



LEGAL PRACTITIONERS

LIABILITY COMMITTEE

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# Master Policy For 'Run-Off' Liabilities – Solicitors 2010/2011

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**LEGAL PRACTITIONERS LIABILITY COMMITTEE  
MASTER POLICY FOR 'RUN-OFF' LIABILITIES - SOLICITORS  
2010/2011**

**PREAMBLE**

- (A) The Legal Practitioners Liability Committee ('the Insurer') is the Insurer of legal practitioners practising in Victoria during the period of insurance from 1 July 2010 to 30 June 2011.
- (B) Practitioners and firms engaged in legal practice during the period of insurance are required to be insured with the Insurer under individual contracts of insurance.
- (C) The purpose of this master policy is to cover the 'run-off' of liabilities of legal practitioners who, or firms which:
  - (a) ceased to practise prior to 1 July 2010 and are therefore not covered by an individual contract of insurance with the Insurer for the 2010/2011 period; or
  - (b) cease to practise between 1 July 2010 and 30 June 2011 and cancel their individual contract of insurance with the Insurer for the 2010/2011 period.

**1. Run-off cover for all former legal practices**

**1.1 Standard Excess**

The Insurer will indemnify the Insured on the terms of Annexure 1 as qualified by clauses 2.1 and 2.2, in connection with each and every legal practice which:

- (a) ceased (other than by being merged into another legal practice) prior to 1 July 2010, provided that, immediately prior to cessation, there was insurance with the Insurer with a standard excess in connection with the practice; or
- (b) ceases during the period from 1 July 2010 to 30 June 2011 and the individual contract of insurance with the Insurer with a standard excess for the 2010/2011 period is cancelled.

**1.2 Agreed Excess**

The Insurer will indemnify the Insured on the terms of Annexure 2 as qualified by clauses 2.1 and 2.2, in connection with each and every legal practice which:

- (a) ceased (other than by being merged into another legal practice) prior to 1 July 2010, provided that, immediately prior to cessation, there

was insurance with the Insurer with an agreed excess in connection with the practice; or

- (b) ceases during the period from 1 July 2010 to 30 June 2011 and the individual contract of insurance with the Insurer with an agreed excess for the 2010/2011 period is cancelled.

### **1.3 Former Interstate Practices**

The Insurer will indemnify a person on the terms of Annexure 1 as qualified by clause 2.3, where:

- (a) that person is a principal or employee of a firm insured by the Insurer for the period of insurance from 1 July 2010 to 30 June 2011; and
- (b) that person was previously a principal or employee of a former legal practice; and
- (c) that former legal practice ceased (other than by being merged into another legal practice) prior to 1 July 2010; and
- (d) at the time that that practice ceased, it was conducted wholly within Australia but outside the State of Victoria; and
- (e) that person is not insured or required to be insured against liability in connection with that former legal practice.

## **2. Qualifications to Annexures 1 and 2**

### **2.1 Former Legal Practices**

For the purposes of clauses 1.1 and 1.2, Annexures 1 and 2 are to be read as if:

- (a) 'the Firm's legal practice' means the legal practice which, until cessation of that practice, was carried on by the Firm and includes any legal practice which was earlier merged into that practice and also includes, in relation to any legal costs consulting company, real property conveyancing or legal costs consulting services, but only during any period in which such company was wholly owned by one or more persons who were then principals;
- (b) 'the Firm' means, where the Firm's legal practice was carried on immediately prior to cessation by:
  - (i) an incorporated practitioner - that practitioner;
  - (ii) a firm - the firm as constituted from time to time; and

- (iii) a sole practitioner - that practitioner;
- (c) for a practice which ceases between 1 July 2010 and 30 June 2011 - 'the period of insurance' means the period from the date of cancellation of the individual contract of insurance with the Insurer to midnight on 30 June 2011.

## 2.2 Excesses

2.2.1 For the purposes of clauses 1.1 and 1.2:

- (a) 'standard excess' means the usual defence costs exclusive excess for sole practitioners and firms of less than 20 partners (available as an option for firms of 20 or more partners); and
- (b) 'agreed excess' means the defence costs inclusive excess for the relevant Firm selected by it for the relevant period of insurance.

2.2.2 For the purposes of clause 1.1, the aggregate excess limit is \$14,000 multiplied by the number of principals as at 1 July of the year in which the former legal practice ceased, up to a maximum of \$240,000.

2.2.3 For the purposes of clause 1.2, the excess for the run-off coverage is the agreed excess as at the date that the legal practice ceased.

## 2.3 Former Interstate Practices

For the purposes of clause 1.3, Annexure 1 is to be read as if:

- (a) the 'Insured' is each person referred to in clause 1.3;
- (b) 'the Firm's legal practice' means the legal practice which, until cessation of that practice, was carried on by the Firm and includes any legal practice which was earlier merged into that practice;
- (c) 'the Firm' means the firm of which each person referred to in clause 1.3 was a principal or employee (but, for the avoidance of doubt, the Firm is not itself an Insured for the purposes of this run-off cover); and
- (d) the aggregate excess limit is \$14,000 multiplied by the number of principals of the Firm as at 1 July of the year in which the former legal practice ceased, up to a maximum of \$240,000.

Legal Practitioners Liability Committee  
2010

## **ANNEXURE 1**

(Solicitors standard excess wording for 2010/2011)

## **ANNEXURE 2**

(Solicitors agreed excess wording for 2010/2011)