

Palladium

Management Liability Insurance

Highlights and Features

Fines & Penalties Cover : Palladium provides significant flexibility by considering Pecuniary Penalties cover up to a \$5,000,000 sub-limit (subject to the Limit of Indemnity).

This cover has been provided in the critical areas of:

- Pecuniary Penalties awarded against an Insured Person for a civil offence
- Pecuniary Penalties awarded against the Company and an Insured Person for a strict liability offence in connection with a breach of any occupational health and safety law or regulation
- Pecuniary Penalties awarded against the Company and an Insured Person for a strict liability offence in connection with the discharge, release, dispersal or escape of Pollutants

Broad Definition of Claim : The definition of Claim is not limited to a 'claim...for compensation or damages'. Claims against Insured Persons and the Company will not always be seeking compensation (ie. regulator actions seeking a banning order or regulator seeking the imposition of a fine or penalty which is non compensatory in nature)

Restrictive Trade Practices Defence Costs : Defence Costs provided on behalf of an Insured Person for Claims and Inquiries in respect of any alleged restrictive trade practices under the Trade Practices Act (Cth) and any related legislation, until there is an admission, judgement or final adjudication that such conduct occurred.

Gap Coverage between the Directors and Officers Insuring Clause and the Company Reimbursement Insuring Clause : Unlike many management liability policies in the market Palladium does not restrict the Directors & Officers Insuring Clause to Claims or Loss

- 'for which the Company is not permitted or required to indemnify the Insured Person'; or
- 'for which the Insured Person may not be legally indemnified by the Company'

Palladium closes the gap where the Company is permitted, required to indemnify but for any reason does not, by employing the words

- 'for which the Insured Person is not indemnified by the Company'

Defence Costs cover for Company itself in respect of OH&S and Pollution Claims and/or Inquiries : Defence Costs Cover extended to the Company itself for Claims and Inquiries in respect of any breach of State, Territory or Commonwealth Occupational Health & Safety laws.

Defence Costs Cover also provided to the Company itself for Claims and Inquiries in respect of the discharge, dispersal, release or escape of Pollutants.

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Management Liability Insurance

Highlights and Features (continued)

- Advancement of Defence Costs** : Following recent cases (such as Wilkie v Gordian RunOff) the Directors & Officers market and Management Liability market has promoted the benefits of defending an Insured Person for criminal or dishonest actions up until the point such alleged conduct has been established through a judgement or admitted by the Insured. This is seen as essential cover as the Company may be legally prevented from indemnifying the Insured for defence costs relating to such actions.
- Not only does Palladium offer this cover in a clear and transparent fashion, it also provides Advancement of Defence Costs:
- for other types of Claims (not involving allegations of dishonest conduct) prior to determination of the applicable Insured's right to indemnity under this Policy
 - if an emergency exists and the Insured cannot obtain the consent of the Insurers prior to incurring those Defence Costs
- Direct Financial Loss** : Palladium provides cover for Direct Financial Loss sustained by the Company which results from the Dishonesty of any Employee which is first discovered by the Company in the Policy Period.
- Cover is not dependent upon the Company carrying uninterrupted fidelity insurance from the date of the dishonest act.
- Extradition Related Costs** : Palladium covers Defence Costs for an Insured Person in respect of extradition proceedings.
- Palladium also covers an Insured Person for (i) the reasonable premium for a bond or other financial instrument to guarantee an Insured Person's obligations for bail and (ii) the reasonable fees of a counsellor or tax adviser in respect of a Claim that is an extradition proceeding.
- Severability and Non-Imputation** : Included as standard in the Palladium wording

Insured Person: generally defined as a director, officer or employee of the Company

Statements about the policy are a summary of cover only and do not constitute advice in relation to the policy. For full details of terms and conditions please review the policy wording in full.