

CGU MANAGEMENT LIABILITY INSURANCE POLICY



Corporations and their directors and officers can incur legal and financial liabilities as a result of the management, operation and/or ownership of a business. These liabilities often arise out of disputes that can involve expensive, complicated and lengthy litigation which can disrupt the operation of the business, and the directors' and officers' ability to operate within the business.

These liabilities can potentially put at risk not only the corporations' assets & reputation but also the personal assets and reputation of individual directors and officers.

They can arise from the enacting of new legislation; regulatory investigations or enquiries, investigations or enquiries conducted by professional or industry bodies; shareholder actions; creditor actions; employee initiated claims alleging discrimination, harassment or unfair dismissal; fines or penalties imposed for breaching a statutory regulation; theft or fraud perpetrated by a director, officer or employee; a breach of the corporations computer network; or liability as a result of acting as a trustee of the corporations superannuation fund.

This is where CGU's Management Liability Policy is designed to step in to indemnify the corporation and its directors' & officers' against the incurring of such legal and financial liabilities. It includes covering the legal and other costs and expenses incurred in the preparation, investigating, defending and or settling of any matter covered by the policy.

CGU's Management Liability Policy is structured with 7 specific coverage sections tailored to protect both the corporation and its directors and officers:

- **Section 3 – Directors & Officers and Company Reimbursement**
- **Section 4 – Insured Entity Liability**
- **Section 5 – Employment Practices Liability**
- **Section 6 – Statutory Liability**
- **Section 7 – Crime Cover**
- **Section 8 – Cyber Liability**
- **Section 9 – Superannuation Trustees Liability**

Sections 1 and 2 provide guidance to the policyholder on how to read the policy and the importance of the premium, proposal form and the period of insurance. Section 10 contains general terms and conditions of the policy, including general policy extensions and definitions.

Each coverage section has specific Extensions and Exclusions within the section so the policyholder and the intermediary of the policyholder have certainty as to what is covered and not covered within the section. There are no exclusions that apply to individual coverage sections that do not sit within the coverage section itself.

Following is a list of the standard and optional extensions within each coverage section which highlight the extensive coverage provided by the CGU Management Liability Insurance Policy:

- **Section 3 – Directors & Officers and Company Reimbursement (compulsory section)**

Standard Extensions

- Advancement of Defence Costs
- Continuous Cover
- Attendance at Investigations
- Work Health and Safety
- Statutory Liability Cover for Insured Persons
- Reinstatement of the Section Limit
- Outside Directorships
- Run-Off Cover For Outside Directorships
- Retired Directors and Officers Cover
- Insured vs Insured Cover
- Preservation of Indemnity
- Pollution Defence Costs
- Emergency Defence Costs
- Emergency Asset Protection Proceedings
- Extradition Proceedings
- Crisis Cover – Insured Person
- Preserved Limit for Non-Executive Directors

Optional Extensions

- USA Jurisdiction
- Securities Liability – Insured Persons
- Shareholder Pollution Liability – Insured Person
- Pre Acquisition Liability
- Multi-Year Run-Off after Merger or Consolidation

- **Section 4 – Insured Entity Liability (compulsory section)**

Standard Extensions

- Advancement of Defence Costs
- Continuous Cover
- Work Health & Safety Defence Costs
- Crisis Cover – Insured Entity
- Breach of Contract Defence Costs
- Costs of Court and Inquiry Attendance
- Tax Audit Costs
- Accidental Death – Insured Executive
- Internet Liability
- Identity Fraud

Optional Extensions

- Securities Liability – Insured Entity
- Shareholder Pollution Liability – Insured Entity

- **Section 5 – Employment Practices Liability**

Standard Extensions

- Advancement of Defence Costs
- Continuous Cover

- **Section 6 – Statutory Liability**

Standard Extensions

- Advancement of Statutory Liability Defence Costs
- Continuous Cover
- Statutory Liability Cover for Pollution

- **Section 7 – Crime Cover**

Standard Extensions

- Premises and In Transit Cover
- Forgery Cover
- Computer Fraud
- Funds Transfer, Counterfeit Currency, or Credit Card Fraud
- Continuous Cover

- **Section 8 – Cyber Liability**

Standard Extensions

- Advancement of Defence Costs
- Continuous Cover

- **Section 9 – Superannuation Trustees Liability**

Standard Extensions

- Advancement of Defence Costs
- Continuous Cover
- Exoneration
- Costs of Court and Inquiry Attendance

- **Section 10 – General Terms And Conditions**

General Extensions

- Extended Reporting Period
- New Subsidiaries Cover
- Former Subsidiaries Cover
- Access to Complimentary Legal Advice

Section and Aggregate Policy Limits

Each coverage section of the policy has a dedicated sum insured applicable to that section only. Each section limit is subject to the aggregate policy limit which (except for Sections 3.8 and 3.19) is the total amount payable in the aggregate across all the coverage sections of the policy.

Our Capacity

- The maximum aggregate policy limit for any one policy is \$20,000,000
- For each coverage section we have various maximum section limits as follows:
 - Section 3 – \$20,000,000
 - Section 4 – \$20,000,000
 - Section 5 – \$15,000,000
 - Section 6 – \$3,000,000
 - Section 7 – \$3,000,000
 - Section 8 – \$3,000,000
 - Section 9 – \$15,000,000

Target Market

Incorporated entities with assets greater than \$25,000,000 or revenue greater than \$10,000,000

About Us

CGU Professional Risks is all about making a difference. As one of Australia's leading management liability and professional risks insurers for over 20 years, we know that our competitive advantage lies in our ability to maintain a difference in the service that we provide.

Currently CGU Professional Risks insures approximately 40,000 Australian businesses or individuals and over the past 20 plus years we have:

- underwritten over \$1.3b in premium; and
- managed over 32,000 claims for our policy holders

Looking for more information?

For further information on CGU's Management Liability Insurance Policy, please visit: www.cgu.com.au/professionallrisks.

The above description of the cover provided by the CGU Management Liability Insurance Policy is a summary only. The cover described is subject to specific terms, conditions and exclusions specified in the policy and subject to underwriting terms and acceptance criteria.



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