

# **Master Policy For 'Run-Off' Liabilities – Solicitors 2025/2026**

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**LEGAL PRACTITIONERS' LIABILITY COMMITTEE  
MASTER POLICY FOR 'RUN-OFF' LIABILITIES - SOLICITORS  
2025/2026**

**RECITALS**

- (a) The Legal Practitioners' Liability Committee ('the Insurer') is the insurer of law practices (other than community legal centres) practising in Victoria (and elsewhere) during the period of insurance from 1 July 2025 to 30 June 2026.
- (b) The Insurer is also the insurer of legal practitioners in Victoria who apply to the Insurer for insurance in respect of engaging in legal practice on a pro bono basis.
- (c) The purpose of this master policy is to cover the 'run-off' of liabilities in connection with:
  - (i) each legal practice which:
    - A. ceased prior to 1 July 2025 and, immediately prior to cessation, the law practice conducting the legal practice was insured by the Insurer and is not otherwise insured in respect of liabilities arising out of the ceased legal practice; or
    - B. ceases between 1 July 2025 and 30 June 2026 and the law practice conducting the legal practice cancels their contract of insurance with the Insurer for the 2025/2026 period and is not otherwise insured in respect of liabilities arising out of the ceased legal practice; and
  - (ii) legal practice on a pro bono basis during any period prior to 1 July 2025 in which such legal practice was conducted by a legal practitioner who was insured by the Insurer in connection with engaging in such legal practice and who is not otherwise insured in respect of liabilities arising out of that legal practice.

**1. Run-off cover for all former legal practices****1.1 Costs Exclusive 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 2025, provided that, immediately prior to cessation, there was insurance with the Insurer with a costs exclusive excess in connection with the legal practice; or
- (b) ceases during the period from 1 July 2025 to 30 June 2026 and the contract of insurance with the Insurer with a costs exclusive excess for the 2025/2026 period is cancelled,

except to the extent that the Insured is otherwise indemnified (or entitled to be indemnified) in respect of liability arising out of the ceased legal practice.

## 1.2 **Costs Inclusive 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 2025, provided that, immediately prior to cessation, there was insurance with the Insurer with a costs inclusive excess in connection with the legal practice; or
- (b) ceases during the period from 1 July 2025 to 30 June 2026 and the contract of insurance with the Insurer with a costs inclusive excess for the 2025/2026 period is cancelled,

except to the extent that the Insured is otherwise indemnified (or entitled to be indemnified) in respect of liability arising out of the ceased legal practice.

## 1.3 **Practitioners previously practising pro bono**

The Insurer will indemnify the Insured on the terms of Annexure 3 in respect of legal practice on a pro bono basis during any period for which the Insured was insured by the Insurer, except to the extent that the Insured is otherwise indemnified (or entitled to be indemnified) in respect of liability arising out of the pro bono legal practice.

## 2. **Qualifications to Annexures 1, 2 and 3**

### 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 legal practice, was carried on by the Firm and includes any legal practice which was earlier merged into that legal practice and also includes:
  - (i) in relation to any legal costs consulting company, legal costs consulting services; or
  - (ii) in relation to a real estate conveyancing company, real estate conveyancing services,

but only where such services were performed 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 practice – that incorporated practice;
  - (ii) a firm - the firm as constituted from time to time;

- (iii) an unincorporated legal practice – that practice; and
- (iv) a sole practitioner - that practitioner; and
- (c) for a legal practice which ceases between 1 July 2025 and 30 June 2026, 'the period of insurance' means the period from the date of cancellation of the contract of insurance with the Insurer to midnight on 30 June 2026.

**2.2 Excesses**

For the purposes of clauses 1.1 and 1.2:

- (a) the excess for the run-off coverage is the excess under the contract of insurance with the Insurer immediately prior to cessation; and
- (b) the aggregate excess limit is the aggregate excess limit under that contract,

unless otherwise stated in a certificate of run-off insurance issued by the Insurer for the Firm.

**2.3 Practitioners previously practising pro bono**

For the purposes of clause 1.3, Annexure 3 is to be read as if the 'Insured' is each person referred to in clause 1.3.

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Signed by the Chairperson of the Legal Practitioners' Liability Committee

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Dated

**ANNEXURE 1**

(Solicitors costs exclusive excess wording for 2025/2026)

**ANNEXURE 2**

(Solicitors costs inclusive excess wording for 2025/2026)

**ANNEXURE 3**

(Practising on a pro bono basis wording for 2025/2026)

