

# “LEXi” (Legal Expenses Insurance)

## Practice Notes

### Introduction

EDGE UNDERWRITING has become renowned for providing market leading insurance solutions in their chosen specialist product areas. Our exclusive LEXi product is no exception.

While there may appear to be some duplication with Management Liability policies, in terms of providing cover for the defence costs associated with actions arising out of certain statutory matters (such as: Privacy, ATO, Unfair Dismissal, Sexual Harassment, Discrimination etc), our LEXi policy provides so much more. Consider the following exclusive LEXi benefits:



### Features & Benefits

- Legal **defence** costs for certain **statutory & non-statutory** business matters;
- Legal **pursuit** and/or **defence** costs for certain **statutory & non-statutory** business matters;
- Personal legal pursuit** and/or **defence** costs for **employees** (if *Personal Legal Expenses Cover Optional Additional Benefit* has been taken).

#### FREE TELEPHONE LEGAL ADVICE

Insureds also gain access to our exclusive, free telephone legal advice service. This service provides advice on many legal issues affecting the Insured's business (or personal life if personal legal expenses extension is taken). There is no restriction on how many times LEXi policyholders may access this service however, it is limited to one 30 minute telephone call with a suitably qualified legal practitioner per matter. Please see our website for more details and for how to access this service.

- Contract Reviews** - LEXi policy holders are eligible to receive 1 x contract review\* per policy period.

*\*The contract review is limited to the insurance and indemnity sections of the contract and the existing insurance program in place.*

### Examples

- the **pursuit or defence of a dispute with a landlord** under a lease or tenancy agreement;
- the **pursuit or defence of a contractual dispute with a customer or supplier** (eg. someone is withholding payment alleging issues with your goods or services);
- the **pursuit or defence of a contractual dispute with a customer, supplier, client, principal, contractor or subcontractor under a construction contract** (if *Construction Contracts Optional Additional Benefit* has been taken);
- the **pursuit or defence of a contractual dispute with an employee** (eg. breach of non-compete) (if *Employment Contracts Optional Additional Benefit* has been taken);
- the **pursuit of a third party** relating to physical damage to **property** and/or goods owned which causes an **uninsured financial loss**;
- the **pursuit or defence of a personal dispute with a neighbour** relating to fences (if *Personal Legal Expenses Cover Optional Additional Benefit* has been taken);
- the **pursuit or defence of a personal dispute** under an **agreement for goods or services** (eg. purchasing/selling a house; dodgy kitchen renovation) (if *Personal Legal Expenses Cover Optional Additional Benefit* has been taken).

### Other

- Sum Insured: \$100K per claim / \$250K in the Aggregate;
- With Contractual disputes:
  - Minimum amount in dispute: \$10,000 (\$3,000 for personal cover)
  - We automatically cover all\* existing and new contacts (\*standard cover excludes construction and employment contracts but these can be included as optional extras).
  - Excludes known circumstances at inception and new circumstances within first 90 days of inception.
- With the higher limits and cover for fines & penalties available under traditional Management Liability policies, we would see the LEXi policy as a key part of an overall insurance program, and not as a replacement to Management Liability.
- Have any questions? Don't hesitate to contact us. Contact details are below:



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### Snap-shot

Cover	LEXi	Management Liability
Legal cost of <b>defending</b> certain <b>statutory</b> matters	✓	✓
Fines & Penalties associated with certain <b>statutory</b> matters	✗	✓
Legal Cost of <b>defending</b> certain <b>non-statutory</b> matters	✓	✗
Legal Cost of <b>perusing</b> certain <b>non-statutory</b> matters	✓	✗
<b>Personal</b> legal costs of <b>defending</b> certain <b>non-statutory</b> matters for employees <i>(if Personal Legal Expenses Cover Optional Additional Benefit has been taken)</i>	✓	✗
<b>Free Telephone Legal Advice</b> <ul style="list-style-type: none"> <li>☛ Exclusive access to our free telephone legal advice service. This service provides advice on many legal issues affecting the Insured's business or the employees' personal lives (if personal legal expenses extension is taken).</li> <li>☛ There is no restriction on how many times LEXi policyholders may access this service however, it is limited to one 30 minute telephone call with a suitably qualified legal partitioner per matter.</li> <li>☛ This service is non-insurance related. That is, advice is provided irrespective of whether the matter is covered by the LEXi policy or not.</li> </ul>	✓	✗
<b>Contract Reviews</b> LEXi policy holders are eligible to receive 1 x contract review* per policy period. <i>*The contract review is limited to the insurance and indemnity sections of the contract and the existing insurance program in place.</i>	✓	✗

### Examples of Advice Sought

- ☛ “After multiple statutory demand's clients is refusing to return some of the gear on hire and telling us it's our responsibility to pick up. There are also outstanding amounts of invoices to us that they are not paying and disputing.”
- ☛ “We are looking to lay off an injured worker and wish to avoid any comeback.”
- ☛ “I am looking at bringing in some overseas workers in on 457 visas and want to discuss.”
- ☛ “After 16 years we need to wind up our Company and need to get some legal advice.”
- ☛ “Our tenant is falling behind on rental payments - looking at moving to default and secure our interests. What is the best course of action - based on lease agreements attached?”
- ☛ “I want to clarify some points on our employment contract - extra hours.”
- ☛ “We have performed approx. \$1M of contracted building works for XXXX (name removed) and we are owed approximately \$600,000 for that work. Work was performed over 2 allotments and the owner is in the process of selling one of the allotments. They have advised us to seek payment for the works from the purchaser. The purchaser has advised they paid extra for the block because of the completed works and we should seek payment from the vendor. We can't afford to carry this outstanding debt and our business will go under.”
- ☛ “I am looking at bringing in some overseas workers in on 457 visas and want to discuss.”
- ☛ “We are a flooring contractor and have performed around \$70K of flooring work. The head builder is refusing to pay us as the floor boards have warped. Where do we stand?”