



MANAGEMENT LIABILITY Glossary of Terms

The below table provides a list of terms used within Berkley Insurance Australia's Management Liability Insurance Policy and a general summary of their meaning.

Insuring Clause / Extension	Coverage	Might also be called
Directors & Officers Liability Insuring Clause	BIA will provide coverage to directors and officers for their personal liability for claims made against them which arise from actions undertaken by such directors or officers in their role as managers of the company, where the company is unable or unwilling to pay their defence costs or damages.	
Company Reimbursement	BIA will reimburse the company where they have agreed to indemnify the directors or officers for their personal liability (and defence costs) for claims made against them which arise from actions undertaken by such directors or officers in their roles as managers of the company. No cover is provided for claims made against the company itself.	
Company Liability	BIA will provide coverage to the company for claims made against the company arising from any actual or alleged wrongful act or omission of the company.	Emergency Defence Costs Advance Defence Costs
Advancement of Costs and Emergency Defence Costs	BIA will advance defence costs to the insured and or the company prior to the final settlement of a claim (to the fullest extent permissible by law). If it is not possible for the insured to obtain BIA's confirmation prior to the incurring of defence costs, BIA will temporarily waive consent as long as it is obtained within 30 days of incurring such defence costs.	Emergency Defence Costs Advance Defence Costs
Pollution Costs	BIA will provide defence costs coverage to the insured and or the company in respect of any claim, or inquiry by an official body related to a Pollutant.	
Statutory Liability	BIA will pay any legally permissible pecuniary or administrative fines or penalties imposed on an insured and/or the company pursuant to the laws of the Commonwealth of Australia or New Zealand. No coverage is provided for fines and penalties relating to tax air, marine, vehicular or consumer protection legislation or for wilful or deliberate breaches of any legislation.	Fines and Penalties Civil Penalties

Insuring Clause / Extension	Coverage	Might also be called
Workplace Health & Safety Costs	BIA provides coverage for defence costs incurred as a result of any inquiry arising out of any investigatory request by the applicable WH&S regulator, including requests to produce documents, attend an interview or attend on site. Australia & New Zealand only.	Occupational Health & Safety Defence Costs
Continuous Cover	This extension benefits the insured if they continuously insure with BIA.	Continuity of Cover
General Inquiry Costs	BIA provides coverage for defence costs incurred by or on behalf of an insured and/or the company for legal representation at an inquiry (for example; regulatory inquires, royal commissions, inquests), where the inquiry is commenced during the policy period.	Official Investigation & Inquiries
Claims Specialist Advice	The insured may contact BIA's claims specialists during business hours for one complimentary session of up to sixty minutes of verbal advice in relation to matters covered under the policy.	
Outside Directorships	BIA will provide coverage for claims made against a director, officer or employee of the company arising from their position as a director or officer of any outside entity, where such position is held at the written request of the company.	
Extended Reporting Period	If the policy is not renewed or replaced, the insured is entitled to a 90 day 'extended reporting period' for no additional premium to notify any claims which arise from acts which were committed or allegedly committed prior to the expiry of the policy period. The insured also has the option to purchase a 12 month extended reporting period for an additional 100% of expiring premium.	
Retired Directors & Officers	If a director or officer voluntarily retires during the policy period, and the company does not renew or replace the policy, the retired director or officer is entitled to an 84 month (7 year) run-off policy (during which time they can notify any claims which arise from acts which were committed or allegedly committed prior to the expiry of the policy period).	Retirement Cover
Additional Dedicated Limit for Directors	If the limit of indemnity provided under the policy (and any excess layer policies) is exhausted and there are no other sources of indemnification available to the directors of the company, BIA will provide coverage to the directors of the company (in accordance with the directors and officers liability insuring clause) for any subsequent, unrelated and unconnected claims up to the sub-limit specified in the schedule.	
Extradition Bail Bond Costs	BIA will pay the reasonable premium (not including collateral) for a bond or other financial instrument to guarantee an insured's contingent obligation for bail or equivalent in any jurisdiction required by a court in respect of an extradition proceeding.	

Insuring Clause / Extension	Coverage	Might also be called
Deprivation of Assets Proceedings	BIA will pay deprivation of assets expenses (direct payment to providers of housing, utilities, personal insurance and schooling services) where the insured is the subject of an interim or interlocutory order which confiscates, controls, suspends or freezes the insured's rights of ownership of real property or personal assets or creates a charge over real property or personal assets of the insured. (Payment is subject to exhaustion of any personal allowances allowed by the court for such payments).	
Prosecution Costs	BIA will pay costs incurred by an insured to bring legal proceedings to overturn: <ul style="list-style-type: none"> • an interim or interlocutory order confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of an insured or creating a charge over real property or personal assets of an insured; • an interim or interlocutory order disqualifying an insured from holding office or managing a company; or • a judicial order requiring an insured to be confined to a specific residence or to be held in custody pending trial. 	
Crisis Costs	BIA will provide coverage for the costs (up to the sub-limit) of retaining a crisis management consultant to contain a crisis which threatens the financial viability of the company. The costs must be incurred within first 30 days after the event.	
Employment Practices Liability Entity Coverage	BIA will provide coverage for claims made against the company alleging breaches of Employment Practices law, such as unfair dismissal, harassment, bullying, discrimination or employment-related defamation. No coverage is provided where the company has failed to correctly pay entitlements or rates of pay as the company is legally responsible for these.	
Third Party Discrimination or Sexual Harassment	BIA will provide coverage for claims made against the company by third parties (customers, vendors, service providers or business invitees of the company) alleging discrimination or harassment, by the company's employees.	
Attendance Compensation	BIA will pay Attendance Compensation to the company where an Insured Person is retired to attend a court hearing, arbitration, mediation, conciliation, ADR, an interview as a witness in connection with a claim covered under the policy.	Court Attendance Costs
Tax Audit Costs	BIA will provide coverage for the costs incurred by the company to engage a professional in relation to an investigation or audit (including ATO risk reviews) undertaken by the Australian Tax Office or Taxation Authority. No cover is provided for underpayment of tax as the company is legally responsible for this.	

Insuring Clause / Extension	Coverage	Might also be called
Employee Theft & Third Party Crime	BIA will provide coverage for direct financial loss arising for the theft of money, property or securities belonging to or in the care, custody and control (such that the company is legally liable) of the company by employees or (known) third parties. Investigation costs are paid in addition to the employee theft and third party crime sub-limit. Cover is also provided to reproduce electronic data or computer systems damaged in the course of the fraud.	Crime Investigation Fees
Identity Fraud Expenses	Where a party other than an insured person represents themselves as a representative of the company and enters into an agreement on the company's behalf, BIA will indemnify the company for reasonable costs and expenses to establish that a fraudulent misrepresentation has occurred.	
Internet Liability	BIA will provide coverage for claims made against the company for: <ul style="list-style-type: none"> • defamation arising from content posted on the company's website; and • the interference with any right of privacy committed or alleged which arise out of the company's website. 	
Takeover or Merger Run-Off Coverage	If the company is the subject of a Takeover or Merger the policy automatically converts to a run-off liability policy with effect from the date of the Takeover or Merger. Takeover or Merger means: <ul style="list-style-type: none"> • any sale of the Company or its merger with or acquisition by another entity such that the Company is not the surviving entity; • the acquisition by any entity or person of 50% (fifty percent) or more of the voting stock of the Company; • a change in the majority of the board of directors; • the appointment of an administrator, receiver, liquidator voluntarily or otherwise. 	
Run-Off Cover for Subsidiaries	In the event of: <ul style="list-style-type: none"> • the sale of a subsidiary or its merger with or acquisition by another entity such that the subsidiary is not the surviving entity; • the acquisition by any entity or person of 50% (fifty percent) or more of the voting stock of the subsidiary; • a change in the majority of the board of directors; • coverage for the subsidiary which is the subject of the event will automatically convert to run-off liability coverage. 	