

**LEGAL PRACTITIONERS LIABILITY COMMITTEE
POLICY FOR BARRISTER PRACTITIONERS**

Explanatory Memorandum for 2011/2012



LEGAL PRACTITIONERS
LIABILITY COMMITTEE

PREMIUMS

Premiums for barrister practitioners are **unchanged** from last year.

The Committee's ability to deliver this low premium structure is directly attributable to a continuation of the good claims performance from barristers.

The premium charged for the 2011/2012 year is set out in the enclosed Applicant Declaration.

Premiums for barristers who signed the Bar Roll before 1 May 2010 will be assessed with reference to their actual gross fee income for 2009/2010, being the last completed financial year. Premium assessment based on actual (rather than estimated) income is a more satisfactory and rigorous method and can easily be obtained from your clerk.

Barristers who signed the Bar Roll after 1 May 2010 will be assessed with reference to their estimated gross fee income for the 2011/2012 financial year.

This year barristers have a choice whether to renew insurance by **either** hard copy or on-line.

Hard copy renewal

Complete and return the enclosed Applicant Declaration together with your payment. Please note that credit payment is not available for practitioners renewing this way – credit card payment is only available for on-line renewals.

On-line renewal

Log on to the LPLC website (www.lplc.com.au/renewal) and complete the on-line application form.

Practitioners who pay on-line using credit card can print out their own receipt and certificate of insurance on completion of the transaction.

POLICY WORDING

A copy of the policy wording for barristers for 2011/2012 can be downloaded from the Committee's website (www.lplc.com.au). A hard copy will be forwarded shortly.

The policy wording is the same as for last year, except for the following changes:

1. Dates

Dates have been changed where appropriate

2. Excess – clause 4

The standard excess is increasing from \$3,500 to \$4,000. This is the first increase in the basic excess since 2005.

The words ‘in addition to any part of the loss which is excluded from cover under this contract’ have been added. These words are added for the avoidance of any doubt that the excess applies in addition to any amount of a claim which is otherwise excluded.

The excess continues to be exclusive of defence costs – this means that the policy excess is **only** payable by the barrister in the event of a judgment against the practitioner or a settlement requiring a payment to the claimant.

3. Deterrent excess – clause 5

The amount of the deterrent excess remains double the amount of the standard excess, and is accordingly increasing from \$7,000 to \$8,000.

The same clarifying words as have been added to clause 4 have also been added to this clause to make it clear that the deterrent excess applies in addition to any excluded amount.

4. Aggregate excess limit – clause 6

There remains a limit of 3 excess payments for the policy year – however due to the standard excess increase, the aggregate excess limit is now \$12,000 (3 x \$4,000).

5. Exclusion 19.10 – Insured’s charges

A minor drafting amendment has been made to this exclusion to clarify that the exclusion for a refund, accounting or payment of damages by reference to fees also includes a claim for compensation as well as damages. The exclusion also makes it clear that any compensation or damages earned by an Insured by way of commission will not be subject of indemnity from LPLC.

6. Exclusion 19.20 – Credit activities

This new exclusion applies to licensees under the *National Consumer Credit Protection Act 2009* (Cth), in the same way as exclusion 19.18 applies to financial services licensees. Both are required by legislation to have other insurance.