

What's covered and what's not

Explainer video - Transcript

Your Lawcover policy provides broad coverage for your law practice, including its principals and employees. It covers civil liability for a claim for compensation arising from the provision of legal services by the firm.

The policy also covers the claimant's costs, and the costs of defending you against a claim.

Most claims for compensation or damages arising from day to day legal practice are covered, however there are some types of actions not covered.

What's Not Covered

First, it's important to understand that the policy only covers claims for compensation or damages, so things like declarations, applications for restraints or injunctions, accounts of profits, and the like are not covered as they are not claims for compensation or damages against the law practice. Disciplinary or professional misconduct proceedings are also not covered for the same reason.

There are some specific exclusions as well, and I'm going to tell you about them; they sound like a lot, but they are actually quite limited.

Costs and Disbursements

Disputes about your fees aren't covered. So if a client refuses to pay, seeks a refund or wants a costs assessment, those actions are excluded from cover.

Directors' Liabilities

Claims arising from work you do as a director of a body corporate are not covered. If you sit on a board, Directors and Officers insurance should be in place to ensure you're covered for that activity.

Contracts and Indemnities

Undertakings or indemnities that extend your duty beyond a normal solicitor's duty, or which increase the quantum of your liability, are not covered. So be careful when signing indemnities.

Business-Related Claims

Disputes which arise from running a business premises, disputes with landlords and suppliers, or personal injury at your office are not covered. Similarly, disputes relating to your own transactions or business deals you might be involved in, are not covered.

Claims by Employees, Family Companies and Disputes Between Principals

Disputes between principals and employment disputes are not covered by the policy.

Claims Involving Dishonesty or Fraud

Importantly, claims arising from dishonesty or fraud are not covered by the policy, including fraud on trust accounts.

There are other exclusions and conditions in the policy, so it's important that you review the policy wording.

If your practice undertakes large or complex matters, it's worth considering Top Up insurance. Top Up extends the limit of your primary \$2 million cover to any amount selected up to \$20 million providing additional protection and peace of mind for higher-risk work.

If you have questions about the policy, contact our Insurance Services Team



Insurance Services Team: 1800 650 748