

## **QuadrantPI Professional Indemnity Endorsements 2022-2023**

### **Sanctions Exclusion R2423**

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, it is understood and agreed that this policy does not insure any loss or provide any benefit under this policy where a claim payment would breach any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulation of any country.

### **Mortgage Brokers R1095**

QBE shall not be liable in respect of any Claim alleging or relating to:

1. the sale or promotion of any investment; or
2. the sale and/or promotion of any contributory mortgage or contributory scheme including, acting as promoters, acting as a broker, and any advice in relation to investment in a contributory mortgage or contributory scheme; or
3. the sale or promotion of any reverse mortgage or reverse mortgage scheme, including acting as a broker in respect of such scheme and any advice in relation to the release of any equity as part of a reverse mortgage product; or
4. any change to the conditions or interest rate of any mortgage or loan agreement unless such change is caused by or attributable to a negligent act, error or omission of the Insured; or
5. any representation or advice with regard to tax and/or any tax implications including but not limited to any implications resulting from failure to comply with any New Zealand or Australian tax law and/or New Zealand or Australian Tax Office rulings; or
6. any representation or advice given in connection with any employee benefit or pension plan, or to any amounts due under any fringe benefit or retirement program.

All other terms and conditions remain unaltered.

### **Insurance Brokers/Agents Endorsement R2193**

QBE shall not be liable in respect of any Claim in connection with:

1. any failure to account for moneys received, or
2. any transaction where the Insured has acted as managers of any insurance company or as underwriting agents or operated outside any binding authority, or
3. the insolvency of any insurance company or underwriting agency, or
4. any transaction where the Insured has signed an insurance proposal form or insurance application form or declaration for insurance on behalf of the Insureds client.

This endorsement overrides anything else to the contrary which is expressed or implied in this policy.

### **Anti-Money Laundering and Countering Financing of Terrorism Act 2009 Exclusion R2282**

QBE shall not be liable in respect of any Claim alleging or in respect of any breach of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (and amendments thereto).

### **Locum Extension R2513**

The following clause is added to Definition 7 (Insured):

- 7.5 any person who is, or becomes an appointed locum to provide financial advice on behalf of the Insured during the Period of Insurance provided that:
- 7.5.1 QBE is advised in writing within 30 days of the locum commencing work for the Insured including notification of any prior or pending Claims or circumstances that may give rise to a Claim in respect of the locum's history of providing financial advice; and
- 7.5.2 QBE agrees in writing to provide cover to the locum under this Policy.

Subject otherwise to the terms and conditions of this Policy.

### **Registration / Licensing Breach Exclusion R2514**

QBE shall not be liable in respect of any claim alleging or in respect of any provision of financial advice by the Insured, when the Insured:

- 23.1 was not registered to provide the financial advice; or
- 23.2 was required to be licensed to provide the financial advice, but was not licensed; or
- 23.3 was licensed to provide the financial advice, but did not comply with one or more conditions of the licence in providing the financial advice.

### **Limit of Indemnity Restriction**

Condition 10 (Limit of Indemnity) is deleted and replaced with the following;

#### 10. Limit of Indemnity

QBE's liability to indemnify the Insured under Insuring Clause 1 (Civil Liability) in respect of any one Valid Claim (including all legal Costs and Expenses for which the Insured shall become legally liable to the claimant), or all such Valid Claims in the aggregate, shall not exceed;

1. NZD 2,500,000 any one Claim and in the aggregate per Single Class 1 adviser.
2. NZD 5,000,000 any one Claim and in the aggregate per Multi Class 2 adviser.

Notwithstanding the above, the maximum QBE shall pay for all Valid Claims in the aggregate shall not exceed NZD 25,000,000.

### **Investment Advisers**

QBE shall not be liable in respect of any Claim alleging or relating to:

1. the sale or promotion of any investment that is not compliant with all statutory requirements, or;
2. the sale and/or promotion of any contributory mortgage or contributory scheme including, acting as promoters, acting as a broker, and any advice in relation to investment in a contributory mortgage or contributory scheme, or;
3. any diminution in value, or failure to appreciate in value of any money, securities, property, or any other item of value, unless such diminution or failure to appreciate is a direct result of an Administrative Error, or;
4. the sale or promotion of any reverse mortgage or reverse mortgage scheme, including acting as a broker in respect of such scheme and any advice in relation to the release of any equity as part of a reverse mortgage product; or
5. the failure of any investment to:
  - (a) perform as stated within any prospectus, product brochure or advertising; or
  - (b) meet any profit forecast, interest rate yield or dividend increase; or
  - (c) increase in any promised or stated way.

For the purpose of this endorsement 'Administrative Error' shall mean an unintentional failure by the Insured to effect a specific investment transaction in accordance with the prior instructions of the Insured's client.

All other terms and conditions remain unaltered.

### **Severability General Condition**

QBE will not avoid this Policy for an individual Insured adviser's non-disclosure or misrepresentation of a material matter provided such non-disclosure or misrepresentation was not intended to mislead or deceive QBE and did not arise from the Insured advisers disregard to make proper enquiries of all Employees prior to providing QBE with underwriting information.

The proposal will be construed as a separate proposal form individually submitted for each Insured adviser. No state of mind or knowledge possessed by an Insured adviser will be imputed to any other Insured adviser for the purposes of determining entitlement to indemnity under this Policy. This general condition will only apply where each Insured adviser has provided to QBE a signed declaration and/or proposal form at the inception of the Policy.

### **Insolvent Insurers Endorsement**

#### **1. Insolvent providers exclusion**

QBE shall not be liable in respect of any Claim arising from or in connection with the insolvency of any insurance company, reinsurance company, underwriting agency or investment fund or any other entity through which the Insured has made insurance or investment arrangements.

#### **2. Insolvent providers extension**

QBE will indemnify the Insured for any Valid Claim that would be covered by this policy but for the 'Insolvent providers exclusion', provided that the maximum amount payable during the Period of Insured under this is extension shall be;

- a) NZD 100,000 each and every Valid Claim per Insured adviser to a maximum NZD 500,000 in the aggregate for all Insured advisers, which shall form part of and is not in addition to the Limit of Indemnity stated in the Schedule.
- b) NZD 100,000 for associated Costs and Expenses covered by this extension per Insured adviser to a maximum of NZD 500,000 in the aggregate for all Insured advisers, which shall form part of and is not in addition to amounts payable under Insuring Clause 2 (Costs and expenses).

### **Employee Extension**

Definition 4 (Employee) is extended to include Insured contractors declared to and accepted by QBE.

### **Inadvertent Non-Disclosure Condition**

The non-disclosure or misrepresentation of any fact material to this insurance by any of the Insured advisers will not be imputed to any other person or entity entitled to indemnity under this Policy unless that person or entity was aware of, or ought reasonably to have been aware of, the non-disclosure or misrepresentation.

### **Court Attendance Costs**

In the event that an Insured adviser is required to attend a Court of Law or an Investigation as a witness in connection with a Valid Claim, QBE will pay the Insured adviser NZD 500 per day per Insured adviser up to a maximum aggregate amount of NZD 25,000 per Insured adviser for each day they attend as a witness.

The maximum aggregate amount payable under this extension during the Period of Insurance will be NZD 250,000 for all Insured advisers combined. Any payment under this extension forms part of the Costs and Expenses Limit of Indemnity.

#### **Dispute Resolution Hearing Attendance Costs**

In the event that an Insured adviser is required to attend a dispute resolution hearing in connection with a Valid Claim, QBE will pay the Insured adviser NZD 500 per day per Insured adviser up to a maximum aggregate amount of NZD 25,000 per Insured adviser for each day they attend the dispute resolution hearing.

The maximum aggregate amount payable under this extension during the Period of Insurance will be NZD 250,000 for all Insured advisers combined. Any payment under this extension forms part of the Costs and Expenses Limit of Indemnity.

#### **Investment Liability Extension**

QBE shall, subject to the terms of this Policy, pay any Valid Claim that would otherwise be excluded by clause 3 of the Investment Advisors Endorsement.

Provided that the maximum amount payable under this Extension:

1. shall be NZD 100,000 inclusive of Costs and Expenses per Insured adviser in the aggregate; and
2. shall not exceed NZD 600,000 inclusive of Costs and Expenses for all Insured advisers in the aggregate.

#### **USA Canada Territorial Limit Extension**

The Territorial Limit is extended to include USA and Canada for Insured members that have disclosed that they have clients in USA and or Canada who are NZ residents and that QBE have accepted this exposure in writing.