

Difference in Conditions (DIC)

Pre-requisite for Risks to be covered by DIC

1. Only applies to renewal risks of partner brokers which are being portfolio transferred to Pacific Indemnity. Please confirm if this is for risks with premium up to \$10,000 or higher threshold as required.
2. Only applies if partner brokers provide us with a copy of expiring schedule and if requested, the expiring policy wording. Rationale for this requirement is because we want to tailor the wording in such a way that it will not require calling the DIC agreement.
Note that the DIC is only for 12 months thereby this protects both Insured and **Your** exposure.

The **DIC** will operate to provide cover only where:

- the coverage scope of the expiring policy would have provided cover for a Claim, but the coverage scope of the **New Policy (with Pacific Indemnity)** does not; or
- the expiring policy would have provided cover but for a greater amount than the **New Policy** (Note: this relates to sub-limits - it does not apply if a lower limit was requested and we quoted and bound on a lower limit).

Limitations of the DIC

1. The DIC is only for the first 12 month policy period with Pacific Indemnity;
2. **Excluding**
 - a) any Claim arising from a fact which might give rise to a Claim which was known to **Your** client before the Inception of the **New Policy** or after the conclusion of the **DIC** period;
 - b) any Claim which is covered by any other policy of insurance;
 - c) any section deleted, not taken, or removed by **You (our partner broker)** or **Your** client when taking out the **New Policy**;
3. **Does not apply**
 - a) when the Sum Insured or Limit of Indemnity has been reduced by **You** or **Your** client when taking out or during the **New Policy**;
 - b) if a claim is excluded under "What is not covered" in the **New Policy**. i.e.:
 - Claims or Facts Which May Give Rise To Any Claim or Loss or Liability or Enquiry
 - Foreign Courts
 - Assumed duty or obligation
 - Related parties
 - Refund of Professional Fees and Trading Debts
 - Profit
 - Insolvency
 - Goods & Workmanship
 - Employers Liability, Directors' & Officers' Liability, Occupier's Liability, Motor, Marine, etc
 - Punitive & Exemplary Damages
 - Intentional Damage or Loss
 - De-Registration
 - Asbestos
 - Radioactivity & Nuclear Hazards
 - War & Uprisings
 - Terrorism
 - Pollution

The exclusion index above are normal market exclusions. You can refer to our standard wording below.

[Professional Indemnity Policy Wording \(1215\)](#)

- c) if a claim is excluded by express endorsements on the Pacific Indemnity quote.
For example - a risk offered to us by another partner broker where it has very large claim with quantum of over \$1.5M to a prior insurer and the market refused to quote. To allow us offer a cover we imposed two conditions - retro limitation and exclusion of any development of such claim.
- d) to schemes, unless such schemes are expressly and individually agreed by **Us** to be included in this **DIC** commitment. Schemes usually have a number of enhancements which are not generally found in standard market policies. There has to be clear expressed agreement by **Us** for **DIC** to apply to these;
- e) if **You** or **Your** Client decline a **New Policy** offered by **Us (Pacific Indemnity)** and instead take out an alternative policy;
- f) in respect of a variation of excess initiated by **You** or **Your** client or **Us**;
- g) if the insurer of the expiring policy is not regulated by APRA or part of Lloyds of London (i.e. Direct Offshore Foreign Insurer);
- h) if the risk is not of a type or size or profile covered by the scope of the Pacific Indemnity agreement with the intermediary;
- i) if the risk is a complex risk or one of the following occupations
e.g. Specific Project PI, large Design & Construct (D&C) risks, large engineers, risks which are primarily structural engineers, geotechnical engineers, building surveyors, accountants with fees over \$10m, property valuers, pathology laboratories, hospitals, financial planners, insurance brokers, process engineers;
- j) to the following covers - Cyber Liability, Fidelity, EPL, Management liability or other **non**-professional indemnity extensions which may be included in the replaced policy.