

**NATIONAL ADVISER SERVICES
PROFESSIONAL INDEMNITY INSURANCE PRIMARY LAYER POLICY**

THIS IS A CLAIMS MADE AND NOTIFIED POLICY

The Insurer hereby agrees to insure in accordance with the terms and conditions contained in this Policy, the Schedule, and any endorsements.

DEFINITIONS

1. "The Insured" means:
 - (a) any person, firm or company named in the Schedule;
 - (b) any firm or company during any period when the majority beneficial ownership vested with one person, firm or company (including members thereof) referred to in 1(a) that previously carried on the Professional Business.
 - (c) any person, firm or company that employs or employed staff engaged in the Professional Business or provides or provided administration or like services to the Professional Business;
 - (d) any person who is or was a partner or director of any person, firm or company referred to in paragraphs (a) to (c) but only to the extent that such person acts or acted in the course of the Professional Business;
 - (e) any person who acts or acted in the course of the Professional Business, whether as an employee, consultant or otherwise, and whether remunerated by salary, commission or otherwise, but only to the extent that such person acts or acted in the course of the Professional Business; and
 - (f) any current or former Authorised Representative or Corporate Authorised Representative of the Insured acting or having acted in the course of the Insured's Professional Business; and
 - (g) the estate or legal representative of any person referred to in paragraphs (a) to (e) above

2. "The Professional Business" means the business carried on by the person, firm or company named in the Schedule of an insurance intermediary and includes acting or having acted as a:
 - (a) general insurance broker (whether or not under a binder);
 - (b) general insurance agent;
 - (c) life insurance broker (whether or not under a binder);
 - (d) life insurance agent;
 - (e) health insurance agent or broker;

- (f) mortgage broker;
 - (g) building society agent; or
 - (h) trustee of the pension and/or superannuation fund of the person, firm or company named in the Schedule;
 - (i) introducers of Residential Mortgage Loans and Deposit Accounts.
 - (j) arranger or introducer of premium funding provided by a third party.
 - (l) aggregators of insurance broking services
3. "Documents" means all documents belonging to the Insured relating to the Professional Business, but excluding all bearer bonds, coupons, bank notes, currency notes and negotiable instruments.
 4. "Claim" means:
 - (a) Any originating process (in a legal proceeding or arbitration), cross claim or counter claim or third party or similar notice claiming compensating against the insured; or
 - (b) Any written or verbal demand from a third party claiming compensation against the Insured.
 5. "Claim under this Policy" means a claim to be indemnified by the Insurers under the Insuring Clause, and all claims by all persons, firms and companies comprising the Insured arising from any one act or omission or series of related acts or omissions shall be regarded as one Claim under the Policy.
 6. "The Period of Insurance" means the Period of Insurance shown in the Schedule.
 7. "The Insurer" or "Insurer" means CGU Professional Risks, CGU Insurance Limited ABN 27 004 478 371.
 8. "Policy" means the insurance policy made up of this policy document, the Schedule, and any endorsements if any.
 9. "Schedule" means the schedule to this Policy signed by one of the Insurer's officers.
 10. "Investigation Costs & Expenses" means legal costs and other expenses incurred by or on behalf of the Insured or by Us arising out of any legally compellable attendance by an Insured at any official investigation, examination or enquiry in relation to the conduct of the Insured's Profession where such investigation, examination or enquiry may lead to a recommendation in respect of civil liability or civil proceedings which would be the subject of a Claim covered by this Policy.

"Investigation Costs & Expenses" does not include any fine, penalty or order for the payment of monetary compensation.

INSURING CLAUSES

1. The Insurer shall indemnify the Insured in respect of any civil liability whatsoever and when so ever incurred in connection with the Professional Business in respect of which a Claim is first made against the Insured and notified in writing to the Insurers during the Period of Insurance.
2. The Insurer shall also indemnify the Insured in respect of:
 - (a) all pecuniary loss when so ever suffered by the Insured and first discovered by the Insured and notified to Insurer during the Period of Insurance arising from any dishonest or fraudulent act or dishonest or fraudulent omission by any person referred to in paragraphs (d) or (e) or (f) of the definition of "Insured", providing that the Insurer shall not indemnify any person, firm or company who committed or who was an accessory to the commission or such act or omission;
 - (b) all costs and expenses incurred by the Insured with the consent of the Insurers in the investigation, defence, settlement, avoidance or reduction of any claim against the Insured in respect of which the Insured is entitled to indemnity under this Policy, or would have been entitled to indemnity if the Claim succeeded against the Insured (and for this purpose the Insured shall be taken to be entitled to indemnity notwithstanding that the Claim against the Insured is for an amount less than the Excess);
 - (c) all costs and expenses incurred by the Insured in replacing or restoring the Documents damaged, destroyed, lost or mislaid, providing that the Documents were first discovered by the Insured during the Period of Insurance and reported to the Insurers during the Period of Insurance or within 30 days thereafter to be damaged, destroyed, lost or mislaid and which cannot be found after diligent search.
3. For the purpose of this section liability of the Insured to pay an amount pursuant to a decision, determination or other resolution of a dispute before the Insurance Brokers Dispute Facility shall be deemed to be civil liability.
4. Public relations expenses

Where the Insured retains the services of a public relations consultant for the sole purpose of protecting the Insured's reputation that has been brought to question as a direct result of a Claim under this Policy, the Insurer agrees to pay any reasonable fees, costs, and expenses of such public relations consultant

PROVIDED ALWAYS THAT:

- (a) the Insured notifies the Insurer within 60 days of first becoming aware of the Insured's reputation being brought into question, and provide full written details outlining the circumstances surrounding the event; and
- (b) the Insurer have given prior written consent to retain the services of such public relations consultant; and
- (c) the Insurer's total aggregate liability during any one Period of Insurance for all public relations expenses shall not exceed \$100,000, and shall be part of

and not additional to the Total Sum Insured as shown on the Policy Schedule.

(d) The excess will not apply to cover under this extension.

5. Court attendance costs

The Insurer agrees to provide up to \$1,000 per day for court attendance costs incurred by the Insured, if the Insured is legally compelled to attend a civil proceeding as a witness in Claim covered by this Policy. The Insurer's total aggregate liability during any one period of insurance for all court attendance costs shall not exceed \$50,000, and shall be part of an not in addition to Total Sum Insured as described in the Schedule.

7. Continuous cover

The Insurer shall, notwithstanding Exclusion (a) (known claims), provide indemnity in respect of any Claim made against the Insured where such Claim arises from a fact or circumstance ("Circumstance"):

- (a) of which the Insured first became aware prior to the Period of Insurance and which the Insured knew, or ought to have reasonably known, had potential to give rise to a Claim; and
- (b) which should have, but was not, notified under an earlier policy..

Provided always that:

- (a) such indemnity shall not apply to any Claim where the Insured's failure to notify such Claim is fraudulent;
- (b) an Australian Prudential Regulatory Authority approved insurer has continued as the insurer of the Insured's Civil Liability Professional Indemnity policy in uninterrupted succession between the date when the Circumstance should have been notified and the date the Claim was actually notified;
- (c) such indemnity shall be subject to the terms, conditions, limit of indemnity and deductible applicable to this Policy.

8. External Dispute Resolution

The Insurer will provide indemnity to the Insured for a monetary award in respect of a Claim:

- a) made by an Australian Securities and Investment Commission (ASIC) approved external dispute resolution scheme;
- b) up to the compensation cap approved by ASIC which arises from a third party complaint and which:
 - i. is made against the Insured during the Period of Insurance; and
 - ii. The Insurer is told about in writing as soon as reasonably possible during the Period of Insurance; and
 - iii. arises from an act, error or omission on or after the 'Retroactive Date' specified in the Schedule.

The indemnity provided by the Insurer shall include the costs awarded and the fees or charges imposed on the Insured in respect of representation required at an ASIC approved external dispute resolution scheme.

The Insurer also provides indemnity for reasonable and necessary costs as described under Insuring Clause 2(b), incurred by or on behalf of the Insured with Our prior written consent in respect of investigating, defending or settling a complaint or proceeding heard by an ASIC approved external dispute resolution scheme up to an amount equivalent to the applicable compensation cap approved by ASIC.

The Insurer is not obliged to defend, or to continue to defend, any complaint or pay, or continue to pay, any costs or expenses associated with such defence, once Claims Investigation Costs equivalent to the applicable compensation cap have been incurred.

For avoidance of doubt, the limits provided by way of this section is included within and not in addition to the Total Sum Insured.

9. Official Investigations & Enquiries – Costs & Expenses

The Insurer will pay Investigation Costs & Expenses provided always that:

- (a) the Insurer shall be entitled, at the Insurer's discretion, to appoint legal representation to represent the Insured in the investigation, examination or enquiry;
- (b) the investigation, examination or enquiry, or notice of intended investigation, examination or enquiry is commenced during the Period of Insurance and is notified to the Insurer during the same Period of Insurance;
- (c) in the event that a claim for payment of Investigation Costs & Expenses is withdrawn or indemnity under this Policy is subsequently withdrawn or denied, the Insurer shall cease to advance Investigation Costs & Expenses and the Insured shall refund any Investigation Costs & Expenses advanced by the Insurer to the extent that the Insurer is satisfied that the Insured was not entitled to such Investigation Costs & Expenses, unless the Insurer agrees in writing to waive recovery of such Investigation Costs & Expenses; and
- (d) the Insurer's total liability in respect of Investigation Costs & Expenses for all claims made under this Policy Extension shall not exceed \$250,000.

For the purpose of this coverage section, an official investigation, examination or enquiry includes an investigation, examination or enquiry by way of a Royal Commission or Coronial Enquiry or conducted by a regulatory authority such as ASIC but does not include any investigation, examination or enquiry conducted by a parliament or any disciplinary committee of any association or professional body of which the Insured is a member.

EXCESS

The Excess is as per the Schedule and shall be borne by the Insured at the Insured's own risk for each and every Claim under this Policy including costs and expenses referred to in Insuring Clauses 2(b) or 2(c).

TOTAL SUM INSURED

1. The Insurer's liability under this Policy to all persons, firms and companies comprising the Insured shall not exceed for any one claim the Total Sum Insured in the schedule including costs and expenses as described in Insuring Clause 2 (b).
2. The Insurer may at any time pay in respect of a Claim under this Policy the Total Sum Insured to the Insured or, with the Insured's consent, to another person, firm or company on the Insured's behalf.

EXCLUSIONS

The Insurer shall not indemnify the Insured in respect of:

- (a) any civil liability arising from circumstances which the Insured knew, or a reasonable person in the circumstances could be expected to know, prior to the Period of Insurance to be circumstances likely to give rise to a claim against the Insured in respect of civil liability;
- (b) any loss or civil liability arising from any dishonest or fraudulent act or omission committed by any person after the Insured first became aware, or a reasonable person in the circumstances could be expected to have become aware, that the person may be guilty of fraud or dishonesty;
- (c) any civil liability directly or indirectly related to or caused by any financial investment, wealth creation or superannuation advice (including the Insured acting as a superannuation trustee), or failure to so advise, by the Insured other than advice related to insurance policies of life companies registered under the Life Insurance Act 1995.
- (d) Any civil liability arising out of circumstances which occurred prior to the retroactive date shown in the schedule;
- (e) any loss or civil liability directly or indirectly caused by or contributed to by or arising from ionising radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel the radio-active toxic explosive or other hazardous properties of any explosive nuclear assembly or a nuclear component thereof; directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds, or from war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;

- (f) any loss or civil liability arising from the Insured acting or having acted as manager of an insurance company, discretionary fund, mutual fund, and/or an underwriting agency;
- (g) any loss or civil liability arising from any death, bodily injury or damage to or loss of any tangible property other than as provided in Clause 2(c) of the Insuring Clause unless such loss or liability is by reason of the Insured in breach of professional duty owed to a client of the Insured to arranged insurance cover for such death, bodily injury or damage to or loss of any tangible property.
- (h) any loss or civil liability arising from the insolvency of an insurance company;
- (i) any civil liability of the Insured to any employee arising solely from the employee/employer relationship;
- (j) any civil liability arising out of any obligation assumed by the Insured by way of warranty, guarantee or indemnity (other than under a contract between the Insured and the insurer for the provision of insurance intermediary services on normal commercial terms) to the extent that such liability exceeds the liability which the Insured would have incurred in the absence of such obligation;
- (k) any loss or civil liability arising from any failure of the Insured to account for money or any trading debt, other than as provided for in Clause 2(a) of the Insuring Clause;
- (l) any loss or civil liability arising from claim which is the subject of proceedings before any Court or other body exercising jurisdiction under the law of the United States of America or Canada or any dependency, protectorate, colony, state or territory or either country or any civil liability declared or adjudged by such Court or body;
- (m) any civil liability arising from the signing of any proposal form by the Insured on behalf of a client other than the signing of any proposal form prior to 15th February 1986;
- (n) Any civil liability arising from circumstances or from any matter the subject of any claim -
 - (i) referred to in the proposal/declaration for insurance under this Policy; or
 - (ii) notified under any other contract of insurance prior to the Period of Insurance for this Policy;
- (o) any exemplary or punitive damages.
- (p) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, riot, civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority, or any act or acts, or threat thereof, of terrorism, force or violence for political, religious or other ends directed towards the overthrowing or influencing of the government, or for the purpose of putting the public in fear, by any person or persons acting alone or on behalf of or in connection with any organisation

In any claim and in any action, suit or other proceedings to enforce a claim under this Policy, the burden of proving that such claim does not fall within this Exclusion shall be upon the Insured

For clarification, this Exclusion does not apply in respect of any claim, loss, liability or expense arising directly or indirectly out of the negligent failure to place insurances for the above named events, or any other breach of professional duty in the course of provision of The Professional Business, by the Insured or any person or firm acting on behalf of the Insured.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall continue to be in full force and effect.

- (q) all liability arising out of, directly or indirectly caused by and/or resulting from or in any way related to the manufacture, mining, processing, distribution, testing, remediation, removal storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which have contributed concurrently or in any sequence to a loss. This Exclusion does not apply where the claim arises out of The Professional Business as carried out by the Insured.
- (r) any loss or civil liability arising from a transaction wherein the Insured operated a binding authority vested in the Insured, unless the insurer or insurance company granting such an authority has obtained a judgement in any court against the insured in respect of that Claim,

CONDITIONS

1. The Insured shall give immediate notice to:
Australian Indemnity Pty Ltd.
Level One
21 Turimetta St.
Mona Vale NSW 2103
Australia
 - a) of any claim made against the insured which may be the subject of a Claim under this Policy
 - b) of any circumstances of which the Insured shall become aware which may give rise to a Claim against the Insured. Such notice having been given as required above during the Period of Insurance and subsequent Claim arising from such matter shall be deemed to have been made during the said Period of Insurance.
2. The Insured shall give the Insurer and any investigators or solicitors appointed by the Insurer, all information they reasonably require, and full co-operation and assistance in the conduct of the investigation, defence or settlement of any Claim under this Policy.
3. The Insurer shall be entitled at any time to take over and conduct in the name of the Insured any proceedings arising out of or relating to any Claim under this Policy.

4. The Insured shall not admit liability for or settle any claim which may be the subject of any Claim under this Policy, or incur any costs or expenses in connection therewith without the consent of the Insurer. The Insurer shall not, however, refuse to consent to any settlement proposed by the Insured without the advice of Queens Counsel (to be mutually agreed upon by the Insured and the Insurers and to be paid for by the Insurers) that the settlement proposed is inappropriate and that the proceedings should be contested or continued.
5. The Insurer shall not settle any claim against the Insured without the consent of the Insured. If, however, the Insured refuses to consent to any settlement recommended by the Insurers and elects to contest or continue any legal proceedings in connection with such claim without the advice of Queens Counsel (to be mutually agreed upon by the Insured and the Insurers and to be paid for by the Insurers) that the settlement recommended is inappropriate and that the proceedings should be contested or continued, then the Insurer's liability in respect of the claim shall not exceed the amount of the settlement recommended by the Insurer and costs and expenses up to the date the Insured refused consent.
6. If any payment is made by the Insurer in respect of a Claim under this Policy, the Insurers shall be subrogated to all the Insured's rights of recovery in relation thereto. Neither the Insured, nor the Insurer shall, however, exercise any rights against any employee of the Insured unless the conduct of the employee was serious or wilful misconduct or was dishonest or fraudulent.
7. In the event of a loss in respect of which the Insured may be entitled to indemnity under Clause 2(a) of the Insuring Clause, the Insured shall take all reasonable steps to withhold from the director, partner, consultant or employee involved any moneys or benefits to which that person would have been entitled in the absence of fraud or dishonesty.
8. The Insured shall take all reasonable practicable steps and precautions to avoid or minimise any liability or loss which may be or is the subject of a Claim under this Policy.
9. In the event that the Insurers are entitled to refuse to indemnify any person, firm or company comprising the Insured, whether in whole or in part, by reason of Exclusion (a) or by reason of any act or omission referred to in Exclusion (b) or constituting a breach of any of the Conditions, the Insurers shall nonetheless indemnify each other person, firm or company comprising the Insured who/which was not aware at any relevant time, and in whose circumstances a reasonable person could not be expected to have been aware, of the circumstances referred to in Exclusion (a) or the fraud or dishonesty referred to in Exclusion (b), or that act or omission constituting a breach of the Conditions, as the case may be.
10. This Policy is governed by the laws of The Commonwealth of Australia.
11. In the event of a dispute arising under this Policy, the Insurer at the request of the insured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court. Any summons notice or process to be served upon the Insurers may be served upon CGU Insurance Limited, 181 William St, Melbourne, VIC, 3000.

12. Despite Section 28 of the Insurance Contracts Act 1984, if the Insured fails to comply with the duty of disclosure or makes a misrepresentation to Insurers, whether that failure or misrepresentation was fraudulent or not, before the Insurance is entered into, Insurers shall not avoid this Insurance or reduce their liability under this Insurance by reason of that non-disclosure or misrepresentation.
13. The Insurers shall not avoid this Policy or reduce their liability under this Policy by reason of -
 - (i) a failure to comply with a duty of disclosure; or
 - (ii) a misrepresentation before this Policy was entered into,shall be limited to reducing the Total Sum insured to such amount as in the minimum required to be maintained by the Insured pursuant to the Insurance (Agents & Brokers) regulations in force at the time of the claim whether the failure or misrepresentation was fraudulent or not.
 - (b) Where that failure or misrepresentation was fraudulent, the Insurers shall be entitled to rights of recovery against the natural person or persons, including the Insured, responsible for that failure or who made that representation. The Insurers' rights shall be limited to the amount which would place them in the position in which they would have been if that failure had not occurred or that misrepresentation had not been made.
14. The Indemnity Clause of this Insurance shall extend to include Claims first made against the Insured during the Period of Insurance and notified to Insurers during the Period of Insurance caused directly by conduct on the part of the Insured (not being deliberate or fraudulent) which is misleading or deceptive or likely to mislead or deceive or misrepresentations by the Insured (not being deliberate or fraudulent misrepresentations) contrary to schedule 2 of the Competition and Consumer Act 2010 (Commonwealth) or the equivalent sections of the Fair Trading and Consumer Legislation enacted in any State of Australia.