

# Liability products

## Summary of key changes

**August 2015**



# Lumley Broadform Liability

## Summary of key changes

We've recently made some changes to our Broadform (General) Liability policy. This document provides a highlight of some of the most significant changes to policy. There are a number of changes which provide more transparency and clarity of intent, and we have also updated and introduced some new automatic benefits and an optional extension. We recommend that you read the new policy wording in detail so you are familiar with all the amendments.

Item	Brief detail of the key changes
<b>Section 1 – DEFINITIONS</b>	<ul style="list-style-type: none"> <li>• Several new definitions have been added for clarity:               <ul style="list-style-type: none"> <li>1.3 Hot Work.</li> <li>1.4 Insured – expanded to include contractors or sub-contractors working in New Zealand and not otherwise insured.</li> <li>1.7 Limit of Indemnity.</li> </ul> </li> <li>• A number of definitions have been updated to provide clarity of intent. Significant changes have been made to the definition of Insured's Products.</li> </ul> <p><i>Some definitions that are no longer used in the wording have been deleted.</i></p>
<b>Section 2 – COVERAGE</b>	<p>2.3 Costs and Expenses – costs and expenses are no longer limited to the Limit of indemnity.</p>
<b>Section 3 – AUTOMATIC COVERAGE CLAUSES</b>	<ul style="list-style-type: none"> <li>• A number of new automatic coverage clauses have been added or amended, some of which are as follows:               <ul style="list-style-type: none"> <li>3.1 Advertising Liability – cover up to \$1,000,000.</li> <li>3.6 Goods Lifted or Carried by Cranes – cover up to \$250,000.</li> <li>3.7 Hot Work Away From Own Premises.</li> <li>3.8 Innkeeper's Liability – up to the policy limit.</li> <li>3.10 Lost or Stolen Keys – up to the policy limit.</li> <li>3.13 Service/Repair – Machinery – cover up to \$250,000.</li> </ul> </li> <li>• A number of automatic coverage clauses have been amended, some of which are as follows:               <ul style="list-style-type: none"> <li>3.3 Business Travel to a Non-Territorial Country – was '3.12 Visits to any Non-Territorial Country'.</li> <li>3.14 Service/Repair – Vehicle and Watercraft – the sub-limit is any one occurrence and is no longer aggregated. Watercraft length is increased to 10 metres.</li> <li>3.16 Underground Services – no longer has a sub-limit and cover is now up to the limit of indemnity. The 5 metre depth limitation and directional drilling restrictions have been removed.</li> <li>3.17 Vehicles/Mobile Mechanical Plant Liability – was '3.5 Mechanical Plant Liability/Vehicles'.</li> </ul> </li> <li>• The sub-limits under the following coverage clauses have been increased:               <ul style="list-style-type: none"> <li>3.4 Care, Custody or Control – from \$250,000 to \$500,000.</li> <li>3.5 Forest and Rural Fires Act – from \$250,000 to \$1,000,000.</li> <li>3.14 Service/Repair – Vehicle and Watercraft – Limit for the vehicle/watercraft being worked on has increased from \$250,000 to \$500,000.</li> <li>3.18 Vibration and Removal of Support –from \$250,000 to \$500,000.</li> </ul> </li> <li>• The excess for the following extensions has decreased:               <ul style="list-style-type: none"> <li>3.16 Underground Services extension – decreased from \$5,000 to \$2,500.</li> <li>3.14 Service/Repair – Vehicle and Watercraft – decreased from \$2,500 to \$1,000.</li> </ul> </li> </ul>
<b>Section 4 – OPTIONAL COVERAGE CLAUSE</b>	<p>A new optional coverage clause called 'Property Being Worked On' is available that provides cover for damage to third party property while the insured is working on it. The sub-limit is \$100,000.</p>

<p><b>Section 5 – EXCLUSIONS</b></p>	<ul style="list-style-type: none"> <li>• A number of exclusions have been added or updated, or the heading has been changed to better reflect the exclusion. Some of these are: <ul style="list-style-type: none"> <li>5.1 Aircraft and 5.28 Watercraft are separate exclusions and replace previous exclusions 4.1 Aircraft and Watercraft and 4.2 Aircraft Parts.</li> <li>5.3 Building Defects (New).</li> <li>5.4 Business Advice/Error or Omission previously 4.18 Professional Advice.</li> <li>5.6 Defamation (New).</li> <li>5.9 Fines and Exemplary Damages was previously 4.11 Fines and Penalties.</li> <li>5.10 Forest and Rural Fires Act (New) – see Automatic Coverage clause 3.5.</li> <li>5.12 Hot Work Away From Own Premises (New) – see Automatic Coverage clause 3.7.</li> <li>5.14 Legal Jurisdiction – If a foreign jurisdiction requires the insured to be insured by an insurer in that jurisdiction, any liability relating to that requirement is excluded.</li> <li>5.17 Offshore Oil or Gas Platforms (New).</li> <li>5.18 Pollution – this exclusion has been amended and now includes the definition of pollutants. There is no cover for liability for pollution that occurs in the USA or Canada, and their territories.</li> <li>5.20 Property in Your Care, Custody or Control – exclusion for property held under contract of bailment has been removed from this clause. Previously 4.19 (c).</li> <li>5.21 Reinstatement, Repair or Replacement of Insured’s Products. Previously 4.6.</li> <li>5.24 Underground Services (New) – see Automatic Coverage clause 3.16.</li> <li>5.26 Vibration and Removal of Support (New) – see Automatic Coverage clause 3.18.</li> </ul> </li> <li>• The following exclusion has been deleted. <ul style="list-style-type: none"> <li>Previous exclusion 4.20 Property Being Worked is not included in the new wording.</li> </ul> </li> </ul>
<p><b>Section 6 –CONDITIONS</b></p>	<ul style="list-style-type: none"> <li>• A number of conditions have been added (i.e. new) or updated to provide clarity. Some of these are: <ul style="list-style-type: none"> <li>6.1 Assignment (New).</li> <li>6.4 Cross Liability (Amended).</li> <li>6.5 Defence of Legal Proceedings (Re-written to clarify).</li> <li>6.8 Disputes about this Policy – previously 5.13 Policy Disputes.</li> <li>6.11 Legislation Changes (New).</li> <li>6.12 Material Change of Facts or Circumstances – revised and was previously 5.3 Change of Facts or Circumstances.</li> </ul> </li> </ul>

# Lumley Employers Liability

## Summary of key changes

We've recently made some changes to our Employers Liability policy. This document provides a highlight of some of the most significant changes to the policy. There are a number of changes which provide more transparency and clarity of intent, and we have also updated and introduced some new automatic benefits. We recommend that you read the new policy wording in detail so you are familiar with all the amendments.

Item	Brief detail of the key changes
<b>Section 1 – DEFINITIONS</b>	<ul style="list-style-type: none"> <li>• There are some additional definitions and others have been amended to clarify intent or deleted as no longer relevant. Some of the changes in this section are:               <ul style="list-style-type: none"> <li>1.5 Insured. Expanded definition.</li> <li>1.7 Limit of Indemnity (New)</li> <li>1.10 Policy (New)</li> <li>1.12 Retroactive Date (New)</li> </ul> </li> </ul>
<b>Section 2 – COVERAGE</b>	<ul style="list-style-type: none"> <li>2.1 Insured Liability – omitted reference to ACC, which has been moved to exclusion 4.1 ACC</li> <li>2.3 Defence Costs – the policy now provides cover for defence costs in addition to the Limit of Indemnity. This means that the Limit of Indemnity is available for liability claims and the same Limit of Indemnity is available for defence costs.</li> </ul>
<b>Section 3 – EXTENSIONS</b>	<ul style="list-style-type: none"> <li>• We have included two new extensions that enhance the cover:               <ul style="list-style-type: none"> <li>3.2 Extended Reporting Period – this clause allows the Insured to extend the cover for a further period of 12 months where Lumley cancels or refuses to offer renewal.</li> <li>3.3 Mergers and Consolidations – If the company named as the Insured is merged or consolidated, then the policy extends to cover the new company if the policy conditions are met.</li> </ul> </li> <li>• Amended extensions:               <ul style="list-style-type: none"> <li>3.4 New Subsidiary Companies – previously 3.1 Acquisitions and Creations.</li> </ul> </li> </ul>
<b>Section 4 – EXCLUSIONS</b>	<ul style="list-style-type: none"> <li>• The following new exclusions have been added to provide clarity of intent of coverage:               <ul style="list-style-type: none"> <li>4.1 ACC</li> <li>4.4 Employment Disputes – added because although employment disputes were previously excluded, it was not very clear to some brokers and clients.</li> <li>4.5 Existing Litigation</li> </ul> </li> </ul>
<b>Section 5 – CONDITIONS</b>	<ul style="list-style-type: none"> <li>• The following new conditions have been added to provide clarity of intent of coverage:               <ul style="list-style-type: none"> <li>5.2 Assignment</li> <li>5.4 Change of terms</li> <li>5.5 Compliance with the policy – included for clarity, though it is implied in a contract of insurance anyway.</li> <li>5.7 Cross Liability.</li> <li>5.12 Legislation changes</li> </ul> </li> <li>• Amended conditions to provide clarity of intent of coverage:               <ul style="list-style-type: none"> <li>5.3 Cancellation</li> <li>5.14 Other Insurance</li> </ul> </li> </ul>

# Lumley Statutory Liability

## Summary of key changes

We've recently made some changes to our Statutory Liability policy. This document provides a highlight of some of the most significant changes to the policy. There are a number of changes which provide more transparency and clarity of intent, and we have also updated and introduced some new automatic benefits. We recommend that you read the new policy wording in detail so you are familiar with all the amendments.

Item	Brief detail of the key changes
<b>Section 1 – DEFINITIONS</b>	<ul style="list-style-type: none"> <li>• This section has been amended. Some examples are:               <ul style="list-style-type: none"> <li>1.1 Act of Parliament. (Amended) Now includes “replacement legislation” and “any regulations, rules or code under an Act”.</li> <li>1.7 Insured. Consolidates three previous definitions (1.7 Insured, 1.9 Insured Person and 1.11 Named Entity). Expanded to include subsidiary companies and officers and employees.</li> <li>1.11 Official Investigation. (New)</li> <li>1.13 Reparation. Previously 1.12 Order for Reparation under the HSE Act.</li> <li>1.16 Statutory Damages. (New)</li> </ul> </li> </ul>
<b>Section 2 – COVERAGE</b>	<ul style="list-style-type: none"> <li>2.1 Insured Liability. Added (d) that “Lumley is not legally prohibited from indemnifying the Insured.”</li> <li>2.3 Defence Costs. The policy now provides cover for defence costs in addition to the Limit of Indemnity. This means that the Limit of Indemnity is available for liability claims and the same Limit of Indemnity is available for defence costs.</li> </ul>
<b>Section 3 – EXTENSIONS</b>	<ul style="list-style-type: none"> <li>• We have included the following new extensions that enhance the cover.               <ul style="list-style-type: none"> <li>3.1 Defence Costs if Acquitted – extends to reimburse defence costs where it is alleged that the Insured had acted or omitted to act knowingly, wilfully or intentionally and the Insured is subsequently acquitted.</li> <li>3.2 Extended Reporting Period – this clause allows the Insured to extend the cover for a further period of 12 months where Lumley cancels or refuses to offer renewal.</li> <li>3.3 Mergers and Consolidations. – if the company named as the Insured is merged or consolidated, then the policy extends to cover the new company if the policy conditions are met.</li> <li>3.4 New Subsidiary Companies. – the policy extends to insure a new subsidiary company created or acquired by the Insured if the policy conditions are met.</li> <li>3.5 Official Investigations – this extension expands beyond the usual investigation for a possible prosecution.</li> <li>3.7 Statutory Damages and Reparations – this extension widens coverage to include reparations that the Insured is ordered to pay under Section 32 of the Sentencing Act, and Statutory Damages under the Human Rights Act and Privacy Act.</li> </ul> </li> </ul>
<b>Section 4 – EXCLUSIONS</b>	<ul style="list-style-type: none"> <li>• The following Exclusion has been altered:               <ul style="list-style-type: none"> <li>4.6 Excluded Acts. Amended and now includes the Land Transport Act 1998.</li> </ul> </li> <li>• The following new Exclusions have been added to provide clarity of intent of coverage.               <ul style="list-style-type: none"> <li>4.8 Infringement Fees.</li> <li>4.14 Personal Grievances.</li> <li>4.15 Private Prosecutions.</li> </ul> </li> </ul> <p>While the above were previously excluded it was not clear to some brokers and clients.</p>
<b>Section 5 – CONDITIONS</b>	<ul style="list-style-type: none"> <li>• New conditions to provide clarity of intent of coverage:               <ul style="list-style-type: none"> <li>5.2 Assignment.</li> <li>5.4 Change of terms.</li> <li>5.5 Compliance with the policy. Implied in a contract of insurance anyway.</li> <li>5.7 Cross Liability.</li> <li>5.12 Legislation changes. Self-explanatory.</li> </ul> </li> <li>• Amended conditions to provide clarity of intent of coverage:               <ul style="list-style-type: none"> <li>5.3 Cancellation.</li> <li>5.8 Defence of Prosecutions.</li> <li>5.14 Other Insurance</li> </ul> </li> </ul>