

NORTHERN TERRITORY LEGAL PRACTITIONERS' COMPULSORY PROFESSIONAL INDEMNITY INSURANCE

2017 – 2018 RENEWAL INFORMATION PAPER



Introduction

Your Legal Practitioner Professional Indemnity Certificate of Insurance is due to expire at 4.00pm on **30 June 2017**. 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 2017 to 30 June 2018 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 2017 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 2017** 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 Wednesday 28 June 2017.

Program Details

The Master Policy arrangement has been renewed with QBE Insurance (Australia) Ltd (QBE) for the period 4.00pm, 30 June 2017 to 4.00pm 30 June 2018 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 2017 to 30 June 2018)

Categories	Premium per practitioner	GST	Stamp Duty	Marsh Fee	2017 Total Payable	2016 Total Payable
Self-Audit discounted premium	\$4,243.00	\$505.30	\$466.73	\$810.00	\$6,025.03	\$5,975.42
Premium with no audit discount	\$6,062.00	\$687.20	\$666.82	\$810.00	\$8,226.02	\$8,153.42
Criminal Law Firms (>50% fees from criminal law)						
Self-Audit discounted premium	\$3,819.00	\$462.90	\$420.09	\$810.00	\$5,511.99	\$5,467.22
Premium with no audit discount	\$5,456.00	\$626.60	\$600.16	\$810.00	\$7,492.76	\$7,439.52
North Australian Aboriginal Justice Agency (NAAJA) / Central Australian Aboriginal Legal Assistance Service (CAALAS)						
Self-Audit discounted premium	\$1,061.00	\$136.10	\$116.71	\$300.00	\$1,613.81	\$1,549.68

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.

Parental Leave

For those practitioners who are on Parental Leave as at 30th June 2017, a flat premium of \$500 (plus GST & Stamp Duty) will apply. Once these practitioners return to work, then the standard premium will be charged on a pro-rata basis.

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 2017/2018 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 2017. 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

There have been some minor amendments to the policy this year, which mainly include paragraph formatting and grammatical amendments as noted below:

1. The words "named on the schedule" is deleted from the definition of "practitioner" in clause 25(v) of the policy. However the current practice of naming practitioners on the Certificate of Currency will continue.
2. Clause 1 (e) did not include the words "Practising Company". This is has been added this year.
3. The definition of "Principal" in clause 25(v) required reformatting to the next line of the wording so that it is clearer.

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 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 e-mail to Wayne Ambler of Marsh, (wayne.ambler@marsh.com). This should be done by 10 May 2017 to ensure that settlement of fund for your Practising Certificate is made to the Law Society by 31 May 2017. 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 2017 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.

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 30 June 2017.

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

Policy Issues

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

APPENDIX A

QBE IMPORTANT NOTICES

You must read this notice before you complete the application form.

Duty of disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

reduces the risk we insure you for; or

- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Claims made

This Policy operates on a 'claims made and notified' basis. This means that the Policy covers you for claims made against you and notified to us during the period of insurance.

The Policy does not provide cover in relation to:

1. acts, errors or omissions actually or allegedly committed prior to the retroactive date of the Policy (if such a date is specified);
2. claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
3. claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
4. claims made, threatened or intimated against you prior to the commencement of the period of insurance;
5. facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had
 1. the potential to give rise to a claim under this Policy; and
 2. claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practical after you become aware of those facts but before the expiry of the period of insurance, you may have rights under section 40(3) of the *Insurance Contracts Act 1984 (Cth)* to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of insurance. Any such rights arise under the legislation only. The terms of the Policy and the effect of the Policy is that you are not covered for claims made against you after the expiry of the period of insurance.

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

NEXT STEPS

For more information about how you can benefit from our services, please contact your Marsh Adviser, or phone **1800 194 888**.

