



## MIND THE GAP INFORMATION TECHNOLOGY

This changes to cover document is intended as a guide to understanding the DUAL New Zealand Information Technology Liability Policy Wording 08.18; providing a brief summary of the key changes made and how these affect the cover provided.

The 03.11 Wording was a combined Policy Wording with all sections included. The 08.18 upgrade provides separate policy wordings plus a General Terms and Conditions Wording, so the product is truly modular.

Mind the Gap Information Technology	V03.11	V08.18	Comments
<b>Language / General</b>			
Defined Terms	Defined Terms identified by CAPITAL LETTERS	Defined terms identified by <b>bold letters</b>	
Sub-limits or %	Mentioned in Wording	Any reference to sub-limits removed from Wording and now specified in the Schedule.	
<b>Insuring Clause</b>			
Indemnity/payment language	"We agree to indemnify" language	Amended to "We agree to pay on behalf of language"	"Pay on behalf of" language is broader than an indemnity form, which requires the Insured to pay the claim before recovering from Insurers.
Civil Liability	Act, error or omission	Civil liability	Enhancement
Advancement of Defence Costs	Not Included	Insuring Clause 1.3	V 08.18 "within 30 days of receipt of sufficiently detailed invoices for those costs as received by us".  Available in respect of both Section A and B

## MIND THE GAP INFORMATION TECHNOLOGY CHANGES TO COVER

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<b>Automatic Coverage Clause (Section A)</b>			
Amounts Paid for Product and Service	Not included	Automatic Coverage Clause 2.1 Sub-limited to \$250K	First party cover for amounts the Insured has paid for information technology products/services.
Attendance at Investigations	Automatic Extension 3.1 Sub-limited to \$250K	Automatic Coverage Clause 2.2 Full Policy Limit	V 03.11 Definition 7.13 'Inquiry' replaced with V 08.18 Definition 5.24 'Investigation'
Civil Penalties	Not Included	Automatic Coverage Clause 2.3 Full Policy Limit	
Contractual Liability	Not Included	Automatic Coverage Clause 2.6	Coverage enhancement Coverage for Insured's civil liability in connection with an indemnity/hold harmless provision of a contract, to extent the Insured's liability arises from their performance of information technology services or the provision of information technology products.
Court Attendance Costs	Automatic Extension 3.3 \$250 per day for employees/ \$500 per day for principals, partners	Automatic Coverage Clause 2.7 \$500 per day for all employees	Coverage enhancement
Crime	Was covered under Automatic Extension 3.8 Fidelity.	Automatic Coverage Clause 2.8 Sub-limited to \$50K	Coverage enhancement V08.18 extends to first and third party crime loss (V03.11 first party only). Cover for fraud/dishonesty for principals, partners is contingent upon dual signatory and dual bank reconciliation controls. Coverage not limited to the consequences of any dishonest, fraudulent, malicious or reckless act or omission of an Insured.

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<b>Automatic Coverage Clause (Section A)</b>			
Discovery Period	Not Included	Automatic Coverage Clause 2.10	Coverage Enhancement i. 30 days for nil EP ii. 12 month discovery period for 100% of the annual premium iii. 84 months available, subject to underwriting criteria and additional premium.
Emergency Defence Costs	Automatic Extension 3.6 Sub-limited to \$100K	Automatic Coverage Clause 2.11 Full Policy Limit	Coverage Enhancement Full Policy Limit
Fee Recovery	General Condition 10.4 Sub-limited to \$100K (including Claims Mitigation)	Automatic Coverage Clause 2.13 Sub-limited to \$250K	Coverage Enhancement
Fraud and Dishonesty for Innocent Parties	Automatic Extension 3.10 Included under Fraud and Dishonesty Extension.	Automatic Coverage Clause 2.16	Clarification that this cover is only afforded to innocent parties. No cover is provided for perpetrators of the fraud or any other party condoning fraudulent activity.
Intellectual Property	Automatic Extension 3.12 Sub-limited by Endorsement	Automatic Coverage Clause 2.18 Full Policy Limit	Full Policy Limit
Key Man Loss	Not Included	Automatic Coverage Clause 2.21 Sub-limited to \$250K	Coverage enhancement First party cover for insured for costs and expenses of a key man loss.
Limitation of Liability Contracts	Not Included	Automatic Coverage Clause 2.23	Coverage enhancement Our recognition the insured may enter into written commercial contracts or agreements with other parties which may exclude or limit the liability of such parties, and we agree that such agreements will not prejudice the insured's right to claim under the policy.

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<b>Automatic Coverage Clause (Section A)</b>			
Panel Counsel	Not Included	Automatic Coverage Clause 2.27	Coverage enhancement 1 hour free legal advice from a panel firm regarding a covered claim or circumstance accepted by the policy.  Available in respect of Section A and B
Public Relations Expenses	Automatic Extension 3.18 Sub-limited to \$50K	Automatic Coverage Clause 2.29  Full Policy Limit	Coverage Enhancement  Full Policy Limit
Reinstatement of Indemnity Limit	Automatic Extension 3.19	Automatic Coverage Clause 2.30	Clarification that reinstatement applies in same manner as applicable limit i.e. costs in addition.
<b>Insuring Clauses (Section B)</b>			
Product Recall Expenses	Not Included	Insuring Clause 1.3 Sub-limited to \$250K	Coverage enhancement  Covers product recall expenses incurred by the insured in the event that the Insured's information technology products are recalled from the market or from use.
<b>Automatic Coverage Clauses</b>			
Consultants, Subcontractors and Agents	Available via Optional Extension	Automatically included	Coverage enhancement
Lost or Stolen Keys	Not Included	Full Policy Limit	Coverage enhancement
Principal's Vicarious Liability	Not Included	Automatic Coverage Clause 2.7	Coverage enhancement  Will indemnify claims made against the Principal for acts, errors and omissions of the Insured.

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<b>Automatic Coverage Clauses</b>			
Vendor's Liability	Not Included	Automatic Coverage Clause 2.9	Coverage enhancement Will indemnify claims made against the Vendor by third parties arising out of the distribution or sale of the Insured's information technology products.
<b>Optional Extensions</b>			
USA and Canada Cover (Sections A and B)	Optional Extension 5.1	Not Included	Available by Endorsement
Employment Practices Liability (Section A only)	Optional Extension 5.3	Not Included	Available by Endorsement
<b>Exclusions</b>			
Deliberate Acts and Fraud and Dishonesty	Exclusion 8.8	Exclusion 3.7 Deliberate Acts Exclusion 6.8 Dishonesty	V08.18 clarifies deliberate and intentional act or failure to act by the Insured is not covered by the policy. V08.18 clarifies exclusion will only apply where it is established by admission or final adjudication.
Deterioration, wear and tear	Not included	Exclusion 3.8	Clarification clause Excludes any claim arising from or directly or indirectly attributable to or in consequence of the normal deterioration or wear and tear of the information technology products.
Known Defects	Not Included	Exclusion 3.16	Clarification clause
Own costs of rectification	Not Included	Exclusion 3.18	Clarification clause Excludes any claim arising from the cost of performing, correcting rectifying or improving any information technology products provided or any information technology services performed by the insured.

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<b>Exclusions</b>			
TSE	Exclusion 8.18	Deleted	Coverage enhancement
<b>General Conditions and Exclusions</b>			
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	Included	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.	Clarification Minimum retained premium was 15% but is now 25%.