



SOLUTION
UNDERWRITING

What is Commercial Legal Protection cover?

Commercial Legal Protection is designed to help SME businesses deal with unexpected legal issues not already covered by their other insurance policies. Intended to complement traditional SME policies, rather than substitute core insurance cover, the policy provides expert legal assistance when an insured really needs it and protects them from potentially crippling costs which will have to be incurred, regardless of any fault on the client's part.

What does the Solution Commercial Legal Protection Policy cover?

In general terms, legal expenses insurance provides advice and cover for the legal costs of pursuing or defending certain classes of legal action.

It is not a substitute for General Liability, Professional Indemnity, Directors and Officers Liability insurance, or Management Liability insurance, but it aims to cover legal expenses not covered by those insurances.

Legal expenses insurance complements other classes of insurance as it lowers the financial burden associated with legal disputes and also provides access to legal advice and assistance which could curb the need for full-scale litigation.

Under the Solution Underwriting wording a Dispute means any civil legal proceedings or action in a Court or Tribunal either commenced by the Insured or commenced against the Insured by a third party which relates to the Insured's core business activities and which falls within one of the policy's Head of Cover below.

Head of Cover 1: Contractual Disputes regarding Supply of Good and/or Services

Perhaps the most valuable Head of Cover for most SMEs, this section covers the Insured's own legal costs and any legal costs awarded against them both when defending a claim against them by a customer or supplier; and when pursuing a customer or supplier over the breach of a term in a written commercial contract.

Examples include where a retailer Insured has had to pursue a supplier over sub-standard goods which they had bought to sell on; and where the Insured has a lawyer defend them when they have refused to pay a hire company for a faulty piece of plant or equipment leased to them.

Head of Cover 2: Tax Audit

Tax Audit is a well-established standalone product in Australia and has been included with legal expenses policies for a number of years. This cover will pay for an Insured's accountant to respond to an audit by the Australian Taxation Office. If the audit escalates into a dispute, the policy can extend to also cover a specialist lawyer to represent the Insured in any proceedings which may arise.

Not only does this Head of Cover include expenses associated with the Tax Audit but it also covers a claim from the ATO where additional GST is due or where additional income tax or fringe benefits tax is due.

Head of Cover 3: Statutory Licence Protection

This section will indemnify the Insured for costs incurred in seeking to protect the Insured's rights under a statutory licence which is under threat of suspension, revocation or amendment and could have a material impact on the client's ability to conduct their business.

The policy will provide expert legal assistance to challenge any attempt to suspend, revoke or alter the terms of the licence to the Insured's detriment.

Head of Cover 4: Landlord Disputes

Where a SME rents its business premises from a commercial landlord there is scope for dispute over the terms of the lease and alleged breaches arising from it. The policy will provide the Insured with a lawyer to pursue a claim against a landlord or defend themselves in the event that they are accused of a breach.

Heads of Cover 5: Restrictive Covenant Pursuit (protecting a client's intellectual property)

An SME's customer base and sensitive commercial information is its lifeblood. When an employee leaves the business, it is imperative that they are not able to take this information to a new employer and use it to prejudice the SME's interests. This cover ensures that where a restrictive covenant preventing them from doing so is written into their employment contract, legal assistance is on hand from a specialist in the field to enforce the relevant terms as far as the law will permit, in order to mitigate the damage caused.

Head of Cover 6: Third Party Damage to Goods or Premises

This section is triggered when a third party causes damage to an Insured's premises or property.

Head of Cover 7: Debt Recovery

Cashflow is vital to all SME businesses. The debt recovery service provided under the policy will provide assistance for the Insured to exert pressure in recovering the sums due, and ultimately taking matters to court if this fails to bring the desired outcome.

Legal Advice Service

All clients have access to a free Legal Advice Service managed by one of Australia's prominent legal firms. This dedicated service has been created for Solution Underwriting Agency clients and allows the Insured to receive targeted advice from a lawyer relating to any problem directly associated with the client's core business activities.

The Legal Advice Service provides free, specialist advice with fast turn around and clients can obtain legal advice as many times as required throughout the policy period – no limitations.

[Please read the policy documents for full details.](#)

Solution Underwriting Agency Pty Ltd

Level 5, 289 Flinders Lane
Melbourne VIC 3000
T. 03 9654 6100

Suite 2.03, Level 2, 65 York Street,
Sydney NSW 2000
T. 02 8582 6500

E. legal@solutionunderwriting.com.au

W. www.solutionunderwriting.com.au

AFSL 407780 ABN 68 139 214 323



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COMMERCIAL LEGAL**
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