verify this information carefully and make any required changes.

Upon receipt of the fully completed declaration form and payment, Marsh will issue your Certificate of insurance and provide a copy to both your firm and to the Law Society within 2 business days. If your completed declaration and payment are not received in our office by 28 June 2016 we will be unable to confirm cover to the Law Society and your Practising Certificate may be suspended.

Policy Wording

The Certificate of Insurance has been amended to specify the definition of ATSILS to be specific to North Australian Aboriginal Justice Agency (NAAJA) and Central Australian Aboriginal Legal Aid Service (CAALAS).

Amendment to Practitioners / Partners

Deletions and additions of practitioners during the policy period will attract refunds or additional premium calculated on a pro-rata basis as noted below. As per the current period this is subject to continuity of cover applying for practitioners leaving your firm (ie the refund can only apply from the date they commence under their new firm's certificate).

- For practitioners moving between firms that are insured under the facility, a full pro-rata refund of the premium component will apply. The refund will apply from the date the practitioner's new firm has applied for their cover and has been invoiced. Full pro-rata premium for the period will be payable by the new firm;
- No refund is provided for retiring sole practitioners, including those moving interstate or to the Bar.

The above is subject to a minimum of \$300 premium being retained by the insurer and a Marsh invoice fee of \$150 per invoice. Where possible multiple amendments will be invoiced together to minimise the invoice charge.

Premium Funding

Should you require premium funding please complete the Premium Funding Application and return by fax or e-mail to Wayne Ambler of Marsh, Fax 1300 360 449 or (08) 8385 3650 (wayne.ambler@marsh.com). This should be done by 22 May 2016 to ensure that settlement of fund for your Practising Certificate is made to the Law Society by 31 May 2016. Please note that Marsh will receive a commission from the premium funding company for our assistance in organising premium funding for your insurance premiums.

If you have any queries or concerns in relation to premium funding or require amendments to the calculation, please contact Wayne Ambler on (08) 8385 3550 or wayne.ambler@marsh.com

If you are arranging your premium finance via another funding company, please ensure that payment is received by Marsh by 30 June 2016 as your Certificate will not be current until payment has been received. This is important to note as most funding companies will not usually settle until some 30-45 days after inception of the insurance and you will need to make special arrangements for the earlier settlement date.

Credit Card Payments

Payments for amounts up to \$50,000 can be accepted via certain credit cards. If you wish to access our credit card payment facility, please see the back of the invoice for payment options. **Please note that a 1% administrative fee will be payable for all credit card payments.**

Important Notices

The cover is subject to the Insurance Contracts Act 1984 (as amended) and we draw your attention to the Important Notices enclosed with this brochure. These notices describe your duty in relation to the disclosure of information to your insurer and the penalties imposed for non-disclosure. In addition, they also outline some important facts, which you need to read in relation to the cover. It is important you read these notices and contact us if you wish to make a further 'declaration' or have any questions about the notices.

Top Up Insurance Cover

If you wish to secure a higher sum insured above a separate Top-Up Declaration (enclosed with this brochure) will be required and cover will be quoted and placed on an "offer and acceptance" basis.

NOTIFICATION OF CLAIMS UNDER TOP-UP INSURANCE

It is important to note that the claims made provisions under your Top-up insurance operate differently to the Certificate of Insurance. The Top-up policy will only cover claims that are both made and reported to the insurer during the period of insurance and will exclude claims arising from known circumstances that have not been reported to insurers (the primary policy does not exclude such matters). If you currently purchase top-up cover it is imperative that you report all known claims and circumstances to your current Top-up Insurer prior to expiry date of the policy. Failure to report such circumstances and claims may result in no cover being available under the Top-up policy for such matters.

Claims Reporting

As this is a "claims made" policy, it is important that you advise in writing of any claims of which you are aware, prior to the expiry of the current policy. Enquiry should be made of all relevant parties within your organisation and any such claims must be notified in writing to Marsh prior to 29 June 2016.

The terms of the policy are that cover is not provided for claims made against you after the expiry of the policy. However, where you give written notice to the insurer before expiry of the policy of facts that might give rise to a claim, you may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any claim subsequently made against you arising from those facts, notwithstanding the claim is made after the expiry of the policy. As such it is important to notify all circumstances of which you become aware as well as actual claims that have been made against you.

Notice of all claims and circumstances that could give rise to a claim must be given in writing to Simon.landrigan@marsh.com or

Simon Landrigan – Principal
Marsh Pty Ltd
ABN 86004 651 512
Level 1, Carpentaria House
13 Cavenagh Street, DARWIN NT 0800
Locked Mail Bag 2, DARWIN NT 0801

Service Personnel

■ Renewal and Amendments

Karen Searle – Senior Account Executive
karen.searle@marsh.com Tel: 08 8385 3535

Brianne Cope – Assistant Account Executive
brianne.cope@marsh.com Tel: 08 8385 3533

■ Policy Issues

Simon Landrigan – Principal
simon.landrigan@marsh.com Tel: 08 8385 3571