



MIND THE GAP INVESTMENT MANAGERS

The following document is intended as a guide to understanding DUAL New Zealand Mind The Gap Investment Managers Insurance Policy Wording 08.18, what changes have been made to it and how the changes affect the cover provided.

The 01.13 Wording was a combined Policy Wording with all sections included. The 08.18 upgrade provides the policy wording plus a separate General Terms and Conditions Wording, so the product is truly modular.

Mind the Gap Investment Managers	V01.13	V08.18	Comments
Language / General			
Defined Terms	Defined Terms identified by CAPITAL LETTERS	Defined terms identified by bold letters	
Sub-limits or %	Mentioned in Wording	Any reference to sub-limits removed from Wording and now specified in the Schedule.	
Insuring Clause			
Fund and Investment Manager Professional Civil Liability	Insuring Clause 2.1	Insuring Clause 1.1	
Fund and Investment Manager Directors' & Officers' Liability Cover	Insuring Clause 2.2	Insuring Clause 1.2	
Fund and Company Reimbursement Cover	Insuring Clause 2.3	Insuring Clause 1.3	
Employment Practices Liability Cover	Not Included	Insuring Clause 1.4	Coverage enhancement
Crime Cover	Was previously covered under Insuring Clause 2.4	Now split into two Insuring Clauses Insuring Clause 1.5 Internal Crime cover Insuring Clause 1.6 External Crime cover	Clarification
Defence Costs	Not offered in addition to the indemnity limit	Insuring Clause 1.7 Offered in addition to the indemnity limit	Coverage enhancement

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Insuring Clause			
Advancement of Defence Costs	Extension 3.1	Insuring Clause 1.8	
Securities Entity Cover	Not Included	Insuring Clause 1.9	Coverage enhancement
Statutory Liability & Supplementary Legal Expenses Cover	Extension 3.23 Pecuniary Penalties Sub-limited to \$1,000,000	Insuring Clause 1.10 Full Policy Limit Available	Coverage enhancement
Automatic Coverage Clause (Section A)			
Continuous Cover	Extension 3.2 Subject to DUAL being the previous insurer	Insuring Clause 2.1 No requirement for DUAL to have been the previous insurer	Coverage enhancement
Court Attendance Costs	Extension 3.9 \$500 per day per insured person, sub-limited to \$100K	Insuring Clause 2.2 \$500 per day per insured person, sub-limited to \$100K	
Discovery Period	Extension 3.3 a. 45 days automatically with nil EP b. 12 months @ 50% of the expiring premium c. 72 months if a transaction takes place, on such terms and conditions and for such additional premium as we may reasonably decide.	Insuring Clause 2.3 a. 90 days with nil EP b. 12 months, for an additional premium of 100% of the expiring premium c. 84 months, if a transaction takes place, on such terms and conditions, if any, and for such additional premium as we may reasonably decide.	Coverage enhancement 84 months available Clarification that for a 12 month discovery period the applicable premium is 100% of the expiring annual premium.
New Funds	Extension 3.5	Insuring Clause 2.4	
New Subsidiaries	Extension 3.6	Insuring Clause 2.5	
Panel Counsel	Not Included	Automatic Coverage Clause 2.6	Coverage enhancement 1 hour free legal advice from a panel firm regarding a covered claim or circumstance accepted by the policy.
Automatic Run-Off Cover for Retired Insured Persons	Extension 3.11 72 month discovery period	Automatic Coverage Clause 2.8 84 month discovery period	Coverage enhancement 84 months available

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Automatic Coverage Clause (Section A)			
Estates, Heirs, Legal Representatives and Spousal Cover	Extension 3.10	Automatic Coverage Clause 2.9	
Former Subsidiaries and Funds	Extension 3.4	Automatic Coverage Clause 2.10 Policy limit or up to \$5,000,000	
Advisers and Agents (Vicarious Liability)	Not Included	Automatic Coverage Clause 2.11 Policy Limit or up to \$5,000,000	Coverage enhancement DUAL will pay to or on behalf of the insured all loss resulting from any claim for civil liability arising from the conduct of any Qualified Financial Entity Adviser or agents of the company in the conduct of the investment services and for whose acts, errors or omissions the company is liable
Breach of Privacy	Extension 3.12	Automatic Coverage Clause 2.12 Policy Limit or up to \$1,000,000	
Consumer Protection Legislation	Extension 3.13	Automatic Coverage Clause 2.13 Policy Limit or up to \$2,000,000	
Defamation	Not included	Automatic Coverage Clause 2.14 Policy Limit or up to \$5,000,000	
Key Man Loss	Not Included	Automatic Coverage Clause 2.15 Policy Limit or up to \$5,000,000	Coverage enhancement DUAL will pay to or on behalf of the company or fund all key man loss sustained during the insurance period.
Intellectual Property	Not Included	Automatic Coverage Clause 2.16 Policy Limit or up to \$1,000,000	Coverage enhancement

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Automatic Coverage Clause (Section A)			
Lost Data	Not Included	Automatic Coverage Clause 2.17 Policy Limit or up to \$1,000,000	Coverage enhancement
Lost Documents	Extension 3.14	Automatic Coverage Clause 2.18	
Mitigation Costs	Extension 3.17 Sub-limited to \$250K	Automatic Coverage Clause 2.19 Sub-limited to \$250K	
Reinstatement of Indemnity Limit for Claims by Retail Clients	Not Included	Automatic Coverage Clause 2.20	Coverage enhancement If a claim or claims covered under Insuring Clause 1.2 or 1.3 exhausts the indemnity limit of this policy and all excess layer policies which have been purchased in excess of this policy combined, the indemnity limit of this policy will be reinstated once only in respect to any separate and subsequent claim or claims which are brought by retail clients against an insured.
Additional Limit for Non-Executive Directors	Extension 3.7	Automatic Coverage Clause 2.21	
Bail Bond Expenses	Extension 3.16 Sub-limited to \$250K	Automatic Coverage Clause 2.22 Sub-limited to \$500K	Coverage enhancement
Deprivation of Asset Expenses	Not Included	Automatic Coverage Clause 2.23 Policy Limit or up to \$5,000,000	Coverage enhancement DUAL will pay the deprivation of asset expenses of an insured person in the event that an interim or interlocutory court order is made against an insured person which seeks to confiscate, control, suspend or freeze rights of ownership of real property or personal assets of an insured person or creates a charge or security interest over real property or personal assets of an insured person

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Automatic Coverage Clause (Section A)			
Extradition Costs	Extension 3.19	Automatic Coverage Clause 2.24 Policy Limit or up to \$5,000,000	
Insured Person Tax Liability	Not Included	Automatic Coverage Clause 2.25 Policy Limit or up to \$1,000,000	Coverage enhancement DUAL will pay as loss an insured person's personal liability for the unpaid taxes of the company in the event that the company becomes insolvent and an insured person is ordered to pay the unpaid taxes of the insured, except to the extent that such liability arises from the wilful intent of the insured person to breach any duty governing the payment of taxes.
Outside Entity Executive Cover	Extension 3.22	Automatic Coverage Clause 2.26	
Pollution Loss	Extension 3.24 Sub-limited to \$2,000,000	Automatic Coverage Clause 2.27 Policy Limit or up to \$2,000,000	
Prosecution Costs	Extension 3.25 Sub-limited to \$250K	Automatic Coverage Clause 2.28 Sub-limited to \$500,000	Coverage enhancement Prosecution costs means any reasonable fees, costs and expenses incurred by an insured person with our prior written consent (which will not be unreasonably withheld or delayed), to bring legal proceedings.
Shareholder Costs	Not Included	Automatic Coverage Clause 2.29	Coverage enhancement We will pay as loss any adverse costs orders awarded against the insured in favour of a shareholder or group of shareholders of the company.

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Automatic Coverage Clause (Section A)			
Work Health & Safety Costs	Extension 3.21 Sub-limited to \$1,000,000	Automatic Coverage Clause 2.31 Policy Limit or up to \$1,000,000	
Computer Crime Costs	Extension 3.26 Sub-limited to \$500,000	Automatic Coverage Clause 2.33 Policy Limit or up to \$5,000,000	
Contractual Penalties	Not Included	Automatic Coverage Clause 2.34 Policy Limit or up to \$5,000,000	Coverage enhancement DUAL will pay to or on behalf of the company for any contractual penalty assumed by and enforced against the company under a written contract between the company and a third party, which is payable as a direct consequence of an internal crime or external crime covered under this policy.
Credit Card Fraud	Not Included	Automatic Coverage Clause 2.35 Policy Limit or up to \$5,000,000	Coverage enhancement DUAL will pay the direct financial loss of the company caused as a result of a credit card fraud discovered during the insurance period.
Destruction or Disappearance of Money or Securities	Not Included	Automatic Coverage Clause 2.36	Coverage enhancement DUAL will pay the direct financial loss of the company caused by the destruction or disappearance of money or securities in the course of an internal crime or external crime.
Erroneous Transfer of Money or Securities Cover	Not Included	Automatic Coverage Clause 2.37 Policy Limit or up to \$5,000,000	Coverage enhancement DUAL will pay the direct financial loss of the company caused by the wrongful retention by a third party of money or securities erroneously transferred to that third party which is discovered during the insurance period

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Automatic Coverage Clause (Section A)			
Extortion	Not Included	Automatic Coverage Clause 2.38 Policy Limit or up to \$5,000,000	Coverage enhancement DUAL will pay the extortion costs of the company caused by extortion committed by a third party during the insurance period
Future Loss Prevention Costs	Not Included	Automatic Coverage Clause 2.39 Sub-limited to \$500K	Coverage enhancement DUAL will pay the future loss prevention costs of the company. Future loss prevention costs includes the reasonable costs of the company engaging an external consultant to investigate the cause of a direct financial loss covered under this policy, and to provide a report detailing to the company ways in which the company can prevent future potential internal crime or external crime from occurring. Future loss prevention costs are only payable once indemnity has been granted under this policy and any direct financial loss has been paid by us.
Identity Theft Expenses	Extension 3.27 Sub-limited to \$500K	Automatic Coverage Clause 2.40 Policy limit or up to \$1,000,000	
Definitions			
Insured Person/ Administrators Executors	Extension 3.8 Administrators and Executors	Definition 5.44 Insured Person includes: b. the estate, heirs, legal representatives or assigns of any deceased or mentally incompetent, bankrupt or insolvent insured person in (a) above, but only in respect of a wrongful act committed by an insured person;	

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General Conditions and Exclusions			
Molestation Exclusion	Not Included	Included	
Misuse of Drugs Exclusion	Not Included	Included	DUAL will not cover the use, manufacture or distribution of methamphetamine or any other substance prohibited by the Misuse of Drugs Act 1975 or any amending or replacement legislation.
Sanctions Limitation and Exclusion	Applied by Endorsement	Exclusion 6.14	Standard market exclusion
Cancellation Clause	<p>General Condition 6.4</p> <p>The INSURED may cancel the POLICY at any time by notifying US in writing.</p> <p>WE may cancel the POLICY at any time by sending 30 days notice in writing to the INSURED named in the</p> <p>Schedule of the date from which the cancellations take effect. Such notice may be delivered personally, posted, emailed or faxed to the INSURED named in the Schedule or their representative last notified to US.</p> <p>On cancellation of this POLICY, WE will retain the proportion of the premium calculated pro rata as at the date of the cancellation plus 15% of that amount.</p>	General Condition 6.18	<p>Clarification that the Insured may cancel the policy at any time with immediate effect. Provided that there have been no claims or notifications made on or under the policy, DUAL will agree to allow a refund of premium calculated on a pro-rata basis, provided that we will always retain a minimum of 25% of the full annual premium.</p> <p>Minimum retained premium was 15%, but is now 25%.</p>

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General Conditions and Exclusions			
	Not Included	General Condition 6.33	<p>Clarification</p> <p>This policy will only cover loss under the policy to the extent that the amount of such loss is in excess of any indemnity or cover available to the insured in respect of that loss under any other policy entered into by the insured, including but not limited to those policies specified in the schedule or by endorsement, even if the other insurance or indemnity has a term to that effect.</p> <p>Other insurance means any other insurance policy including but not limited to those policies specified in the schedule, or by endorsement.</p>