

Contract Review Service

At ProRisk, we understand the pressures of running a small business and are constantly looking at developing new ways to help our clients. We are pleased to offer the ProRisk Contract Review Service as a value added benefit to all of ProRisk's Association Liability, Information Technology, Medical Malpractice and Professional Indemnity Policies. The service provides our policyholders with the benefit of up to four (4) Contract Reviews during the insurance period.

What is the ProRisk Contract Review Service?

Simply put, the ProRisk Contract Review Service is a value added benefit that we offer selected policyholders, enabling them to receive legal review of a contract that they may be considering entering into during the insurance period.

Who provides the ProRisk Contract Review Service?

The review is conducted by one of our trusted panel firms, who then provide the review to us to double check and onforward to the client. The final review is sent to our policyholder, via their broker on ProRisk letterhead. The process is managed entirely by our dedicated In-House Claims Team.

What does the ProRisk Contract Review Service include?

The ProRisk Contract Review Service enables current policyholders to access a review of a contract that they might be considering entering into, with a view to understanding how that contract might affect their professional indemnity insurance. The report provided as part of The ProRisk Contract Review Service, includes discussion on:

- Whether your limit of liability is sufficient or insufficient for the purposes of the contract.
- Recommendations to increase your limit or to negotiate a lower limit into the contract.
- A review of any indemnity or hold harmless provisions in the contract.
- A discussion of how your professional indemnity cover operates with respect to the contract.



CASE STUDY 01: Negligence claim saving the policyholder over \$100,000

Who: Design firm with 11 employees and \$1M revenue.

What: The policyholder was about to enter into a contract to design the refit of a prominent pub in Sydney. The policyholder provided the draft contract to ProRisk prior to execution. The review identified a clause in the contract that highlighted a clause that the policyholder would be held liable for any loss that occurred during the fit out, notwithstanding that the policyholder was only contracted to undertake the design component. ProRisk recommended that the clause be deleted from the contract.

Outcome: The policyholder successfully negotiated the removal of the clause from the contract. During the fit out, some scaffolding collapsed causing some serious injuries to workers and damage to the building. Had the clause remained in the contract, the policyholder may have been liable for over \$100,000 in damages, and potentially more in the associated costs of dealing with the dispute.



CASE STUDY 02: Medical Practitioner wins a large contract

- Who:** A medical practitioner with 3 employees and \$500,000 turnover
- What:** A medical practitioner was tendering to win a contract to perform medical services for a third party. The contract required the practitioner to purchase a minimum of \$5m professional indemnity insurance and \$10m general liability insurance. The medical practitioner was only purchasing \$1m of professional indemnity and \$1m of general liability, owing to their small size and turnover. The medical practitioner was a ProRisk policyholder and utilised the ProRisk Contract Review Service prior to tendering for the contract.
- Outcome:** The ProRisk Contract Review identified that the medical practitioner was not purchasing enough cover under the terms of the contract. This enabled the medical practitioner to increase their cover in line with what the contract required. The medical practitioner eventually won the tender!

? Other FAQs

Q How do I organise for a contract to be reviewed?

A Simply drop an email to our Claims Team at newclaims@prorisk.com.au attaching a copy of the contract that you would like reviewed and a member of our friendly Claims Team will organise for the review to be completed. The completed report will be emailed back to you.

Q What documents won't we review as part of the ProRisk Contract Review Service?

A The ProRisk Contract Review Service is only available on contracts where the policyholder or its subsidiaries are a signatory. Letters of Appointment, Terms and Conditions, Contracts entered into by a third party are not included in the service.

Q Can I get more than 4 ProRisk Contract Reviews?

A For an additional fee, ProRisk can provide the ProRisk Contract Review Service beyond the 4 Contract Reviews provided. Talk to your local underwriter for further information and to obtain a quote.

Q How long does it take to complete the review?

A We aim to have the review completed within 10 business days, however if the review is more pressing, please let our Claims Team know and we'll do our best to turn it around within the timeframe requested.

Q Will ProRisk review other clauses and documents contained in the contract?

A The ProRisk Contract Review Service only extends to the provisions of the contract which may have an impact on the policyholder's potential exposure under its policy.

Q Will ProRisk review an extract of a contract?

A To ensure we can provide the best service for you, we will require a complete copy of the contract to conduct a Contract Review.

Q How does ProRisk handle any information provided?

A ProRisk handles all information provided in strict confidence. Refer to ProRisk's Privacy Policy for more information.

Q Will ProRisk review contracts that I have already entered into?

A Once a contract is entered into it can be very difficult to change it. ProRisk will review these contracts, however if you have already entered into them you should check first whether the other parties to the contract will allow any amendments.

Q When can I use the ProRisk Contract Review Service?

A You can use the ProRisk Contract Review Service at any time throughout the insurance period. Once your policy with ProRisk has expired, you are unable to use the ProRisk Contract Review Service unless you renew your policy with us.

Q Do ProRisk Contract Reviews carry over from year to year?

A ProRisk Contract Reviews are only valid during the insurance period and do not carry over from year to year. Any ProRisk Contract Reviews that are unused at the expiry of the insurance period are forfeited.