

# Queensland Law Society Indemnity Rule 2005

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## VERSION 35

### NOTE

This version of the *Queensland Law Society Indemnity Rule* 2005 incorporates amendments made by –

- 1 the Executive Committee of the Council of the Queensland Law Society at its meeting on 25 August 2005, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2005,
- 2 the Council of the Queensland Law Society by Flying Minute on 23 February 2005, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2006,
- 3 the Council of the Queensland Law Society at its meeting on 31 March 2006, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2006,
- 4 the Council of the Queensland Law Society by Flying Minute on 9 May 2006, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 3)* 2006,
- 5 the Executive Committee of the Council of the Queensland Law Society by Flying Minute on 10 May 2006,
- 6 the Council of the Queensland Law Society by Flying Minute on 18 May 2006, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 4)* 2006,
- 7 the Council of the Queensland Law Society at its meeting on 2 June 2006, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 5)* 2006,
- 8 the Council of the Queensland Law Society by way of Flying Minute on 26 February 2007, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2007,
- 9 the Council of the Queensland Law Society on 21 June 2007, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2007,
- 10 the Council of the Queensland Law Society on 18 June 2008, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2008,
- 11 the Council of the Queensland Law Society on 30 June 2009, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2009,
- 12 the Council of the Queensland Law Society on 25 March 2010, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2010,
- 13 the Council of the Queensland Law Society on 25 June 2010, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2010,
- 14 the Council of the Queensland Law Society on 27 May 2011, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2011,
- 15 the Council of the Queensland Law Society on 27 June 2011, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2011,
- 16 the Council of the Queensland Law Society by Flying Minute on 8 May 2012, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2012,

- 17 the Council of the Queensland Law Society by Flying Minute on 28 June 2012, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2012*,
- 18 the Council of the Queensland Law Society on 23 April 2013, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*,
- 19 the Council of the Queensland Law Society on 24 April 2014, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014*,
- 20 the Council of the Queensland Law Society on 12 June 2014, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2014*,
- 21 the Council of the Queensland Law Society on 17 June 2015, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2015*,
- 22 the Council of the Queensland Law Society on 21 April 2016 as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*,
- 23 the Council of the Queensland Law Society on 27 April 2017 as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*,
- 24 the Council of the Queensland Law Society on 26 October 2017 as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2017*,
25. the Council of the Queensland Law Society on 26 April 2018 as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*,
26. the Council of the Queensland Law Society on 28 March 2019 as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2019*;
27. the Council of the Queensland Law Society on 29 April 2019 as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*;
28. the Council of the Queensland Law Society on 27 April 2020 as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*;
29. the Council of the Queensland Law Society by Flying Minute on 8 June 2020, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2020*, effective 1 July 2020;
30. the Council of the Queensland Law Society on 22 April 2021, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*;
31. the Council of the Queensland Law Society on 27 April 2022, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*;
32. the Council of the Queensland Law Society on 27 April 2023, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*;
33. the Council of the Queensland Law Society on 24 April 2024, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*; and
34. the Council of the Queensland Law Society on 24 April 2025, as set out in the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*,

to the *Queensland Law Society Indemnity Rule 2005*, as originally made by the Council of the Queensland Law Society at its meeting on 26 May 2005.

# Queensland Law Society Indemnity Rule 2005

*ss 231(2)(l) and 232, Legal Profession Act 2007*

## PART 1 – PRELIMINARY

### 1 Citation

These Rules may be cited as the *Queensland Law Society Indemnity Rule 2005*.

### 2 Commencement

These Rules commence immediately after the *Queensland Law Society (Indemnity) Rule 1987* is repealed or expires.

### 3 Purpose

These Rules are made by the QLS for the purposes of:

- (a) requiring the QLS to take out and keep a Master Policy of indemnity insurance for Law Practices with Lexon;
- (b) authorising the QLS to maintain, manage, administer and protect the Fund;
- (c) requiring Law Practices to make payments to the Fund;
- (d) requiring Law Practices to make payments by way of levy to the Fund on any insurance policy taken out and kept by the QLS for Law Practices;
- (e) requiring local legal practitioners holding practising certificates granted or renewed by the QLS to be covered by indemnity insurance taken out and kept by the QLS for Law Practices;
- (f) requiring local legal practitioners holding practicing certificates granted or renewed by the QLS to make payments:
  - (i) into the Fund; and
  - (ii) by way of levy on any insurance policy taken out and kept by the QLS;
- (g) requiring interstate legal practitioners or Australian registered foreign lawyers who are Associates in a Law Practice with local legal practitioners to be covered by indemnity insurance taken out and kept by the QLS for Law Practices;
- (h) requiring interstate legal practitioners or Australian registered foreign lawyers who are Associates in a Law Practice with local legal practitioners to make payments:
  - (i) into the Fund; and
  - (ii) by way of levy on any insurance policy taken out and kept by the QLS; and

- (i) authorising the QLS to decide the amount of a payment required by these Rules, subject to the limits under these Rules.

## **4 Interpretation**

Unless otherwise provided or where the context requires otherwise, expressions used in these Rules have the same meaning as in the Act.

## **5 Definitions**

The dictionary in schedule 1 defines particular words used in these Rules.

# **PART 2 – MASTER POLICY**

## **6 Master Policy**

The QLS is required and authorised to take out and keep with Lexon a Master Policy for Law Practices in such form as may be approved by the QLS from time to time.

## **7 Coverage under Master Policies**

- (1) For the 2024-2025 year:
  - (a) the Law Practice and each Principal of the Law Practice are jointly and severally liable to pay the appropriate annual Insurance Levy calculated as provided in rule 10; and
  - (b) upon receipt of satisfactory evidence that the Law Practice, which includes the Principals of the Law Practice and any Prior Law Practice, has paid all monies owing pursuant to:
    - (i) these Rules,
    - (ii) the Master Policy (including the Certificate of Insurance); and
    - (iii) any prior Master Policy (including any prior Certificate of Insurance);

the Law Practice shall be insured under Master Policy No. 2024 for the period of coverage specified in a Schedule to the Certificate of Insurance 2024-2025 provided to the Law Practice.

- (2) For the 2025-2026 year:
  - (a) the Law Practice and each Principal of the Law Practice are jointly and severally liable to pay the appropriate annual Insurance Levy calculated as provided in rule 10; and
  - (b) upon receipt of satisfactory evidence that the Law Practice, which includes the Principals of the Law Practice and any Prior Law Practice, has paid all monies owing pursuant to:

- (i) these Rules,
- (ii) the Master Policy (including the Certificate of Insurance); and
- (iii) any prior Master Policy (including any prior Certificate of Insurance);

the Law Practice shall be insured under Master Policy No. 2025 for the period of coverage specified in a Schedule to the Certificate of Insurance 2025-2026 provided to the Law Practice.

## **PART 3 – REQUIREMENTS FOR THE PROFESSIONAL INDEMNITY INSURANCE SCHEME**

### **8 Application**

- (1) Subject to subrule (2), these Rules apply to:

- (a) Incorporated Legal Practices;
- (b) local legal practitioners

who or which engage or intend to engage in legal practice in this jurisdiction as or in the manner of a solicitor; and

- (c) interstate legal practitioners or Australian registered foreign lawyers who are Associates in a Law Practice with such local legal practitioners.

- (2) These Rules do not apply to a legal practitioner who:

- (a) solely provides in-house legal services under a contract of service to a corporation that is not an Incorporated Legal Practice; or
- (b) practises solely as a government legal officer performing government work; or
- (c) provides legal services in both capacities outlined in (a) and (b) and in no other capacity.

Note: As to Former Insureds, see rule 15.

### **9 Professional indemnity insurance scheme**

Subject to rule 16:

- (a) each Principal of a Law Practice conducting legal practice in this jurisdiction is required to be insured in terms of the Master Policy entered into by the QLS with Lexon pursuant to rule 6.  
  
To remove any doubt, where there is more than one Principal of a Law Practice, one Principal, on behalf of all Principals, need only apply to be so insured;
- (b) each Principal of a Law Practice to whom subrule 8(1)(c) applies is required to be insured in terms of the Master Policy entered into by the QLS with Lexon pursuant to rule 6 unless otherwise exempted;

- (c) the payment imposed by rule 10 must be paid at such time as the QLS requires;
- (d) every other local legal practitioner must satisfy the QLS that all Law Practices by which they are employed are so insured;
- (e) every local legal practitioner and Incorporated Legal Practice must comply with this Rule and the terms of the relevant Master Policy; and
- (f) every interstate legal practitioner or Australian registered foreign lawyer as set out in subrule 8(1)(c) must comply with this Rule and the terms of the relevant Master Policy unless otherwise exempted.

## **PART 4 – PAYMENT OF INSURANCE LEVY**

### **10 Payment of Insurance Levy**

- (1) The payment required for the purposes of this Rule by way of payment to the Fund (referred to as the “Insurance Levy”) for:

- (a) the 2024-2025 year is to be calculated as set out in schedules 2 and 3.
- (b) the 2025-2026 year is to be calculated as set out in schedules 4 and 5.

Note: Subrule (6) confers a discretion on the Council to grant relief from the outcome of the application of subrule (1).

- (2) For the purposes of determining the Insurance Levy payable for any insurance year or part thereof, the QLS may require from a Principal or a Law Practice information, in the form of a statutory declaration or otherwise, concerning, but not limited to, the following matters:
  - (a) the number of Principals in the Law Practice;
  - (b) the number of legal practitioners in the Law Practice;
  - (c) the number of articled clerks, supervised trainees and Paralegals;
  - (d) the number of other staff in the Law Practice;
  - (e) the areas of law undertaken by the Law Practice;
  - (f) the estimated Gross Fee Income (“GFI”) for the current financial year and forthcoming financial year in each area of law undertaken by, and for the whole of, the Law Practice;
  - (g) the actual GFI of the Law Practice in each area of law undertaken by, and for the whole of, the Law Practice for past financial or calendar years;
  - (h) the Law Practice’s Claims history for the last 5 years which includes:
    - (i) any Claims made against a Prior Law Practice; and
    - (ii) any Claim payments made or reserves held of any type (including but not limited to defence costs and settlement payments); and

- (iii) any excesses of any type paid or imposed upon the Law Practice;
  - (i) the number of persons working for the Law Practice in each State or Territory;
  - (j) the existing risk management systems in the Law Practice; and
  - (k) the demonstrated expertise of the Law Practice in the areas of law undertaken.
- (3) For the purposes of subrule (2):
- (a) staff employed or engaged in the business of the Law Practice for less than 20 hours per week shall be recorded as one half of a staff member;
  - (b) staff employed or engaged in the business of the Law Practice shall include staff employed by the Law Practice and by service entities, companies and trusts associated with any Law Practice; and
  - (c) there is no necessity for the provision of information in respect of staff engaged exclusively at the Law Practice in domestic, cleaning, catering, continuing legal education, library, public relations/marketing and maintenance activities.
- (4) The QLS shall release the information collected pursuant to subrule (2) to Lexon which shall be entitled to use it for insurance purposes.
- (5) A Principal of a Law Practice who fails to provide the information as required by subrule (2) within a reasonable time is taken to have contravened, for the purpose of section 46(2)(f) of the Act, a relevant law about indemnity insurance.
- (6) Subject to subrule 10(6)(a), a Law Practice (the Applicant) may apply to Council for relief from the payment of that part of a levy payment required by the application of subrule 10(1) in respect of a Prior Law Practice, for 2012 – 2013 and subsequent years.
- (a) In relation to any such application the Law Practice cannot seek relief:
    - (i) in the nature of an exemption from the application of subrule 10(1), and can only seek relief in relation to the outcome of applying that subrule, so far as its application relates to a Prior Law Practice, to the particular circumstances of the Applicant;
    - (ii) after the period of 12 months has elapsed from the date the Law Practice knew or was advised by, or on behalf of, the QLS, that the Law Practice incorporates the Prior Law Practice;
    - (iii) in relation to:
      1. the merits of any Claim;
      2. Lexon's handling of any Claim;
      3. the interpretation of the Prior Law Practice definition or any determination made thereunder;
      4. a dispute as to a person's entitlement to claim under the insurance as an Insured;
      5. a dispute over the interpretation of the Certificate of Insurance.



- (b) The Applicant must submit the application, in the first instance, to Lexon, together with all relevant supporting information and documentation.
- (c) Lexon is to provide its recommendation concerning the application, together with the application, to Council.
- (d) The Applicant must submit any further relevant information requested by Lexon or Council within the time stipulated in the request.
- (e) Council may grant such relief from the outcome of the application of subrule 10(1), so far as its application relates to a Prior Law Practice, as it considers appropriate, if satisfied:
  - (i) that exceptional circumstances warrant the relief; and
  - (ii) in the absence of such relief, the outcome would be unjust or would cause material financial hardship. The payment of the levy, any loading or excess would not, by itself, constitute material financial hardship.
- (f) In exercising its discretion Council must, without limiting the matters it may take into account in determining the application, have regard to the following matters:
  - (i) the substance of the application;
  - (ii) the recommendation of Lexon;
  - (iii) the impact of granting the relief upon the current and future operation and viability of the indemnity insurance scheme, including its possible impact upon reinsurance arrangements;
  - (iv) whether granting the relief is consistent with the policy objectives of the indemnity insurance scheme, particularly those objectives of determining the quantum of the insurance levy by reference to the risk insured and of discouraging conduct which increases the risk insured; and
  - (v) that a Law Practice required to be insured under the indemnity insurance scheme is dealt with fairly and equitably.

**11** Deliberately omitted.

**12** Deliberately omitted.

### **13 Interest on outstanding amounts**

If an Insured Solicitor or Law Practice (including each Principal of the Law Practice and any Prior Law Practice) fails to make payment in full of any amount payable under this Rule, the Master Policy and any prior Master Policy (including any prior Certificate of Insurance) within 30 days of such amount becoming payable, then interest is payable at the absolute discretion of QLS, on any amount outstanding from time to time, calculated pursuant to the *Civil Proceedings Act 2011* (Qld) section 59(3) for a money order debt and payable to the QLS or Lexon as applicable.

## PART 5 – DISPUTE RESOLUTION

### 14 Panel of Senior Solicitors

- (1) The council of the QLS may appoint a panel of Senior Solicitors for the purposes of this Rule.
- (2) In relation to the 2011-2012 Master Policy and/or Certificate of Insurance the function of the Senior Solicitor is to hear and determine disputes arising between Lexon and the Law Practice in relation to the Defence of a Claim as that term is defined in the 2011-2012 Certificate of Insurance but shall not extend to any disputes as to the terms or conditions upon which indemnity has been granted or denied by Lexon.
- (3) In relation to any Master Policy including any Certificate of Insurance prior to the 2011-2012 Master Policy and/or Certificate of Insurance and in lieu of any like dispute resolution provision contained in this Rule or Master Policy, the function of the Senior Solicitor is to hear and determine disputes arising between:

Lexon and the Law Practice in relation to the following aspects of any claim, or circumstance which may give rise to a claim:

- (a) the conduct of the defence;
- (b) the allocation of costs;
- (c) the terms of any settlement;
- (d) the steps taken or to be taken in mitigation of damages;
- (e) the claims reserve assessed by Lexon;
- (f) a decision on whether a claim should be settled or defended;
- (g) any apportionment of the liability for damages between Law Practices;
- (h) the application by Lexon of a Deterrent Excess;

but shall not extend to any disputes as to the terms or conditions upon which indemnity has been granted or denied.

- (4) The function of the Senior Solicitor under this Rule does not apply to any dispute under the 2012 – 2013 Master Policy (including the Certificate of Insurance) or any subsequent Master Policy.
- (5) The Law Practice and Lexon are to agree upon the Senior Solicitor from any panel appointed by the QLS. Failing agreement the CEO of the QLS will decide the Senior Solicitor to be appointed.
- (6) Lexon and the Law Practice shall make all reasonable efforts to compile a common brief of documents for submission to the Senior Solicitor within 14 days of the dispute arising, failing such agreement each party may compile and deliver to the Senior Solicitor a brief of the documents they consider relevant, within a further period of 14 days. After the 14 or 28 day period (as applicable) has passed, the Senior Solicitor will decide the matter

on the documents before him or her. Each party may submit written submissions to the Senior Solicitor to accompany any brief of documents that has been provided.

- (7) The costs of the Senior Solicitor in determining the dispute are to be shared equally by the parties to the dispute.
- (8) In resolving a dispute as to whether a Claim should be settled or defended, the Senior Solicitor is to take into account the following matters:
  - (a) the amount in dispute;
  - (b) the costs of the litigation and any resources required;
  - (c) the Law Practice's prospects of successfully defending the Claim;
  - (d) each party's respective liability exposure;
  - (e) whether the continued defence costs are warranted;
  - (f) whether any proposed settlement is reasonable.

In making this determination, the Senior Solicitor shall be acting as an independent expert. The determination shall be binding upon the parties and Lexon is authorised to act on the basis of the determination.

- (9)
  - (a) The referral of a dispute pursuant to this Rule does not stay or abrogate the liability of the Law Practice to pay the Insurance levy as calculated in accordance with rule 10 upon request of the QLS.
  - (b) In the event the Senior Solicitor determines a dispute in favour of the Law Practice which would have the effect of reducing the Insurance Levy payable in accordance with rule 10, then any overpayment of the Insurance Levy as originally calculated may be reimbursed out of the Fund.
  - (c) The Law Practice is to give Lexon written notice invoking the Senior Solicitor dispute resolution process within 14 days of the receipt of Lexon's decision or recommendation, failing which the Law Practice shall be deemed to have accepted Lexon's decision or recommendation.

## **PART 6 – FORMER INSURED**

### **15 Former Insureds**

- (1) The QLS may make arrangements for Former Insureds to be insured pursuant to the Master Policy but without payment of the Insurance Levy.
- (2) If any payment is made on behalf of a Former Insured pursuant to any Master Policy arranged by the QLS, the Former Insured is liable to pay the amount of:
  - (a) an excess of \$3,000; and
  - (b) any Deterrent Excess (as applicable).

## PART 7 – EXEMPTION

### 16 Exemption

- (1) Subject to subrule (3), the following solicitors are exempted from the requirements of rule 9:
- (a) a member of a National Law Practice or an Interstate Law Practice who satisfies the QLS that he or she is insured by current approved indemnity insurance;
  - (b) an employee of an entity that is a community legal service as defined in schedule 2 of the Act who satisfies the QLS that he or she is covered by current approved indemnity insurance;
  - (c) an employee of a non-profit entity that is similar to a community legal service which provides free legal services to the community or a section of the community, who satisfies the QLS that he or she is covered by current approved indemnity insurance;
  - (d) an employee of a publicly funded, non-profit corporation whose primary purpose is to provide legal services to Aboriginal or Torres Strait Islander people who satisfies the QLS that he or she is covered by current approved indemnity insurance;
  - (e) the chief executive officer of Legal Aid Queensland, appointed pursuant to section 64 of the *Legal Aid Queensland Act 1997*, or any other person employed by Legal Aid Queensland who is nominated by the Legal Aid Board as either a primary or reserve holder pursuant to section 73A of the *Legal Aid Queensland Act 1997*, who holds a limited principal practising certificate and who satisfies the QLS that he or she is covered by current approved indemnity insurance.
- (2) In this Rule,
- approved indemnity insurance* means insurance:
- (a) on terms and conditions providing insurance comparable to that provided by Lexon; and
  - (b) insured by an entity approved by the QLS,
- provided that such insurance may be on terms providing for a higher level of excess than would have been required by Lexon if the QLS is satisfied that the Law Practice has sufficient financial capacity to pay such excess.
- (3) For the avoidance of doubt, nothing in rule 16 removes or reduces the liability of a Departing Practice (2024/2025) and its Principals or a Departing Practice (2025/2026) and its Principals to pay a Departing Practice Claims Loading Levy pursuant to rule 10.

## PART 8 – LAW CLAIMS LEVY FUND

### 17 Law Claims Levy Fund

- (1)
  - (a) The Fund shall vest in and be the property of the QLS.
  - (b) The QLS may borrow from Lexon for the purpose of raising the capital of the Fund or for any purpose for which the Fund may be used.
- (2) The Fund shall consist of:
  - (a) all monies currently held in the Fund;
  - (b) all Insurance Levies paid from time to time by Law Practices and local legal practitioners in accordance with this Rule or any Master Policy;
  - (c) any borrowings from Lexon as referred to in subrule (1)(b);
  - (d) all such other monies as may be lawfully paid into the Fund;
  - (e) interest which may from time to time accrue upon the proceeds of monies and Insurance Levies held in or forming part of the Fund; and
  - (f) any investment as mentioned in subrule (4) and any returns on those investments.
- (3) The Fund may be used for the following purposes –
  - (a) paying for –
    - (i) the management of Claims made against Law Practices;
    - (ii) the investigation, defence, mitigation or settlement of Claims made against Law Practices;
    - (iii) the investigation of circumstances that may result in Claims against Law Practices;
    - (iv) programmes which, in the opinion of the QLS, are likely to have a material effect in minimising the risk or magnitude of any claims for indemnity under the Master Policy, including:
      - (A) programmes to investigate and undertake research into factors which have the potential to contribute to any such claims;
      - (B) the development and delivery of risk management, loss prevention and mitigation programmes which seek to address (wholly or substantially) factors which have the potential to contribute to any such claims;
      - (C) early intervention educational, loss prevention and risk management programmes which seek to address (wholly or substantially) factors which have the potential to contribute to any such claims;

- (D) advice services which seek to address (wholly or substantially) matters or circumstances which have the potential to contribute to any such claims;
  - (E) programmes which seek to benefit only some of the persons who are insured under the Master Policy, or which incidentally benefit persons who are not insured under the Master Policy;
  - (F) by contributing proportionately to the cost of programmes which, only in some respects, would satisfy the requirements of this subrule,
- provided that the annual expenditure on such programmes does not exceed 90% of the total interest and investment income of the Fund;

- (v) the reimbursement of any monies paid into the Fund by or on behalf of a Law Practice where the QLS determines, in its absolute discretion, the circumstances require;

*Examples:*

- (a) money paid into the Fund due to a miscalculation of the relevant Insurance Levy;
  - (b) money paid into the Fund where there has been a mistake in the payment;
  - (c) practising certificate or membership fees mistakenly paid into the Fund.
- (vi) the reimbursement of a pro rata part of Insurance Levies paid into the Fund by or on behalf of a Law Practice for the relevant financial year, calculated from the date upon which the event in subrule (3)(a)(vi)(A)(i) or (3)(a)(vi)(B)(i) occurs (as applicable), where the Law Practice:
    - (A) is a sole practitioner, and:
      - (i) such sole practitioner dies or becomes permanently and totally disabled; and
      - (ii) a Deterrent Excess or Claims Loading was not paid or payable in relation to the financial year in which the event in subrule (3)(a)(vi)(A)(i) occurred; or
    - (B) is an ILP comprised of a single legal practitioner director and no more than one legal practitioner shareholder; and
      - (i) such legal practitioner director dies or becomes permanently and totally disabled; and
      - (ii) a Deterrent Excess or Claims Loading was not paid or payable in relation to the financial year in which the event in subrule (3)(a)(vi)(B)(i) occurred; and
  - (vii) the principal and interest on any borrowing made by the QLS pursuant to subrule (1)(b) and any liability, expense, tax or duty in connection with such borrowings.

- (b) as security for any borrowings made by the QLS pursuant to subrule (1)(b);
  - (c) paying a premium or other amount payable under –
    - (i) the Master Policy; or
    - (ii) any other Master Policy arranged by the QLS;
  - (d) enabling or facilitating the establishment and maintenance of any insurance facility whose principal purpose is to provide indemnity cover for Law Practices and Former Insureds, including lending or transferring directly or indirectly (with or without consideration) capital to an insurance company whose principal objective is the provision of insurance cover to Law Practices and Former Insureds;
  - (e) meeting expenses incurred in connection with the provision of indemnity insurance and the indemnity insurance scheme established under the Act and these Rules;
  - (f) paying any amount which is effectively uninsured because of:
    - (i) default on the part of any insurer in meeting its obligations under any Master Policy arranged by the QLS;
    - (ii) the aggregate limit provided by the Certificate of Insurance or by the corresponding provision of any other Certificate of Insurance having been exceeded.
- (4) Any monies and Insurance Levies in the Fund not immediately required for such purposes may be invested by the QLS –
- (a) in securities of or guaranteed by the Government of the Commonwealth or a State;
  - (b) with or on deposit with a bank or in securities of, guaranteed by or accepted by a bank carrying on business under the authority of an Act of the Commonwealth or a State;
  - (c) with an authorised dealer in the short term money market with established lines of credit with the Reserve Bank of Australia as a lender of last resort;
  - (d) in any manner in which trustees are for the time being authorised by law to invest trust funds;
  - (e) in stocks, shares or securities of any corporation listed on an Australian Stock Exchange;
  - (f) in units in any trust established by a deed registered by the Australian Securities and Investment Commission or established by QIC Limited (ACN 130 539 123); or
  - (g) the purchase of direct property or listed property trusts or unlisted property trusts.

- (5) The QLS may only make payments from, and transfer the whole or part of the assets of, the Fund for one or more of the purposes mentioned in subrule (3).
- (6) In administering the Fund, the QLS must take into consideration the relevant present and future needs of Law Practices who are required to maintain indemnity insurance.
- (7) An amount paid under subrule (3)(a)(ii) may include all or part of the Law Practice's excess if Lexon certifies that the payment is necessary in order to settle a Claim.
- (8) For the purpose of rule 17, and to remove any doubt, monies do not include Insurance Levies.



## SCHEDULE 1 – DICTIONARY

Unless otherwise provided, expressions used in this Rule and Schedules have the same meaning as in the *Legal Profession Act 2007* and the Master Policy approved by the Queensland Law Society from time to time.

**Act** means the *Legal Profession Act 2007*.

**Applied GFI** means the Gross Fee Income calculated pursuant to Schedule 2 or Schedule 4 (as applicable).

**Associate** means:

- (1) an Australian legal practitioner who is or was at the Relevant Time:
  - (a) a sole practitioner if the Law Practice is constituted by the practitioner; or
  - (b) a partner in the Law Practice if the Law Practice is a law firm; or
  - (c) a legal practitioner director in the Law Practice if the Law Practice is an Incorporated Legal Practice; or
  - (d) a legal practitioner partner in the Law Practice if the Law Practice is a Multi-Disciplinary Partnership; or
  - (e) an Employee of, a consultant to or locum tenens for, the Law Practice; or
  - (f) a secondee to or from the Law Practice;
- (2) an Employee of the Law Practice who was not an Australian Legal Practitioner at the Relevant Time.

For the avoidance of doubt, an Associate of the Law Practice is not:

- (a) an agent of the Law Practice;
- (b) a person who is a partner in the Multi-Disciplinary Partnership but who is not an Australian Legal Practitioner.

**Base Levy** means the levy calculated pursuant to Schedule 2 or Schedule 4 (as applicable).

**Circumstances** has the meaning ascribed by the Master Policy that is most relevant from time to time.

**Claim** has the meaning ascribed by the Master Policy that is most relevant from time to time.

**Claims Loading** means the claims loading calculated pursuant to Schedule 2 or Schedule 4 (as applicable).

**Conveyancing Protocols** means the Conveyancing Protocols published to the Law Practices by Lexon or made available on its website from time to time.

**Criminal Law** where used in Schedule 2 and 4 means legal work the predominant feature of which involves criminal law issues including:

- (a) advice to make a certain plea;
- (b) investigating appropriate defences; or
- (c) obtaining evidence.

**Defence Costs** has the meaning ascribed by the Master Policy that is most relevant from time to time.

**Departing Practice (2024/2025)** means a Law Practice (including any Prior Law Practices as defined in this Rule) which:

- (a) was insured by Lexon pursuant to a Master Policy at any time during the period from 6PM on 30 June 2024 to 6PM on 30 June 2025; and
- (b) has not, prior to 6PM on 30 June 2025, paid or is liable to pay the levy amount calculated pursuant to this Rule for the insurance period commencing at 6PM on 30 June 2025; and
- (c) has arranged in its own right, or as part of a Successor Practice, insurance with a Primary Layer Insurer other than Lexon for a period commencing at or after 6PM on 30 June 2024.

**Departing Practice (2025/2026)** means a Law Practice (including any Prior Law Practices as defined in this Rule) which:

- (a) was insured by Lexon pursuant to a Master Policy at any time during the period from 6PM on 30 June 2025 to 6PM on 30 June 2026; and
- (b) has not, prior to 6PM on 30 June 2026, paid or is liable to pay the levy amount calculated pursuant to this Rule for the insurance period commencing at 6PM on 30 June 2026; and
- (c) has arranged in its own right, or as part of a Successor Practice, insurance with a Primary Layer Insurer other than Lexon for a period commencing at or after 6PM on 30 June 2025.

**Departing Practice Claims Loading Levy** means the said loading calculated pursuant to Schedule 2 or Schedule 4 (as applicable).

**Deterrent Excess** has the meaning ascribed by the Master Policy that is most relevant from time to time.

**Employee** means a person employed under a contract of service.

**EMR Discount** means the discount received for the relevant insurance year by reason of participation in the EMR Program as set out in Schedule 3 and 5 as applicable from time to time.

**EMR Practice** has the meaning ascribed in Schedule 3 and 5 as applicable from time to time.

**EMR Program** has the meaning ascribed in Schedule 3 and 5 as applicable from time to time.

**Excess** has the meaning ascribed by the Master Policy that is most relevant from time to time.

**Former Insured** means a Law Practice (including an Associate of that Law Practice) which, at the time the Claim is first made:

- (a) is not otherwise insured under this Master Policy (including as a Prior Law Practice) or a similar provision by any other Primary Layer Insurer; and
- (b) such Law Practice was insured by Lexon at the Relevant Time.

**Fund** means the Law Claims Levy Fund established by rule 8 of the *Queensland Law Society (Indemnity) Amendment Rule (No. 1) 1996* and continued in existence by rule 17.

**Gross Fee Income (GFI)** is defined as:

- (a) including all professional fees, remuneration, commission, internal costs and disbursements charged to clients and income of any other kind received by the Law Practice;
- (b) including all income derived directly from any entity other than the Law Practice by any service, administrative or nominee company or trust in so far as the income arises from activities carried out in connection with the practice of a Law Practice;
- (c) excluding the reimbursement of third party disbursements; and
- (d) excluding any applicable goods and services tax.

**Incorporated Legal Practice (ILP)** means an Incorporated Legal Practice as defined in the Act.

**Insurance Levy** means the payment required by rule 10 for the relevant insurance year.

**Interstate Law Practice** means a Law Practice that:

- (a) is not a National Law Practice; and
- (b) does not have a principal who is a local legal practitioner; but
- (c) carries on business from offices situated in more than one State or Territory.

**Law Firm** means a law firm as defined in the Act.

**Law Practice** means a law practice as defined in the Act.

**Lexon** means Lexon Insurance Pte Ltd (incorporated in Singapore Company Number 200104171C).

**Loss Ratio** means the ratio calculated pursuant to Schedule 2 or Schedule 4 (as applicable).

**Master Policy** means the policy of insurance taken out by the Queensland Law Society with Lexon from time to time.

**Multi-disciplinary Partnership** means a multi-disciplinary partnership as defined in the Act.

**National Law Practice** means either:

- (1) a Law Firm:
  - (a) the legal, equity partners of which are not all resident in one State or Territory; and
  - (b) that carries on business from offices situated in more than one State or Territory; and
  - (c) the legal, equity partners of which, wherever resident, are liable jointly with their legal, equity co-partners and severally for all debts and obligations of the Law Firm; or

- (2) a Multi-disciplinary Partnership:
  - (a) the equity, legal practitioner partners of which are not all resident in one State or Territory; and
  - (b) that carries on business from offices situated in more than one State or Territory; and
  - (c) the equity, legal practitioner partners of which, wherever resident, are liable jointly with their equity, legal practitioner co-partners and severally for all debts and obligations of the Multi-disciplinary Partnership; or
- (3) an Incorporated Legal Practice:
  - (a) the legal practitioner directors of which are not all resident in one State or Territory; and
  - (b) that carries on business from offices situated in more than one State or Territory.

**No Claims Discount** means the discount received for the relevant insurance year calculated pursuant to Schedule 2 or Schedule 4 (as applicable).

**Paralegal** means a person who is not a solicitor or barrister and who undertakes substantive legal work that requires knowledge of legal concepts and legal procedure.

**Primary Layer Insurer** means any insurer or mutual scheme approved at law to provide the compulsory limit of indemnity insurance in any State or Territory of Australia, New Zealand, or any comparable entity in an overseas jurisdiction.

**Principal** means a principal as defined in section 7(4) of the Act.

**Prior Law Practice** means:

- (1) A Law Practice (the "First Law Practice" – which shall include all predecessor practices determined as Prior Law Practices) which is a predecessor to a Law Practice (the "Successor Law Practice") which Successor Law Practice:
  - (a) holds itself out as being the successor to the First Law Practice, or as incorporating the First Law Practice, where the holding out can be express, implied or contained in any letterhead, note paper, business card, any form of electronic communication, publications, promotional material or is contained in any statement or declaration by the Successor Law Practice to any regulatory or taxation authority; or
  - (b) employs, or takes on as Principals, all or a majority in number of the Principals of the First Law Practice; or
  - (c) acquires the majority of the goodwill and/or assets and/or the client files, or assumes the majority of the liabilities of the First Law Practice; or
  - (d) adopts the same name as the First Law Practice or a name which is similar to or substantially incorporates that name; or
  - (e) carries on business from the premises of the First Law Practice; or
  - (f) employs the majority of legal staff employed or previously employed by the First Law Practice.

*Example:*

Practice D is a Successor Law Practice to Practice C. Practice C, in turn, is a Successor Law Practice to Practice B. Practice B, in turn, is a Successor Law Practice to Practice A.

In such a scenario, each of Practices A, B and C are Prior Law Practices of Practice D.

- (2) Where there are two or more Law Practices which meet the criteria in (1) for a Successor Law Practice, that Law Practice which Lexon considers, by application of these criteria to be most closely related to the First Law Practice, shall be deemed to be the Successor Law Practice.
- (3) Provided however, this Prior Law Practice definition does not apply to:
  - (a) a Law Practice that employs a sole practitioner in circumstances where that Law Practice does not adopt the business name, occupy the premises or acquire any goodwill, assets, client files or assume any liability of the sole practitioner's practice; or
  - (b) a Law Practice which only receives, for no consideration, documents formerly held in the safe custody of another Law Practice.

**QLS** means the Queensland Law Society Incorporated continued in existence under section 679 of the Act.

**Relevant Time** means the time or the period of time at or during which the act, error, omission or breach of duty which gave rise to the Claim occurred.

**resident** means the location of one's usual place of abode during the relevant insurance period.

**Rule** means the *Queensland Law Society Indemnity Rule 2005* as in force from time to time.

**Scheme** means the insurance arrangements arranged between Lexon and the QLS as set out in the Master Policy from time to time.

**Senior Solicitor** means the panel of Legal Practitioners appointed from time to time by the QLS for the purposes of rule 14.

# SCHEDULE 2 – INSURANCE LEVY CALCULATION – 2024-2025

## 1. Insurance levy

- 1.1 Every Law Practice to which this Rule applies shall pay to the QLS an Insurance Levy to be calculated in accordance with the following provisions. The said levy amounts are to be paid upon request by the QLS.
- 1.2 GST is payable on the Insurance Levy in addition to the amounts specified in the following provisions.

## 2. Base levy

### General

- 2.1 A Base Levy is payable as set out in Table 1.

**Table 1**

Band	GFI Start \$	GFI End \$	Rate \$ / Percentage
1	0	25,000.00	2,400
2	25,000.01	1,000,000.00	1.00%
3	1,000,000.01	4,000,000.00	0.75%
4	4,000,000.01	10,000,000.00	0.55%
5	10,000,000.01	25,000,000.00	0.40%
6	25,000,000.01	and above	0.30%

- 2.2 Save to the extent paragraph 2.4 applies, where the Law Practice’s Gross Fee Income (“GFI”) for the 2023 calendar year (or the estimate for the 2023 – 2024 financial year where applied) (hereinafter the “Applied GFI”) falls within Band 1, the Law Practice’s Base Levy will be \$2,400.00.
- 2.3 Save to the extent paragraph 2.4 applies, where the Law Practice’s Applied GFI falls within any of Bands 2 - 6, the Law Practice’s Base Levy is to be calculated by adding each of the levies payable for each of the preceding Bands to the amount calculated by applying the percentile rate to the difference between the Law Practice’s Applied GFI and the “GFI Start” amount for that Band (minus the one cent).

Example 1: Practice A’s Applied GFI is \$200,000.00. The Practice’s Base Levy will be calculated as follows:

$$\$2,400.00 + [(\$200,000.00 - \$25,000.00) \times 1.00\%] = \$4,150.$$

Example 2: Practice B's Applied GFI is \$5,000,000.00. The Practice's Base Levy will be calculated as follows:

$$\$2,400.00 + (\$975,000 \times 1.00\%) + (\$3,000,000.00 \times 0.75\%) + (\$1,000,000.00 \times 0.55\%) = \$40,150.$$

- 2.4 For the purposes of paragraph 2, the Law Practice's Base Levy will be reduced by 20% where the Law Practice's Applied GFI is constituted by not less than 90% Criminal Law.
- 2.5 For the purposes of paragraph 2, the Applied GFI shall:
- (a) include the GFI of any Prior Law Practice within the relevant period;
  - (b) for Law Practices that commenced practice from 1 January 2023 to 30 June 2023, be calculated by annualising the actual 2023 calendar year GFI by multiplying that actual GFI by 365 and dividing by the number of days from commencement until 31 December 2023; and
  - (c) for Law Practices that commenced practice from 1 July 2023 to 30 June 2024, be calculated by annualising the estimated 2023 – 2024 financial year GFI by multiplying the estimate by 366 and dividing by the number of days from commencement until 30 June 2024.
- 2.6 Where the Law Practice is affiliated with any member services organisation and provides legal services to members either free of charge or at non-commercial rates, then the Applied GFI for the purposes of calculating the Law Practice's Base Levy referable to such work shall be deemed to be three times the combined remuneration (which, for this purpose, shall mean salaries and/ or consultancy fees received for services provided in relation to the member services organisation) of the Principals, employed solicitors, consultants, articulated clerks, trainees and Paralegals retained by, or who provide services through, that Law Practice.

#### Enhanced Management Review Program ("EMR") Discount

- 2.7 The Base Levy calculated pursuant to paragraphs 2.1 – 2.6 (inclusive) shall, for EMR Practices (as defined in Schedule 3) only, be discounted by 15% but subject always to the discount being no less than \$1,000 and no more than \$40,000.
- 2.8 Where an EMR Practice has not complied with the EMR Program terms (as defined in Schedule 3 as is applicable from time to time) then the EMR Practice shall, upon demand by QLS, repay to the QLS any EMR Discount received by the EMR Practice for such years in which non-compliance has occurred plus, upon demand by QLS, an administrative charge of 10% of the repayment sum.

#### No Claims Discount

- 2.9 The Base Levy calculated pursuant to paragraphs 2.1 – 2.6 (inclusive) shall be discounted by 7.5% where:
- (a) a Law Practice (which for the purposes of this paragraph shall include any Prior Law Practices) has not, within the five years immediately preceding 31 March 2024, had indemnity granted for any Claim;
  - (b) the Law Practice commenced prior to 1 July 2023; and
  - (c) the Law Practice is not an existing Law Practice as defined in paragraph 6.

### 3. Claims Loading

3.1 A Claims Loading is payable as set out in Table 2.

**Table 2**

Loss Ratio	Claims Loading	Loss Ratio cont...	Claims Loading cont...	Loss Ratio cont...	Claims Loading cont...
0% - 60.00%	0.00%	120.00 - 121.99%	48.40%	182.00 - 183.99%	62.04%
60.01 - 61.99%	11.00%	122.00 - 123.99%	48.84%	184.00 - 185.99%	62.48%
62.00 - 63.99%	12.65%	124.00 - 125.99%	49.28%	186.00 - 187.99%	62.92%
64.00 - 65.99%	14.30%	126.00 - 127.99%	49.72%	188.00 - 189.99%	63.36%
66.00 - 67.99%	15.95%	128.00 - 129.99%	50.16%	190.00 - 191.99%	63.80%
68.00 - 69.99%	17.60%	130.00 - 131.99%	50.60%	192.00 - 193.99%	64.24%
70.00 - 71.99%	19.25%	132.00 - 133.99%	51.04%	194.00 - 195.99%	64.68%
72.00 - 73.99%	20.90%	134.00 - 135.99%	51.48%	196.00 - 197.99%	65.12%
74.00 - 75.99%	22.55%	136.00 - 137.99%	51.92%	198.00 - 199.99%	65.56%
76.00 - 77.99%	24.20%	138.00 - 139.99%	52.36%	200.00 - 209.99%	66.00%
78.00 - 79.99%	25.85%	140.00 - 141.99%	52.80%	210.00 - 219.99%	68.20%
80.00 - 81.99%	27.50%	142.00 - 143.99%	53.24%	220.00 - 229.99%	70.40%
82.00 - 83.99%	29.15%	144.00 - 145.99%	53.68%	230.00 - 239.99%	72.60%
84.00 - 85.99%	30.80%	146.00 - 147.99%	54.12%	240.00 - 249.99%	74.80%
86.00 - 87.99%	32.45%	148.00 - 149.99%	54.56%	250.00 - 259.99%	77.00%
88.00 - 89.99%	34.10%	150.00 - 151.99%	55.00%	260.00 - 269.99%	79.20%
90.00 - 91.99%	35.75%	152.00 - 153.99%	55.44%	270.00 - 279.99%	81.40%
92.00 - 93.99%	37.40%	154.00 - 155.99%	55.88%	280.00 - 289.99%	83.60%
94.00 - 95.99%	39.05%	156.00 - 157.99%	56.32%	290.00 - 299.99%	85.80%
96.00 - 97.99%	40.70%	158.00 - 159.99%	56.76%	300.00 - 309.99%	88.00%
98.00 - 99.99%	42.35%	160.00 - 161.99%	57.20%	310.00 - 319.99%	90.20%
100.00 - 101.99%	44.00%	162.00 - 163.99%	57.64%	320.00 - 329.99%	92.40%
102.00 - 103.99%	44.44%	164.00 - 165.99%	58.08%	330.00 - 339.99%	94.60%
104.00 - 105.99%	44.88%	166.00 - 167.99%	58.52%	340.00 - 349.99%	96.80%
106.00 - 107.99%	45.32%	168.00 - 169.99%	58.96%	350.00 - 359.99%	99.00%
108.00 - 109.99%	45.76%	170.00 - 171.99%	59.40%	≥360.00%	100.00%
110.00 - 111.99%	46.20%	172.00 - 173.99%	59.84%		
112.00 - 113.99%	46.64%	174.00 - 175.99%	60.28%		
114.00 - 115.99%	47.08%	176.00 - 177.99%	60.72%		
116.00 - 117.99%	47.52%	178.00 - 179.99%	61.16%		
118.00 - 119.99%	47.96%	180.00 - 181.99%	61.60%		



3.2 The Loss Ratio is calculated as follows:

- (a) determine as at 31 March 2024 a 5 year Claim value for each Law Practice, calculated as follows:
- (i) total the monetary value of all Claims against the Law Practice (which for the purpose of this calculation shall include any Prior Law Practice) for which indemnity has been granted by Lexon within the five years immediately preceding 31 March 2024.
  - (ii) the monetary value of a Claim shall include:
    - (A) where the Claim has not been finalised, actual monies paid as at 31 March 2024 together with the reserve then held for the Claim by Lexon;
    - (B) where the Claim has been finalised, the actual amounts paid; and
    - (C) in all cases, the actual or reserved amounts relating to the Claimant's legal costs and disbursements and the Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Law Practice to Lexon and any third party recoveries received as at 31 March 2024.
- (b) determine as at 31 March 2024 a 5 year levy value for each Law Practice, calculated as follows:
- (i) where the Law Practice (including any Prior Law Practice) was insured under QLS Master Policies continuously since 1 July 2019 - the total of the monetary value (net of GST) of all Insurance Levies paid by the Law Practice (including any Prior Law Practice) for the period 1 July 2019 to 30 June 2024 (but excluding any Deterrent Excesses and any EMR Discount and any No Claims Discount); or
  - (ii) where the Law Practice (including any Prior Law Practice) was not insured under QLS Master Policies continuously since 1 July 2019 – the five year levy value shall be calculated according to the following formula:

$$\left( \frac{\text{TotalLevyPaid}}{\text{Years}} \right) \times 5$$

Where:

- “TotalLevyPaid” is the total of the monetary value (net of GST) of all Insurance Levies paid by the Law Practice (including any Prior Law Practice) between 1 July 2019 and 30 June 2024 (but excluding any Deterrent Excesses and any EMR Discount and any No Claims Discount); and
- “Years” is the number of years that the Law Practice (including any Prior Law Practice) has paid an Insurance Levy.

- (c) the Loss Ratio is then determined by dividing the value given in (a) by the value given in (b) expressed as a percentage.
- 3.3 The Loss Ratio determined for a Law Practice in paragraph 3.2 will attract a Claims Loading percentage as set out in Table 2. That percentage shall be multiplied by the Base Levy payable by the Law Practice calculated pursuant to paragraph 2 (excluding, for this purpose, any EMR Discount and any No Claims Discount) and the resultant sum shall be payable by the Law Practice as its Claims Loading, subject to any applicable cap as set out in paragraph 3.4.

Practice A's Base Levy is \$25,000.00. In addition, its 5 year claim value totals \$76,000.00 and its 5 year levy value is \$125,000.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 60.8%

Applying Table 2, Practice A therefore attracts a 11.00% Claims Loading which will be applied as follows:

$$11.0\% \text{ of } \$25,000 = \$2,750$$

### Claims Loading Cap

- 3.4 The Claims Loading payable by a Law Practice shall be capped to not exceed 4% of the Claim value calculated pursuant to paragraph 3.2(a).

Example:

Practice A's Base Levy is \$9,408.00. In addition, its 5 year claim value totals \$40,000.00 and its 5 year levy value is \$33,480.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 119.5%

Applying Table 2, Practice A therefore attracts a 47.96% Claims Loading which will be applied as follows:

$$\text{Pre-cap Claims Loading} \rightarrow 47.96\% \text{ of } \$9,408.00 = \$4,512.08$$

$$\text{Claims Loading Cap} \rightarrow 4\% \text{ of } \$40,000 = \$1,600$$

$$\text{Claims Loading Payable} = \$1,600$$

## **4. Recalculation of the Base Levy and Claims Loading**

- 4.1 Where the annualised estimated 2023 – 2024 financial year GFI was used as a Law Practice's Applied GFI pursuant to paragraph 2, in the event that its actual GFI for the 2023 – 2024 financial year (where annualised) varies by not less than 25% from that estimate and the variance is also not less than \$50,000.00; or, alternatively, the variance exceeds \$500,000.00, then:
- (a) the Base Levy shall be recalculated pursuant to paragraph 2 using the Actual GFI for the 2023 – 2024 financial year (on an annualised basis);
- (b) if applicable, the Claims Loading shall be recalculated pursuant to paragraph 3, adopting for the purposes of the calculation the Base Levy recalculated pursuant to (a) (excluding, for this purpose, any EMR Discount);

- (c) where the total of (a) and (b) is less than the Insurance Levy paid for 2024 – 2025 by the Law Practice, the Law Practice shall receive a refund or be entitled to a credit against its Insurance Levy for 2025 – 2026, for that difference; and
  - (d) where the total of (a) and (b) is greater than the Insurance Levy paid by the Law Practice, the Law Practice shall be required to pay the amount of the difference so calculated in addition to, and at the same time as, its Insurance Levy for 2025 – 2026 or at such other time as demand is made.
- 4.2 Following the final resolution of a Claim (by settlement, judgement or otherwise), if the total amount paid is at least 25% less than the monetary value of the Claim calculated pursuant to paragraph 3.2 and the difference between those two amounts is also not less than \$50,000.00, then:
  - (a) the Law Practice shall be entitled to a recalculation of any prior Loss Ratio within which the claim relevantly fell, adopting for the purposes of the calculation the total amount paid for the Claim; and
  - (b) if that recalculation results in a reduction in the Claims Loading that the Law Practice would otherwise have paid in any prior insurance period; the Law Practice shall be entitled to a credit against its Insurance Levy for the next insurance period equal to the difference between the total Claims Loading actually paid and the amount recalculated pursuant to paragraph 4.2 (a) (excluding, for this purpose, any EMR Discount and any No Claims Discount).
- 4.3 For the purposes of paragraph 4.2, the total amount paid includes, but is not limited to, any judgment sum, settlement sum, Claimant's legal costs and Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Law Practice to Lexon and any third party recoveries received.

## **5. New Law Practices entering the Scheme from 1 July 2024 to 30 June 2025**

- 5.1 For the purposes of paragraph 5, a new Law Practice is one which commences from 1 July 2024 to 30 June 2025 and has no Prior Law Practice within the definition contained within this Rule.
- 5.2 Any new Law Practice to which this Rule applies shall pay to the QLS an Insurance Levy to be calculated in accordance with the following provisions. The said levy amounts are to be paid within 14 days of receiving a levy notice from the QLS.
- 5.3 The new Law Practice shall provide an estimate of the GFI from the anticipated commencement date to 30 June 2025 pursuant to rule 10 and the Base Levy payable will be calculated as follows:
  - (a) The estimate of GFI shall be annualised by multiplying the estimate by 365 and dividing by the number of days remaining until 30 June 2025.
  - (b) The annualised estimated GFI shall stand as the Law Practice's Applied GFI and will then form the basis for a calculation of the Base Levy in the manner provided for in paragraph 2.

- (c) The amount so determined shall then be prorated in accordance with Table 3 and it is this amount that shall be payable as a Base Levy under paragraph 5.2.

**Table 3**

Commencement date between (both days inclusive)	% of Total Annual Levy
1 July to 30 September	100%
1 October to 31 December	75%
1 January to 31 March	50%
1 April to 30 June	25%

- 5.4 The Base Levy determined in accordance with paragraph 5.3 shall be subject to recalculation as provided for in paragraph 4.1, where:
- (a) the references to “2023 – 2024” shall be deemed to read for the purposes of this paragraph only, “2024 – 2025”; and
- (b) the references in paragraphs 4.1(c) and (d) to “its Insurance Levy for 2025 – 2026” shall be deemed to read “its next payable Insurance Levy”.

## **6. Existing Law Practices entering the Scheme from 1 July 2024 to 30 June 2025**

- 6.1 For the purposes of paragraph 6, an existing Law Practice is one which was insured elsewhere immediately prior to seeking to enter the Scheme.
- 6.2 Any existing Law Practice to which this Rule applies shall pay to the QLS an Insurance Levy to be calculated in accordance with the following provisions. The said levy amounts are to be paid within 14 days of receiving a levy notice from the QLS.
- 6.3 The existing Law Practice shall provide any information requested by the QLS pursuant to rule 10 and the Base Levy payable will be calculated as follows:
- (a) In the manner provided for in paragraph 2.
- (b) The amount so determined shall then be prorated in accordance with Table 4 and it is this amount that shall be payable as a Base Levy under paragraph 6.2.

**Table 4**

Commencement date between (both days inclusive)	% of Total Annual Levy
1 July to 30 September	100%
1 October to 31 December	75%
1 January to 31 March	50%
1 April to 30 June	25%

- 6.4 The Base Levy determined in accordance with paragraph 6.3 shall, where applicable, be subject to recalculation as provided for in paragraph 4.1, save that the reference in paragraph 4.1(b) to “paragraph 3” shall be deemed to read, for the purposes of this paragraph only, “paragraph 6.5”.
- 6.5 In addition to the Base Levy, the existing Law Practice shall pay a Claims Loading which will be calculated as follows:
- (a) A Claims Loading is payable as set out in Table 5.

**Table 5**

Loss Ratio	Claims Loading	Loss Ratio cont...	Claims Loading cont...	Loss Ratio cont...	Claims Loading cont...
0% - 60.00%	0.00%	120.00 - 121.99%	48.40%	182.00 - 183.99%	62.04%
60.01 - 61.99%	11.00%	122.00 - 123.99%	48.84%	184.00 - 185.99%	62.48%
62.00 - 63.99%	12.65%	124.00 - 125.99%	49.28%	186.00 - 187.99%	62.92%
64.00 - 65.99%	14.30%	126.00 - 127.99%	49.72%	188.00 - 189.99%	63.36%
66.00 - 67.99%	15.95%	128.00 - 129.99%	50.16%	190.00 - 191.99%	63.80%
68.00 - 69.99%	17.60%	130.00 - 131.99%	50.60%	192.00 - 193.99%	64.24%
70.00 - 71.99%	19.25%	132.00 - 133.99%	51.04%	194.00 - 195.99%	64.68%
72.00 - 73.99%	20.90%	134.00 - 135.99%	51.48%	196.00 - 197.99%	65.12%
74.00 - 75.99%	22.55%	136.00 - 137.99%	51.92%	198.00 - 199.99%	65.56%
76.00 - 77.99%	24.20%	138.00 - 139.99%	52.36%	200.00 - 209.99%	66.00%
78.00 - 79.99%	25.85%	140.00 - 141.99%	52.80%	210.00 - 219.99%	68.20%
80.00 - 81.99%	27.50%	142.00 - 143.99%	53.24%	220.00 - 229.99%	70.40%
82.00 - 83.99%	29.15%	144.00 - 145.99%	53.68%	230.00 - 239.99%	72.60%
84.00 - 85.99%	30.80%	146.00 - 147.99%	54.12%	240.00 - 249.99%	74.80%
86.00 - 87.99%	32.45%	148.00 - 149.99%	54.56%	250.00 - 259.99%	77.00%
88.00 - 89.99%	34.10%	150.00 - 151.99%	55.00%	260.00 - 269.99%	79.20%
90.00 - 91.99%	35.75%	152.00 - 153.99%	55.44%	270.00 - 279.99%	81.40%
92.00 - 93.99%	37.40%	154.00 - 155.99%	55.88%	280.00 - 289.99%	83.60%
94.00 - 95.99%	39.05%	156.00 - 157.99%	56.32%	290.00 - 299.99%	85.80%
96.00 - 97.99%	40.70%	158.00 - 159.99%	56.76%	300.00 - 309.99%	88.00%
98.00 - 99.99%	42.35%	160.00 - 161.99%	57.20%	310.00 - 319.99%	90.20%
100.00 - 101.99%	44.00%	162.00 - 163.99%	57.64%	320.00 - 329.99%	92.40%
102.00 - 103.99%	44.44%	164.00 - 165.99%	58.08%	330.00 - 339.99%	94.60%
104.00 - 105.99%	44.88%	166.00 - 167.99%	58.52%	340.00 - 349.99%	96.80%
106.00 - 107.99%	45.32%	168.00 - 169.99%	58.96%	350.00 - 359.99%	99.00%
108.00 - 109.99%	45.76%	170.00 - 171.99%	59.40%	≥360.00%	100.00%
110.00 - 111.99%	46.20%	172.00 - 173.99%	59.84%		
112.00 - 113.99%	46.64%	174.00 - 175.99%	60.28%		
114.00 - 115.99%	47.08%	176.00 - 177.99%	60.72%		
116.00 - 117.99%	47.52%	178.00 - 179.99%	61.16%		
118.00 - 119.99%	47.96%	180.00 - 181.99%	61.60%		

- (b) The Loss Ratio is calculated as follows:

- (i) determine as at 31 March 2024 a 5 year Claim value for each existing Law Practice, calculated as follows:
  - (A) total the monetary value of all Claims against the existing Law Practice (which for the purpose of this calculation shall include any Prior Law Practice) for which indemnity has been granted by any Primary Layer Insurer within the five years immediately preceding 31 March 2024.
  - (B) the monetary value of a Claim shall include:
    - (aa) where the Claim has not been finalised, actual monies paid as at 31 March 2024 together with the reserve then held for the Claim by any Primary Layer Insurer;
    - (bb) where the Claim has been finalised, the actual amounts paid; and
    - (cc) in all cases, the actual or reserved amounts relating to the Claimant's legal costs and disbursements and the Defence costs but shall be net of any deductibles, Excesses or Deterrent Excesses (or payments of a like characterisation) paid by an existing Law Practice to any Primary Layer Insurer and any third party recoveries received as at 31 March 2024.
- (ii) determine as at 1 July 2024 a 5 year deemed levy value for each existing Law Practice, which shall be calculated as being 5 times the Base Levy calculated pursuant to paragraph 6.3 (but excluding any EMR Discount and any No Claims Discount or pro rata reduction); save for where an existing Law Practice has been insured under a QLS Master Policy during the 5 years prior to 1 July 2024 in which case:
  - (A) for those years the existing Law Practice was insured under a QLS Master Policy the actual levies paid shall be used (but excluding any EMR Discount and any No Claims Discount); and
  - (B) for all other of the 5 years, the Base Levy calculated pursuant to paragraph 6.3 (but excluding any EMR Discount and any No Claims Discount or pro rata reduction) shall be used.
- (iii) the Loss Ratio is then determined by dividing the value given in (i) by the value given in (ii) expressed as a percentage.
- (c) The Loss Ratio determined for an existing Law Practice in paragraph 6.5 will attract a Claims Loading percentage as set out in Table 5. That percentage shall be multiplied by the Base Levy payable in paragraph 6.3 (excluding, for this purpose, any EMR Discount and any No Claims Discount).
- (d) The figure calculated pursuant to paragraph 6.5(c) shall be payable by the existing Law Practice as its Claims Loading but shall be capped to not exceed 4% of the Claim value calculated pursuant to paragraph 6.5 (b).

6.6 The Claims Loading calculated in accordance with paragraph 6.5 shall be subject to recalculation as provided for in paragraph 4.2, save that the reference therein to

“paragraph 3.2” shall be deemed to read, for the purposes of this paragraph only, “paragraph 6.5”.

## **7. Amalgamation of Law Practices which occur from 1 July 2024 to 30 June 2025 to form an Amalgamated Law Practice**

- 7.1 In the event that one or more Law Practices currently insured with Lexon amalgamate during the period from 1 July 2024 to 30 June 2025 (for the purposes of paragraph 7, the resulting entity is an "Amalgamated Law Practice"), and any of such Law Practices constitute Prior Law Practices of the Amalgamated Law Practice, then:
- (a) the Amalgamated Law Practice shall be insured from the date of the amalgamation in the name of the resulting entity; and
  - (b) there shall be no additional Insurance Levy then payable for the 2024 – 2025 year by reason of the amalgamation and the Insurance Levy paid by the constituent Law Practices shall stand as the Insurance Levy for the Amalgamated Law Practice; and
  - (c) the Amalgamated Law Practice stands as the Successor Law Practice of all constituent Prior Law Practices.

## **8. Insurance Levy payable by Law Practices with an Applied GFI of more than \$500,000**

- 8.1 For Law Practices with an Applied GFI of more than \$500,000, the Insurance Levy calculated pursuant to paragraphs 1 to 7 (as applicable) of Schedule 2 may be varied by QLS having regard to the following factors:
- (a) the Applied GFI of the Law Practice (including any Prior Law Practice);
  - (b) the existing risk management systems in the Law Practice;
  - (c) the areas of law in which the Law Practice practises;
  - (d) the demonstrated expertise of the Law Practice in the areas of law in which it practises;
  - (e) the claims history of the Law Practice (including any Prior Law Practice);
  - (f) the number of Associates of the Law Practice;
  - (g) the current and future operation and viability of the indemnity insurance scheme, including securing reinsurance arrangements; and
  - (h) any other matter considered relevant by QLS in determining the Insurance Levy.

Example:

An increased Excess that the Law Practice agrees to pay in the event of a claim on the policy may result in a variation in the Insurance levy otherwise payable.

- 8.2 Lexon is to provide its recommendation regarding the matters raised in paragraph 8.1 to QLS.

- 8.3 Where a variation occurs pursuant to paragraph 8.1, it shall be the Insurance Levy that stands as the amount payable by the Law Practice for the 2024 – 2025 year.

## 9. Acquisition Endorsements

- 9.1 Where a Law Practice currently insured with Lexon (the "Purchaser") intends to acquire another Law Practice currently insured with Lexon (the "Vendor") and:
- (a) the acquisition will occur during the period from 1 July 2024 to 30 June 2025;
  - (b) Lexon has provided a recommendation to QLS regarding offering the benefit of this paragraph 9;
  - (c) the Purchaser has been offered by QLS, in its absolute discretion, the benefit of this paragraph 9;
  - (d) the Prescribed Fee has been paid; and
  - (e) the acquisition occurs on the Date of Acquisition;
- then any Designated Claims which would otherwise be ascribed to the Purchaser shall be excluded from any calculations made pursuant to paragraphs 2.9, 3 or 4.2 (and the equivalent paragraphs in future years).
- 9.2 Date of Acquisition means the date of the agreed formal transfer of the Vendor's practice to the Purchaser as declared to QLS and Lexon.
- 9.3 Designated Claims mean any Claims and/ or Circumstances relating to the Vendor's Law Practice notified to Lexon after the Date of Acquisition and which:
- (a) were unknown to the Purchaser as at the Date of Acquisition;
  - (b) relate to a client matter which has been finally billed and closed prior to the Date of Acquisition; and
  - (c) had not been disclosed to Lexon by the Vendor as at the Date of Acquisition.
- 9.4 The Prescribed Fee is calculated as follows:
- (a) determine:
    - (i) 20% of the last full year Insurance Levy paid by the Vendor, but where the amount so calculated is less than \$1,000 it shall be deemed to be \$1,000; or
    - (ii) 20% of the grossed up full year equivalent of the Insurance Levy last paid by the Vendor where the Vendor has not yet paid a full year Insurance Levy, but where the amount so calculated is less than \$1,000 it shall be deemed to be \$1,000;
  - (b) determine:
    - (i) 25% of the value given in paragraph 9.4(a), where the difference in Excess payable by the Vendor and Purchaser immediately prior to the Date of Acquisition pursuant to the applicable Master Policy was between \$22,499 and \$42,499; or
    - (ii) 50% of the value given in paragraph 9.4(a), where the difference in Excess payable by the Vendor and Purchaser immediately prior to the



Date of Acquisition pursuant to the applicable Master Policy was \$42,500 or above.

- (c) the Prescribed Fee is the sum of the applicable values in paragraph 9.4(a) and 9.4(b).

## 10. Departing Practice Claims Loading

- 10.1 A Departing Practice (2024/25) shall pay upon demand by QLS a Departing Practice Claims Loading Levy as set out below.
- 10.2 The Departing Practice Claims Loading Levy payable is:
  - (a) the combined total of the amounts calculated in paragraphs 10.3(e), 10.4, 10.5, 10.6 and 10.7; and
  - (b) may be payable by instalment on such terms as are reasonable in the absolute discretion of QLS.
- 10.3 A Year 1 Claims Loading is calculated as follows:
  - (a) determine as at 30 June 2025 a 5 year Claim value for the Departing Practice (2024/25), calculated as follows:
    - (i) total the monetary value of all Claims against the Departing Practice (2024/25) as at 30 June 2025 (which for the purpose of this calculation shall include any Prior Law Practice) for which indemnity has been granted by Lexon between 1 April 2020 and 30 June 2025 (both days inclusive).
    - (ii) the monetary value of a Claim shall include:
      - (A) where the Claim has not been finalised, actual monies paid as at 30 June 2025 together with the reserve then held for the Claim by Lexon;
      - (B) where the Claim has been finalised, the actual amounts paid; and
      - (C) in all cases, the actual or reserved amounts relating to the Claimant's legal costs and disbursements and the Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Departing Practice (2024/25) to Lexon and any third party recoveries received as at 30 June 2025.
  - (b) determine as at 30 June 2025 a 5 year levy value for the Departing Practice (2024/25), being the Insurance Levy (net of GST) paid by the Departing Practice (2024/25) (including any Prior Law Practice) for the period 6PM on 30 June 2024 to 6PM on 30 June 2025 (but excluding any Deterrent Excesses and any EMR Discount and any No Claims Discount); which total shall then be multiplied by 5.
  - (c) the Loss Ratio is then determined by dividing the value given in (a) by the value given in (b) expressed as a percentage.
  - (d) the Loss Ratio determined for a Departing Practice (2024/25) in paragraph 10.3(c) will attract a Claims Loading percentage as set out in Table 6. That percentage shall be multiplied by the Base Levy paid by the Departing Practice (2024/25) for the period 6PM on 30 June 2024 to 6PM on 30 June 2025 (excluding, for this purpose, any EMR Discount and any No Claims Discount).

- (e) The sum resulting from the calculation provided for in paragraph 10(a) – (d) (inclusive) shall be payable by the Departing Practice (2024/25) as its Year 1 Claims Loading but shall be capped to not exceed 4% of the Claim value calculated pursuant to paragraph 10.3(a).

Example:

The Base Levy of a Departing Practice (2024/25) is \$25,000.00. In addition, its 5 year claim value under paragraph 10(3)(a) totals \$76,000.00 and its 5 year levy value is \$125,000.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 60.8%

Applying Table 6, the Departing Practice (2024/25) therefore attracts a 11.00% Claims Loading which will be applied as follows:

11.0% of \$25,000 = \$2,750

**Table 6**

Loss Ratio	Claims Loading	Loss Ratio cont...	Claims Loading cont...	Loss Ratio cont...	Claims Loading cont...
0% - 60.00%	0.00%	120.00 - 121.99%	48.40%	182.00 - 183.99%	62.04%
60.01 - 61.99%	11.00%	122.00 - 123.99%	48.84%	184.00 - 185.99%	62.48%
62.00 - 63.99%	12.65%	124.00 - 125.99%	49.28%	186.00 - 187.99%	62.92%
64.00 - 65.99%	14.30%	126.00 - 127.99%	49.72%	188.00 - 189.99%	63.36%
66.00 - 67.99%	15.95%	128.00 - 129.99%	50.16%	190.00 - 191.99%	63.80%
68.00 - 69.99%	17.60%	130.00 - 131.99%	50.60%	192.00 - 193.99%	64.24%
70.00 - 71.99%	19.25%	132.00 - 133.99%	51.04%	194.00 - 195.99%	64.68%
72.00 - 73.99%	20.90%	134.00 - 135.99%	51.48%	196.00 - 197.99%	65.12%
74.00 - 75.99%	22.55%	136.00 - 137.99%	51.92%	198.00 - 199.99%	65.56%
76.00 - 77.99%	24.20%	138.00 - 139.99%	52.36%	200.00 - 209.99%	66.00%
78.00 - 79.99%	25.85%	140.00 - 141.99%	52.80%	210.00 - 219.99%	68.20%
80.00 - 81.99%	27.50%	142.00 - 143.99%	53.24%	220.00 - 229.99%	70.40%
82.00 - 83.99%	29.15%	144.00 - 145.99%	53.68%	230.00 - 239.99%	72.60%
84.00 - 85.99%	30.80%	146.00 - 147.99%	54.12%	240.00 - 249.99%	74.80%
86.00 - 87.99%	32.45%	148.00 - 149.99%	54.56%	250.00 - 259.99%	77.00%
88.00 - 89.99%	34.10%	150.00 - 151.99%	55.00%	260.00 - 269.99%	79.20%
90.00 - 91.99%	35.75%	152.00 - 153.99%	55.44%	270.00 - 279.99%	81.40%
92.00 - 93.99%	37.40%	154.00 - 155.99%	55.88%	280.00 - 289.99%	83.60%
94.00 - 95.99%	39.05%	156.00 - 157.99%	56.32%	290.00 - 299.99%	85.80%
96.00 - 97.99%	40.70%	158.00 - 159.99%	56.76%	300.00 - 309.99%	88.00%
98.00 - 99.99%	42.35%	160.00 - 161.99%	57.20%	310.00 - 319.99%	90.20%
100.00 - 101.99%	44.00%	162.00 - 163.99%	57.64%	320.00 - 329.99%	92.40%
102.00 - 103.99%	44.44%	164.00 - 165.99%	58.08%	330.00 - 339.99%	94.60%
104.00 - 105.99%	44.88%	166.00 - 167.99%	58.52%	340.00 - 349.99%	96.80%
106.00 - 107.99%	45.32%	168.00 - 169.99%	58.96%	350.00 - 359.99%	99.00%
108.00 - 109.99%	45.76%	170.00 - 171.99%	59.40%	≥360.00%	100.00%
110.00 - 111.99%	46.20%	172.00 - 173.99%	59.84%		
112.00 - 113.99%	46.64%	174.00 - 175.99%	60.28%		
114.00 - 115.99%	47.08%	176.00 - 177.99%	60.72%		
116.00 - 117.99%	47.52%	178.00 - 179.99%	61.16%		
118.00 - 119.99%	47.96%	180.00 - 181.99%	61.60%		

10.4 A Year 2 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 2 Claims Loading";
- (b) the reference therein to "1 April 2020" shall read for this purpose of only "1 April 2021"; and
- (c) the amount so calculated shall be discounted by 5%.

Example:

The Base Levy of a Departing Practice (2024/25) is \$25,000.00. In addition, its 5 year claim value under paragraph 10(3)(a) totals \$76,000.00 and its 5 year levy value is \$125,000.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 60.8%

Applying Table 6, the Departing Practice (2024/25) therefore attracts a 11.00% Claims Loading which will be applied as follows:

11.0% of \$25,000, discounted by 5% = \$2,612.50

10.5 A Year 3 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 3 Claims Loading";
- (b) the reference therein to "1 April 2020" shall read for this purpose of only "1 April 2022"; and
- (c) the amount so calculated shall be discounted by 10.25%.

10.6 A Year 4 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 4 Claims Loading";
- (b) the reference therein to "1 April 2020" shall read for this purpose of only "1 April 2023"; and
- (c) the amount so calculated shall be discounted by 15.75%.

10.7 A Year 5 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 5 Claims Loading";
- (b) the reference therein to "1 April 2020" shall read for this purpose of only "1 April 2024"; and
- (c) the amount so calculated shall be discounted by 21.55%.

## **11. Recalculation of Departing Practice Claims Loading**

- 11.1 Following the final resolution of a Departing Practice (2024/25) Claim (by settlement, judgement or otherwise), if the total amount paid is at least 25% less than the monetary value of the Claim calculated pursuant to paragraph 10 and the difference between those two amounts is also not less than \$50,000.00, then:
- (a) the Departing Practice (2024/25) shall be entitled to a recalculation of any prior Loss Ratio within which the Claim relevantly fell, adopting for the purposes of the calculation the total amount paid for the Claim; and
  - (b) if that recalculation results in a reduction in the Claims Loading that the Departing Practice (2024/25) would otherwise have paid pursuant to paragraph 10; the Departing Practice (2024/25) shall be entitled to a refund equal to the difference between the total actually paid pursuant to paragraph 10 and the amount recalculated pursuant to paragraph 11.1 (a) (excluding, for this purpose, any EMR Discount and any No Claims Discount).
- 11.2 For the purposes of paragraph 11.1, the total amount paid includes, but is not limited to, any judgment sum, settlement sum, Claimant's legal costs and Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Departing Practice (2024/25) to Lexon and any third party recoveries received.

## **12. Top Up Coverage**

- 12.1 Where a Law Practice is provided with a Limit of Indemnity above \$2,000,000 pursuant to the terms of the Master Policy, the Law Practice will be required to pay an additional levy as agreed which will form part of that Law Practice's Insurance Levy.

## SCHEDULE 3 – ENHANCED MANAGEMENT REVIEW PROGRAM – 2024-2025

The terms of the Enhanced Management Review (“EMR”) Program are as follows:

### 1. Definitions

*Claim* means:

- a. a demand for or an assertion of a right to compensation or damages, from or against the insured; or
- b. a statement of an intention to seek such compensation or damages against the insured, including an intention to seek such compensation or damages at a future time or contingent upon the happening of a future event; or
- c. ascertainment by the insured of a deficiency in any trust money entrusted to, or held by, the insured in a trust account, only to the extent such deficiency, to Lexon’s reasonable satisfaction, is due to negligence on the part of the insured.

*Consecutive File Reviews* means every two consecutive File Reviews (for the removal of doubt, being the first and second File Reviews, the second and third File Reviews, the third and fourth File Reviews, and so on).

*EMR Discount* means the amount of base levy discount a law practice has received as a result of becoming an EMR Practice in the Relevant Insurance Year.

*EMR Pack* means the following documents available from Lexon:

- a. the EMR Program terms (this document);
- b. an EMR file review checklist; and
- c. an EMR log.

*EMR Practice* means:

- a. a law practice which has nominated participation in the EMR Program on the professional indemnity insurance questionnaire; or
- b. in the case of a law practice which has an excess of greater than \$30,000 per claim and which has sought to have its file review program approved, where such program has been approved in writing by Lexon to be similar to the terms set out herein.

The law practice commences to be an EMR Practice for the Relevant Insurance Year on 30 June 2024 or the date participation was nominated on the professional indemnity insurance questionnaire or the date of the file review program approval (if applicable); whichever is the latest.

*EMR Program* means the Enhanced Management Review Program as set out in paragraph 2 and 3 of this Schedule.

*EMR Review* means a compliance review undertaken by Lexon, or an authorised delegate of Lexon, of a law practice’s compliance with the EMR Program terms as set out in paragraph 2 and 3 of this Schedule.

*File Review* means in respect of each Relevant File Author:

- a. the completion by a Reviewer;

- b. on or about each Review Date;
- c. of a Lexon File Checklist;
- d. in respect of each of four, randomly chosen, Subject Files of the Relevant File Author.

*Lexon File Checklist* means:

- a. in respect of a paper file based EMR Practice, the EMR File Review Checklist – Paper Practice, from time to time published by Lexon; or
- b. in respect of a paperless electronic file EMR Practice, the EMR File Review Checklist – Paperless Practice, from time to time published by Lexon; or
- c. such other checklist as Lexon may from time to time approve in writing in respect of any particular EMR Practice where that EMR Practice had a review checklist or program in place prior to becoming an EMR Practice.

*Negative Checklist Answer* means the answer “No” (or equivalent), endorsed or otherwise by the Reviewer on any Lexon File Checklist used in a File Review.

*Negative Results* means in respect of any:

- a. File Review; or
- b. Consecutive File Reviews;

three or more Negative Checklist Answers in respect of the Subject Files reviewed, or any one of them.

*Relevant File Author* includes all practising certificate holders, trainee lawyers, paralegals, conveyancing staff, and any other staff member who have day-to-day conduct of files. No practising certificate holder in an EMR Practice, including the managing partner or main legal practitioner director, is excluded.

*Relevant Insurance Year* means 6pm AEST on 30 June 2024 to 6 pm AEST on 30 June 2025 (inclusive).

*Review Date* means:

- a. within two months of 1 July for the Relevant Insurance Year; or
- b. where the Law Practice enters the EMR Program after that date, within the period set out in (c) which next follows such date of entry; and
- c. in either case, the end of each period of two months thereafter (for the avoidance of doubt reviews must be carried out in the periods within the Relevant Insurance Year):
  - July - August
  - September - October
  - November - December
  - January - February
  - March - April
  - May - June.

*Reviewer* means:

- a. In the case of an EMR Practice comprising more than one practising certificate holder, either:
  - i. any other Relevant File Author who is not the Relevant File Author having his or her Subject Files reviewed; or
  - ii. if the EMR Practice has a specific risk management employee, that staff member.

The Reviewer cannot, subject to staffing numbers, be the same person for consecutive reviews unless the EMR Practice has such a specific risk management employee; or

- b. In the case of an EMR Practice comprising only one practising certificate holder ('Sole Practitioner' – whether a sole practitioner or sole legal practitioner director) and other employees who are Relevant File Authors, any other Relevant File Author who is not the Relevant File Author having his or her Subject Files reviewed; or
- c. In the case of an EMR Practice comprising a Sole Practitioner and administrative staff, the administrative staff; or
- d. In the case of an EMR Practice comprising a Sole Practitioner and no other staff, the Sole Practitioner.

*Subject Files* means current or open files where the day-to-day carriage of the file is with the Relevant File Author the subject of the review. These files will be selected randomly from the EMR Practice's file register by an administration employee or if the EMR Practice does not have such an employee, by the Reviewer. In the case of a Sole Practitioner, this will be by the Sole Practitioner.

## **2. EMR Program Terms**

An EMR Practice must, for the Relevant Insurance Year, comply with its undertaking to:

- a. Ensure a Reviewer carries out File Reviews of all Relevant File Authors by the relevant Review Date.
- b. In the case of Negative Results in an EMR Practice comprising more than one practising certificate holder, have the managing partner or main legal practitioner director meet with the Reviewer and the Relevant File Author to determine the cause of the Negative Result and to document a plan to:
  - i. manage any underlying issues giving rise to the Negative Result; and
  - ii. provide the Relevant File Author with more regular file reviews as the EMR Practice thinks fit, but in any case, more regularly than as required by this EMR Program, until the EMR Practice is satisfied that any underlying issue has been managed appropriately; and
  - iii. document the outcome of the plan.
- c. In the case of Negative Results in an EMR Practice comprising a Sole Practitioner, document a plan and file note the outcome to manage any apparent or underlying issues giving rise to the Negative Result which might involve:
  - i. discussing issues with a colleague; or
  - ii. discussing issues with a fellow District Law Association member; or
  - iii. telephoning Solicitor Assist to discuss ways in which any Negative Results might be managed;

or

- iv. telephoning a member of Lexon's risk team to discuss ways in which any Negative Results might be managed.
- d. Maintain an EMR Log in the form provided in the EMR Pack which will record file review activity and any Negative Result plan and collate finalised Lexon File Checklists, all of which are to be kept for at least five years post the Relevant Insurance Year.
- e. Store EMR Checklist and Logs as well as a backup of them (whether in paper or electronically) to minimise risk of records being destroyed.

An EMR Practice must, for a period of five years post the Relevant Insurance Year, comply with its undertaking to:

- f. Participate in any EMR Review conducted by or on behalf of Lexon. A refusal to permit Lexon or an authorised delegate of Lexon to audit the EMR Log and related Lexon File Checklists will be deemed to be non-compliance with the EMR Program terms.

### **3. EMR Reviews and Repayment Terms in Case of Non-Compliance**

#### EMR Reviews

Lexon will select, at its absolute discretion, EMR Practices for EMR Reviews to ascertain compliance with the terms of the EMR Program. Without limiting Lexon's discretion, an EMR Review may be conducted:

- a. if an EMR Practice notifies Lexon of a Claim (or circumstance) and the date of Claim (or circumstance) event falls within the Relevant Insurance Year; or
- b. if an EMR Practice has failed an EMR Review relating to another insurance year in which it participated in an EMR program; or
- c. randomly.

An EMR Practice shall not undergo more than one EMR Review in relation to the Relevant Insurance Year.

An EMR Review for the Relevant Insurance Year can be conducted at any time within five years of the completion of the Relevant Insurance Year.

#### Repayment Terms For Non- Compliance

Where it is determined via an EMR Review or otherwise that an EMR Practice has not complied with the EMR Program terms for the Relevant Insurance Year or any other insurance year, then the EMR Practice shall, upon demand by QLS, repay to the QLS any EMR Discount received by the EMR Practice for such years in which non-compliance has occurred plus, upon demand by QLS, an administrative charge of 10% of the repayment sum.

A refusal to permit Lexon or the authorised delegate of Lexon to audit the EMR Log and related Lexon File Checklists will be deemed to be non-compliance with the EMR Program terms.



# SCHEDULE 4 – INSURANCE LEVY CALCULATION – 2025-2026

## 1. Insurance levy

- 1.1 Every Law Practice to which this Rule applies shall pay to the QLS an Insurance Levy to be calculated in accordance with the following provisions. The said levy amounts are to be paid upon request by the QLS.
- 1.2 GST is payable on the Insurance Levy in addition to the amounts specified in the following provisions.

## 2. Base levy

### General

- 2.1 A Base Levy is payable as set out in Table 1.

**Table 1**

Band	GFI Start \$	GFI End \$	Rate \$ / Percentage
1	0	25,000.00	2,000
2	25,000.01	1,000,000.00	0.84%
3	1,000,000.01	4,000,000.00	0.63%
4	4,000,000.01	10,000,000.00	0.46%
5	10,000,000.01	25,000,000.00	0.33%
6	25,000,000.01	and above	0.25%

- 2.2 Save to the extent paragraph 2.4 applies, where the Law Practice’s Gross Fee Income (“GFI”) for the 2024 calendar year (or the estimate for the 2024 – 2025 financial year where applied) (hereinafter the “Applied GFI”) falls within Band 1, the Law Practice’s Base Levy will be \$2,000.00.
- 2.3 Save to the extent paragraph 2.4 applies, where the Law Practice’s Applied GFI falls within any of Bands 2 - 6, the Law Practice’s Base Levy is to be calculated by adding each of the levies payable for each of the preceding Bands to the amount calculated by applying the percentile rate to the difference between the Law Practice’s Applied GFI and the “GFI Start” amount for that Band (minus the one cent).

Example 1: Practice A’s Applied GFI is \$200,000.00. The Practice’s Base Levy will be calculated as follows:

$$\$2,000.00 + [(\$200,000.00 - \$25,000.00) \times 0.84\%] = \$3,470.$$

Example 2: Practice B's Applied GFI is \$5,000,000.00. The Practice's Base Levy will be calculated as follows:

$$\$2,000.00 + (\$975,000 \times 0.84\%) + (\$3,000,000.00 \times 0.63\%) + (\$1,000,000.00 \times 0.46\%) = \$33,690.$$

- 2.4 For the purposes of paragraph 2, the Law Practice's Base Levy will be reduced by 20% where the Law Practice's Applied GFI is constituted by not less than 90% Criminal Law.
- 2.5 For the purposes of paragraph 2, the Applied GFI shall:
- (a) include the GFI of any Prior Law Practice within the relevant period;
  - (b) for Law Practices that commenced practice from 1 January 2024 to 30 June 2024, be calculated by annualising the actual 2024 calendar year GFI by multiplying that actual GFI by 366 and dividing by the number of days from commencement until 31 December 2024; and
  - (c) for Law Practices that commenced practice from 1 July 2024 to 30 June 2025, be calculated by annualising the estimated 2024 – 2025 financial year GFI by multiplying the estimate by 365 and dividing by the number of days from commencement until 30 June 2025.
- 2.6 Where the Law Practice is affiliated with any member services organisation and provides legal services to members either free of charge or at non-commercial rates, then the Applied GFI for the purposes of calculating the Law Practice's Base Levy referable to such work shall be deemed to be three times the combined remuneration (which, for this purpose, shall mean salaries and/ or consultancy fees received for services provided in relation to the member services organisation) of the Principals, employed solicitors, consultants, articled clerks, trainees and Paralegals retained by, or who provide services through, that Law Practice.

#### Enhanced Management Review Program ("EMR") Discount

- 2.7 The Base Levy calculated pursuant to paragraphs 2.1 – 2.6 (inclusive) shall, for EMR Practices (as defined in Schedule 5) only, be discounted by 15% but subject always to the discount being no less than \$1,000 and no more than \$40,000.
- 2.8 Where an EMR Practice has not complied with the EMR Program terms (as defined in Schedule 5 as is applicable from time to time) then the EMR Practice shall, upon demand by QLS, repay to the QLS any EMR Discount received by the EMR Practice for such years in which non-compliance has occurred plus, upon demand by QLS, an administrative charge of 10% of the repayment sum.

#### No Claims Discount

- 2.9 The Base Levy calculated pursuant to paragraphs 2.1 – 2.6 (inclusive) shall be discounted by 7.5% where:
- (a) the Law Practice (which for the purposes of this paragraph shall include any Prior Law Practices):
    - (i) has not, within the five years immediately preceding 31 March 2025, had indemnity granted for any Claim which has an incurred value of \$50,000 or more as at 31 March 2025; and

- (ii) is not liable to pay a Claims Loading pursuant to paragraph 3;
- (b) the Law Practice commenced prior to 1 July 2024; and
- (c) the Law Practice is not an existing Law Practice as defined in paragraph 6.

### 3. Claims Loading

3.1 A Claims Loading is payable as set out in Table 2.

**Table 2**

Loss Ratio	Claims Loading	Loss Ratio cont...	Claims Loading cont...	Loss Ratio cont...	Claims Loading cont...
0% - 100.00%	0.00%	160.00 - 161.99%	48.40%	222.00 - 223.99%	62.04%
100.01 - 101.99%	11.00%	162.00 - 163.99%	48.84%	224.00 - 225.99%	62.48%
102.00 - 103.99%	12.65%	164.00 - 165.99%	49.28%	226.00 - 227.99%	62.92%
104.00 - 105.99%	14.30%	166.00 - 167.99%	49.72%	228.00 - 229.99%	63.36%
106.00 - 107.99%	15.95%	168.00 - 169.99%	50.16%	230.00 - 231.99%	63.80%
108.00 - 109.99%	17.60%	170.00 - 171.99%	50.60%	232.00 - 233.99%	64.24%
110.00 - 111.99%	19.25%	172.00 - 173.99%	51.04%	234.00 - 235.99%	64.68%
112.00 - 113.99%	20.90%	174.00 - 175.99%	51.48%	236.00 - 237.99%	65.12%
114.00 - 115.99%	22.55%	176.00 - 177.99%	51.92%	238.00 - 239.99%	65.56%
116.00 - 117.99%	24.20%	178.00 - 179.99%	52.36%	240.00 - 249.99%	66.00%
118.00 - 119.99%	25.85%	180.00 - 181.99%	52.80%	250.00 - 259.99%	68.20%
120.00 - 121.99%	27.50%	182.00 - 183.99%	53.24%	260.00 - 269.99%	70.40%
122.00 - 123.99%	29.15%	184.00 - 185.99%	53.68%	270.00 - 279.99%	72.60%
124.00 - 125.99%	30.80%	186.00 - 187.99%	54.12%	280.00 - 289.99%	74.80%
126.00 - 127.99%	32.45%	188.00 - 189.99%	54.56%	290.00 - 299.99%	77.00%
128.00 - 129.99%	34.10%	190.00 - 191.99%	55.00%	300.00 - 309.99%	79.20%
130.00 - 131.99%	35.75%	192.00 - 193.99%	55.44%	310.00 - 319.99%	81.40%
132.00 - 133.99%	37.40%	194.00 - 195.99%	55.88%	320.00 - 329.99%	83.60%
134.00 - 135.99%	39.05%	196.00 - 197.99%	56.32%	330.00 - 339.99%	85.80%
136.00 - 137.99%	40.70%	198.00 - 199.99%	56.76%	340.00 - 349.99%	88.00%
138.00 - 139.99%	42.35%	200.00 - 201.99%	57.20%	350.00 - 359.99%	90.20%
140.00 - 141.99%	44.00%	202.00 - 203.99%	57.64%	360.00 - 369.99%	92.40%
142.00 - 143.99%	44.44%	204.00 - 205.99%	58.08%	370.00 - 379.99%	94.60%
144.00 - 145.99%	44.88%	206.00 - 207.99%	58.52%	380.00 - 389.99%	96.80%
146.00 - 147.99%	45.32%	208.00 - 209.99%	58.96%	390.00 - 399.99%	99.00%
148.00 - 149.99%	45.76%	210.00 - 211.99%	59.40%	≥400.00%	100.00%
150.00 - 151.99%	46.20%	212.00 - 213.99%	59.84%		
152.00 - 153.99%	46.64%	214.00 - 215.99%	60.28%		
154.00 - 155.99%	47.08%	216.00 - 217.99%	60.72%		
156.00 - 157.99%	47.52%	218.00 - 219.99%	61.16%		
158.00 - 159.99%	47.96%	220.00 - 221.99%	61.60%		

3.2 The Loss Ratio is calculated as follows:

- (a) determine as at 31 March 2025 a 5 year Claim value for each Law Practice, calculated as follows:
- (i) total the monetary value of all Claims against the Law Practice (which for the purpose of this calculation shall include any Prior Law Practice) for which indemnity has been granted by Lexon within the five years immediately preceding 31 March 2025.
  - (ii) the monetary value of a Claim shall include:
    - (A) where the Claim has not been finalised, actual monies paid as at 31 March 2025 together with the reserve then held for the Claim by Lexon;
    - (B) where the Claim has been finalised, the actual amounts paid; and
    - (C) in all cases, the actual or reserved amounts relating to the Claimant's legal costs and disbursements and the Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Law Practice to Lexon and any third party recoveries received as at 31 March 2025.
- (b) determine as at 31 March 2025 a 5 year levy value for each Law Practice, calculated as follows:
- (i) where the Law Practice (including any Prior Law Practice) was insured under QLS Master Policies continuously since 1 July 2020 - the total of the monetary value (net of GST) of all Insurance Levies paid by the Law Practice (including any Prior Law Practice) for the period 1 July 2020 to 30 June 2025 (but excluding any Deterrent Excesses and any EMR Discount and any No Claims Discount); or
  - (ii) where the Law Practice (including any Prior Law Practice) was not insured under QLS Master Policies continuously since 1 July 2020 – the five year levy value shall be calculated according to the following formula:

$$\left( \frac{\text{TotalLevyPaid}}{\text{Years}} \right) \times 5$$

Where:

- “TotalLevyPaid” is the total of the monetary value (net of GST) of all Insurance Levies paid by the Law Practice (including any Prior Law Practice) between 1 July 2020 and 30 June 2025 (but excluding any Deterrent Excesses and any EMR Discount and any No Claims Discount); and
- “Years” is the number of years that the Law Practice (including any Prior Law Practice) has paid an Insurance Levy.

- (c) the Loss Ratio is then determined by dividing the value given in (a) by the value given in (b) expressed as a percentage.
- 3.3 The Loss Ratio determined for a Law Practice in paragraph 3.2 will attract a Claims Loading percentage as set out in Table 2. That percentage shall be multiplied by the Base Levy payable by the Law Practice calculated pursuant to paragraph 2 (excluding, for this purpose, any EMR Discount and any No Claims Discount) and the resultant sum shall be payable by the Law Practice as its Claims Loading, subject to any applicable cap as set out in paragraph 3.4.

Practice A's Base Levy is \$25,000.00. In addition, its 5 year claim value totals \$176,000.00 and its 5 year levy value is \$125,000.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 140.8%

Applying Table 2, Practice A therefore attracts a 44.00% Claims Loading which will be applied as follows:

$$44.0\% \text{ of } \$25,000 = \$11,000$$

### Claims Loading Cap

- 3.4 The Claims Loading payable by a Law Practice shall be capped to not exceed 4% of the Claim value calculated pursuant to paragraph 3.2(a).

Example:

Practice A's Base Levy is \$9,408.00. In addition, its 5 year claim value totals \$60,000.00 and its 5 year levy value is \$33,480.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 179.2%

Applying Table 2, Practice A therefore attracts a 52.36% Claims Loading which will be applied as follows:

$$\text{Pre-cap Claims Loading} \rightarrow 52.36\% \text{ of } \$9,408.00 = \$4,926.03$$

$$\text{Claims Loading Cap} \rightarrow 4\% \text{ of } \$60,000 = \$2,400$$

$$\text{Claims Loading Payable} = \$2,400$$

## **4. Recalculation of the Base Levy and Claims Loading**

- 4.1 Where the annualised estimated 2024 – 2025 financial year GFI was used as a Law Practice's Applied GFI pursuant to paragraph 2, in the event that its actual GFI for the 2024 – 2025 financial year (where annualised) varies by not less than 25% from that estimate and the variance is also not less than \$50,000.00; or, alternatively, the variance exceeds \$500,000.00, then:
- (a) the Base Levy shall be recalculated pursuant to paragraph 2 using the Actual GFI for the 2024 – 2025 financial year (on an annualised basis);
- (b) if applicable, the Claims Loading shall be recalculated pursuant to paragraph 3, adopting for the purposes of the calculation the Base Levy recalculated pursuant to (a) (excluding, for this purpose, any EMR Discount);

- (c) where the total of (a) and (b) is less than the Insurance Levy paid for 2025 – 2026 by the Law Practice, the Law Practice shall receive a refund or be entitled to a credit against its Insurance Levy for 2026 – 2027, for that difference; and
  - (d) where the total of (a) and (b) is greater than the Insurance Levy paid by the Law Practice, the Law Practice shall be required to pay the amount of the difference so calculated in addition to, and at the same time as, its Insurance Levy for 2026 – 2027 or at such other time as demand is made.
- 4.2 Following the final resolution of a Claim (by settlement, judgement or otherwise), if the total amount paid is at least 25% less than the monetary value of the Claim calculated pursuant to paragraph 3.2 and the difference between those two amounts is also not less than \$50,000.00, then:
  - (a) the Law Practice shall be entitled to a recalculation of any prior Loss Ratio within which the claim relevantly fell, adopting for the purposes of the calculation the total amount paid for the Claim; and
  - (b) if that recalculation results in a reduction in the Claims Loading that the Law Practice would otherwise have paid in any prior insurance period; the Law Practice shall be entitled to a credit against its Insurance Levy for the next insurance period equal to the difference between the total Claims Loading actually paid and the amount recalculated pursuant to paragraph 4.2 (a) (excluding, for this purpose, any EMR Discount and any No Claims Discount).
- 4.3 For the purposes of paragraph 4.2, the total amount paid includes, but is not limited to, any judgment sum, settlement sum, Claimant's legal costs and Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Law Practice to Lexon and any third party recoveries received.

## **5. New Law Practices entering the Scheme from 1 July 2025 to 30 June 2026**

- 5.1 For the purposes of paragraph 5, a new Law Practice is one which commences from 1 July 2025 to 30 June 2026 and has no Prior Law Practice within the definition contained within this Rule.
- 5.2 Any new Law Practice to which this Rule applies shall pay to the QLS an Insurance Levy to be calculated in accordance with the following provisions. The said levy amounts are to be paid within 14 days of receiving a levy notice from the QLS.
- 5.3 The new Law Practice shall provide an estimate of the GFI from the anticipated commencement date to 30 June 2026 pursuant to rule 10 and the Base Levy payable will be calculated as follows:
  - (a) The estimate of GFI shall be annualised by multiplying the estimate by 365 and dividing by the number of days remaining until 30 June 2026.
  - (b) The annualised estimated GFI shall stand as the Law Practice's Applied GFI and will then form the basis for a calculation of the Base Levy in the manner provided for in paragraph 2.

- (c) The amount so determined shall then be prorated in accordance with Table 3 and it is this amount that shall be payable as a Base Levy under paragraph 5.2.

**Table 3**

Commencement date between (both days inclusive)	% of Total Annual Levy
1 July to 30 September	100%
1 October to 31 December	75%
1 January to 31 March	50%
1 April to 30 June	25%

- 5.4 The Base Levy determined in accordance with paragraph 5.3 shall be subject to recalculation as provided for in paragraph 4.1, where:
- (a) the references to “2024 – 2025” shall be deemed to read for the purposes of this paragraph only, “2025 – 2026”; and
- (b) the references in paragraphs 4.1(c) and (d) to “its Insurance Levy for 2026 – 2027” shall be deemed to read “its next payable Insurance Levy”.

## **6. Existing Law Practices entering the Scheme from 1 July 2025 to 30 June 2026**

- 6.1 For the purposes of paragraph 6, an existing Law Practice is one which was insured elsewhere immediately prior to seeking to enter the Scheme.
- 6.2 Any existing Law Practice to which this Rule applies shall pay to the QLS an Insurance Levy to be calculated in accordance with the following provisions. The said levy amounts are to be paid within 14 days of receiving a levy notice from the QLS.
- 6.3 The existing Law Practice shall provide any information requested by the QLS pursuant to rule 10 and the Base Levy payable will be calculated as follows:
- (a) In the manner provided for in paragraph 2.
- (b) The amount so determined shall then be prorated in accordance with Table 4 and it is this amount that shall be payable as a Base Levy under paragraph 6.2.

**Table 4**

Commencement date between (both days inclusive)	% of Total Annual Levy
1 July to 30 September	100%
1 October to 31 December	75%
1 January to 31 March	50%
1 April to 30 June	25%

- 6.4 The Base Levy determined in accordance with paragraph 6.3 shall, where applicable, be subject to recalculation as provided for in paragraph 4.1, save that the reference in paragraph 4.1(b) to “paragraph 3” shall be deemed to read, for the purposes of this paragraph only, “paragraph 6.5”.
- 6.5 In addition to the Base Levy, the existing Law Practice shall pay a Claims Loading which will be calculated as follows:
- (a) A Claims Loading is payable as set out in Table 5.

**Table 5**

Loss Ratio	Claims Loading	Loss Ratio cont...	Claims Loading cont...	Loss Ratio cont...	Claims Loading cont...
0% - 100.00%	0.00%	160.00 - 161.99%	48.40%	222.00 - 223.99%	62.04%
100.01 - 101.99%	11.00%	162.00 - 163.99%	48.84%	224.00 - 225.99%	62.48%
102.00 - 103.99%	12.65%	164.00 - 165.99%	49.28%	226.00 - 227.99%	62.92%
104.00 - 105.99%	14.30%	166.00 - 167.99%	49.72%	228.00 - 229.99%	63.36%
106.00 - 107.99%	15.95%	168.00 - 169.99%	50.16%	230.00 - 231.99%	63.80%
108.00 - 109.99%	17.60%	170.00 - 171.99%	50.60%	232.00 - 233.99%	64.24%
110.00 - 111.99%	19.25%	172.00 - 173.99%	51.04%	234.00 - 235.99%	64.68%
112.00 - 113.99%	20.90%	174.00 - 175.99%	51.48%	236.00 - 237.99%	65.12%
114.00 - 115.99%	22.55%	176.00 - 177.99%	51.92%	238.00 - 239.99%	65.56%
116.00 - 117.99%	24.20%	178.00 - 179.99%	52.36%	240.00 - 249.99%	66.00%
118.00 - 119.99%	25.85%	180.00 - 181.99%	52.80%	250.00 - 259.99%	68.20%
120.00 - 121.99%	27.50%	182.00 - 183.99%	53.24%	260.00 - 269.99%	70.40%
122.00 - 123.99%	29.15%	184.00 - 185.99%	53.68%	270.00 - 279.99%	72.60%
124.00 - 125.99%	30.80%	186.00 - 187.99%	54.12%	280.00 - 289.99%	74.80%
126.00 - 127.99%	32.45%	188.00 - 189.99%	54.56%	290.00 - 299.99%	77.00%
128.00 - 129.99%	34.10%	190.00 - 191.99%	55.00%	300.00 - 309.99%	79.20%
130.00 - 131.99%	35.75%	192.00 - 193.99%	55.44%	310.00 - 319.99%	81.40%
132.00 - 133.99%	37.40%	194.00 - 195.99%	55.88%	320.00 - 329.99%	83.60%
134.00 - 135.99%	39.05%	196.00 - 197.99%	56.32%	330.00 - 339.99%	85.80%
136.00 - 137.99%	40.70%	198.00 - 199.99%	56.76%	340.00 - 349.99%	88.00%
138.00 - 139.99%	42.35%	200.00 - 201.99%	57.20%	350.00 - 359.99%	90.20%
140.00 - 141.99%	44.00%	202.00 - 203.99%	57.64%	360.00 - 369.99%	92.40%
142.00 - 143.99%	44.44%	204.00 - 205.99%	58.08%	370.00 - 379.99%	94.60%
144.00 - 145.99%	44.88%	206.00 - 207.99%	58.52%	380.00 - 389.99%	96.80%
146.00 - 147.99%	45.32%	208.00 - 209.99%	58.96%	390.00 - 399.99%	99.00%
148.00 - 149.99%	45.76%	210.00 - 211.99%	59.40%	≥400.00%	100.00%
150.00 - 151.99%	46.20%	212.00 - 213.99%	59.84%		
152.00 - 153.99%	46.64%	214.00 - 215.99%	60.28%		
154.00 - 155.99%	47.08%	216.00 - 217.99%	60.72%		
156.00 - 157.99%	47.52%	218.00 - 219.99%	61.16%		
158.00 - 159.99%	47.96%	220.00 - 221.99%	61.60%		

- (b) The Loss Ratio is calculated as follows:



- (i) determine as at 31 March 2025 a 5 year Claim value for each existing Law Practice, calculated as follows:
  - (A) total the monetary value of all Claims against the existing Law Practice (which for the purpose of this calculation shall include any Prior Law Practice) for which indemnity has been granted by any Primary Layer Insurer within the five years immediately preceding 31 March 2025.
  - (B) the monetary value of a Claim shall include:
    - (aa) where the Claim has not been finalised, actual monies paid as at 31 March 2025 together with the reserve then held for the Claim by any Primary Layer Insurer;
    - (bb) where the Claim has been finalised, the actual amounts paid; and
    - (cc) in all cases, the actual or reserved amounts relating to the Claimant's legal costs and disbursements and the Defence costs but shall be net of any deductibles, Excesses or Deterrent Excesses (or payments of a like characterisation) paid by an existing Law Practice to any Primary Layer Insurer and any third party recoveries received as at 31 March 2025.
- (ii) determine as at 1 July 2025 a 5 year deemed levy value for each existing Law Practice, which shall be calculated as being 5 times the Base Levy calculated pursuant to paragraph 6.3 (but excluding any EMR Discount and any No Claims Discount or pro rata reduction); save for where an existing Law Practice has been insured under a QLS Master Policy during the 5 years prior to 1 July 2025 in which case:
  - (A) for those years the existing Law Practice was insured under a QLS Master Policy the actual levies paid shall be used (but excluding any EMR Discount and any No Claims Discount); and
  - (B) for all other of the 5 years, the Base Levy calculated pursuant to paragraph 6.3 (but excluding any EMR Discount and any No Claims Discount or pro rata reduction) shall be used.
- (iii) the Loss Ratio is then determined by dividing the value given in (i) by the value given in (ii) expressed as a percentage.
- (c) The Loss Ratio determined for an existing Law Practice in paragraph 6.5 will attract a Claims Loading percentage as set out in Table 5. That percentage shall be multiplied by the Base Levy payable in paragraph 6.3 (excluding, for this purpose, any EMR Discount and any No Claims Discount).
- (d) The figure calculated pursuant to paragraph 6.5(c) shall be payable by the existing Law Practice as its Claims Loading but shall be capped to not exceed 4% of the Claim value calculated pursuant to paragraph 6.5 (b).

6.6 The Claims Loading calculated in accordance with paragraph 6.5 shall be subject to recalculation as provided for in paragraph 4.2, save that the reference therein to

“paragraph 3.2” shall be deemed to read, for the purposes of this paragraph only, “paragraph 6.5”.

## **7. Amalgamation of Law Practices which occur from 1 July 2025 to 30 June 2026 to form an Amalgamated Law Practice**

- 7.1 In the event that one or more Law Practices currently insured with Lexon amalgamate during the period from 1 July 2025 to 30 June 2026 (for the purposes of paragraph 7, the resulting entity is an "Amalgamated Law Practice"), and any of such Law Practices constitute Prior Law Practices of the Amalgamated Law Practice, then:
- (a) the Amalgamated Law Practice shall be insured from the date of the amalgamation in the name of the resulting entity; and
  - (b) there shall be no additional Insurance Levy then payable for the 2025 – 2026 year by reason of the amalgamation and the Insurance Levy paid by the constituent Law Practices shall stand as the Insurance Levy for the Amalgamated Law Practice; and
  - (c) the Amalgamated Law Practice stands as the Successor Law Practice of all constituent Prior Law Practices.

## **8. Insurance Levy payable by Law Practices with an Applied GFI of more than \$500,000**

- 8.1 For Law Practices with an Applied GFI of more than \$500,000, the Insurance Levy calculated pursuant to paragraphs 1 to 7 (as applicable) of Schedule 4 may be varied by QLS having regard to the following factors:
- (a) the Applied GFI of the Law Practice (including any Prior Law Practice);
  - (b) the existing risk management systems in the Law Practice;
  - (c) the areas of law in which the Law Practice practises;
  - (d) the demonstrated expertise of the Law Practice in the areas of law in which it practises;
  - (e) the claims history of the Law Practice (including any Prior Law Practice);
  - (f) the number of Associates of the Law Practice;
  - (g) the current and future operation and viability of the indemnity insurance scheme, including securing reinsurance arrangements; and
  - (h) any other matter considered relevant by QLS in determining the Insurance Levy.

Example:

An increased Excess that the Law Practice agrees to pay in the event of a claim on the policy may result in a variation in the Insurance levy otherwise payable.

- 8.2 Lexon is to provide its recommendation regarding the matters raised in paragraph 8.1 to QLS.

- 8.3 Where a variation occurs pursuant to paragraph 8.1, it shall be the Insurance Levy that stands as the amount payable by the Law Practice for the 2025 – 2026 year.

## 9. Acquisition Endorsements

- 9.1 Where a Law Practice currently insured with Lexon (the "Purchaser") intends to acquire another Law Practice currently insured with Lexon (the "Vendor") and:
- (a) the acquisition will occur during the period from 1 July 2025 to 30 June 2026;
  - (b) Lexon has provided a recommendation to QLS regarding offering the benefit of this paragraph 9;
  - (c) the Purchaser has been offered by QLS, in its absolute discretion, the benefit of this paragraph 9;
  - (d) the Prescribed Fee has been paid; and
  - (e) the acquisition occurs on the Date of Acquisition;
- then any Designated Claims which would otherwise be ascribed to the Purchaser shall be excluded from any calculations made pursuant to paragraphs 2.9, 3 or 4.2 (and the equivalent paragraphs in future years).
- 9.2 Date of Acquisition means the date of the agreed formal transfer of the Vendor's practice to the Purchaser as declared to QLS and Lexon.
- 9.3 Designated Claims mean any Claims and/ or Circumstances relating to the Vendor's Law Practice notified to Lexon after the Date of Acquisition and which:
- (a) were unknown to the Purchaser as at the Date of Acquisition;
  - (b) relate to a client matter which has been finally billed and closed prior to the Date of Acquisition; and
  - (c) had not been disclosed to Lexon by the Vendor as at the Date of Acquisition.
- 9.4 The Prescribed Fee is calculated as follows:
- (a) determine:
    - (i) 20% of the last full year Insurance Levy paid by the Vendor, but where the amount so calculated is less than \$1,000 it shall be deemed to be \$1,000; or
    - (ii) 20% of the grossed up full year equivalent of the Insurance Levy last paid by the Vendor where the Vendor has not yet paid a full year Insurance Levy, but where the amount so calculated is less than \$1,000 it shall be deemed to be \$1,000;
  - (b) determine:
    - (i) 25% of the value given in paragraph 9.4(a), where the difference in Excess payable by the Vendor and Purchaser immediately prior to the Date of Acquisition pursuant to the applicable Master Policy was between \$22,499 and \$44,999; or
    - (ii) 50% of the value given in paragraph 9.4(a), where the difference in Excess payable by the Vendor and Purchaser immediately prior to the

Date of Acquisition pursuant to the applicable Master Policy was \$45,000 or above.

- (c) the Prescribed Fee is the sum of the applicable values in paragraph 9.4(a) and 9.4(b).

## 10. Departing Practice Claims Loading

- 10.1 A Departing Practice (2025/26) shall pay upon demand by QLS a Departing Practice Claims Loading Levy as set out below.
- 10.2 The Departing Practice Claims Loading Levy payable is:
  - (a) the combined total of the amounts calculated in paragraphs 10.3(e), 10.4, 10.5, 10.6 and 10.7; and
  - (b) may be payable by instalment on such terms as are reasonable in the absolute discretion of QLS.
- 10.3 A Year 1 Claims Loading is calculated as follows:
  - (a) determine as at 30 June 2026 a 5 year Claim value for the Departing Practice (2025/26), calculated as follows:
    - (i) total the monetary value of all Claims against the Departing Practice (2025/26) as at 30 June 2026 (which for the purpose of this calculation shall include any Prior Law Practice) for which indemnity has been granted by Lexon between 1 April 2021 and 30 June 2026 (both days inclusive).
    - (ii) the monetary value of a Claim shall include:
      - (A) where the Claim has not been finalised, actual monies paid as at 30 June 2026 together with the reserve then held for the Claim by Lexon;
      - (B) where the Claim has been finalised, the actual amounts paid; and
      - (C) in all cases, the actual or reserved amounts relating to the Claimant's legal costs and disbursements and the Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Departing Practice (2025/26) to Lexon and any third party recoveries received as at 30 June 2026.
  - (b) determine as at 30 June 2026 a 5 year levy value for the Departing Practice (2025/26), being the Insurance Levy (net of GST) paid by the Departing Practice (2025/26) (including any Prior Law Practice) for the period 6PM on 30 June 2025 to 6PM on 30 June 2026 (but excluding any Deterrent Excesses and any EMR Discount and any No Claims Discount); which total shall then be multiplied by 5.
  - (c) the Loss Ratio is then determined by dividing the value given in (a) by the value given in (b) expressed as a percentage.
  - (d) the Loss Ratio determined for a Departing Practice (2025/26) in paragraph 10.3(c) will attract a Claims Loading percentage as set out in Table 6. That percentage shall be multiplied by the Base Levy paid by the Departing Practice (2025/26) for the period 6PM on 30 June 2025 to 6PM on 30 June 2026 (excluding, for this purpose, any EMR Discount and any No Claims Discount).

- (e) The sum resulting from the calculation provided for in paragraph 10(a) – (d) (inclusive) shall be payable by the Departing Practice (2025/26) as its Year 1 Claims Loading but shall be capped to not exceed 4% of the Claim value calculated pursuant to paragraph 10.3(a).

Example:

The Base Levy of a Departing Practice (2025/26) is \$25,000.00. In addition, its 5 year claim value under paragraph 10(3)(a) totals \$176,000.00 and its 5 year levy value is \$125,000.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 140.8%

Applying Table 6, the Departing Practice (2025/26) therefore attracts a 44.00% Claims Loading which will be applied as follows:

44.0% of \$25,000 = \$11,000

**Table 6**

Loss Ratio	Claims Loading	Loss Ratio cont...	Claims Loading cont...	Loss Ratio cont...	Claims Loading cont...
0% - 100.00%	0.00%	160.00 - 161.99%	48.40%	222.00 - 223.99%	62.04%
100.01 - 101.99%	11.00%	162.00 - 163.99%	48.84%	224.00 - 225.99%	62.48%
102.00 - 103.99%	12.65%	164.00 - 165.99%	49.28%	226.00 - 227.99%	62.92%
104.00 - 105.99%	14.30%	166.00 - 167.99%	49.72%	228.00 - 229.99%	63.36%
106.00 - 107.99%	15.95%	168.00 - 169.99%	50.16%	230.00 - 231.99%	63.80%
108.00 - 109.99%	17.60%	170.00 - 171.99%	50.60%	232.00 - 233.99%	64.24%
110.00 - 111.99%	19.25%	172.00 - 173.99%	51.04%	234.00 - 235.99%	64.68%
112.00 - 113.99%	20.90%	174.00 - 175.99%	51.48%	236.00 - 237.99%	65.12%
114.00 - 115.99%	22.55%	176.00 - 177.99%	51.92%	238.00 - 239.99%	65.56%
116.00 - 117.99%	24.20%	178.00 - 179.99%	52.36%	240.00 - 249.99%	66.00%
118.00 - 119.99%	25.85%	180.00 - 181.99%	52.80%	250.00 - 259.99%	68.20%
120.00 - 121.99%	27.50%	182.00 - 183.99%	53.24%	260.00 - 269.99%	70.40%
122.00 - 123.99%	29.15%	184.00 - 185.99%	53.68%	270.00 - 279.99%	72.60%
124.00 - 125.99%	30.80%	186.00 - 187.99%	54.12%	280.00 - 289.99%	74.80%
126.00 - 127.99%	32.45%	188.00 - 189.99%	54.56%	290.00 - 299.99%	77.00%
128.00 - 129.99%	34.10%	190.00 - 191.99%	55.00%	300.00 - 309.99%	79.20%
130.00 - 131.99%	35.75%	192.00 - 193.99%	55.44%	310.00 - 319.99%	81.40%
132.00 - 133.99%	37.40%	194.00 - 195.99%	55.88%	320.00 - 329.99%	83.60%
134.00 - 135.99%	39.05%	196.00 - 197.99%	56.32%	330.00 - 339.99%	85.80%
136.00 - 137.99%	40.70%	198.00 - 199.99%	56.76%	340.00 - 349.99%	88.00%
138.00 - 139.99%	42.35%	200.00 - 201.99%	57.20%	350.00 - 359.99%	90.20%
140.00 - 141.99%	44.00%	202.00 - 203.99%	57.64%	360.00 - 369.99%	92.40%
142.00 - 143.99%	44.44%	204.00 - 205.99%	58.08%	370.00 - 379.99%	94.60%
144.00 - 145.99%	44.88%	206.00 - 207.99%	58.52%	380.00 - 389.99%	96.80%
146.00 - 147.99%	45.32%	208.00 - 209.99%	58.96%	390.00 - 399.99%	99.00%
148.00 - 149.99%	45.76%	210.00 - 211.99%	59.40%	≥400.00%	100.00%
150.00 - 151.99%	46.20%	212.00 - 213.99%	59.84%		
152.00 - 153.99%	46.64%	214.00 - 215.99%	60.28%		
154.00 - 155.99%	47.08%	216.00 - 217.99%	60.72%		
156.00 - 157.99%	47.52%	218.00 - 219.99%	61.16%		
158.00 - 159.99%	47.96%	220.00 - 221.99%	61.60%		

10.4 A Year 2 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 2 Claims Loading";
- (b) the reference therein to "1 April 2021" shall read for this purpose of only "1 April 2022"; and
- (c) the amount so calculated shall be discounted by 5%.

Example:

The Base Levy of a Departing Practice (2025/26) is \$25,000.00. In addition, its 5 year claim value under paragraph 10(3)(a) totals \$176,000.00 and its 5 year levy value is \$125,000.00. As a consequence, its loss ratio (being the 5 year claim value divided by its 5 year levy value) is 140.8%

Applying Table 6, the Departing Practice (2025/26) therefore attracts a 44.00% Claims Loading which will be applied as follows:

44.0% of \$25,000, discounted by 5% = \$10,450

10.5 A Year 3 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 3 Claims Loading";
- (b) the reference therein to "1 April 2021" shall read for this purpose of only "1 April 2023"; and
- (c) the amount so calculated shall be discounted by 10.25%.

10.6 A Year 4 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 4 Claims Loading";
- (b) the reference therein to "1 April 2021" shall read for this purpose of only "1 April 2024"; and
- (c) the amount so calculated shall be discounted by 15.75%.

10.7 A Year 5 Claims Loading shall be calculated as set out in paragraph 10.3 save that:

- (a) the reference therein to "Year 1 Claims Loading" shall read for this purpose only "Year 5 Claims Loading";
- (b) the reference therein to "1 April 2021" shall read for this purpose of only "1 April 2025"; and
- (c) the amount so calculated shall be discounted by 21.55%.

## **11. Recalculation of Departing Practice Claims Loading**

- 11.1 Following the final resolution of a Departing Practice (2025/26) Claim (by settlement, judgement or otherwise), if the total amount paid is at least 25% less than the monetary value of the Claim calculated pursuant to paragraph 10 and the difference between those two amounts is also not less than \$50,000.00, then:
- (a) the Departing Practice (2025/26) shall be entitled to a recalculation of any prior Loss Ratio within which the Claim relevantly fell, adopting for the purposes of the calculation the total amount paid for the Claim; and
  - (b) if that recalculation results in a reduction in the Claims Loading that the Departing Practice (2025/26) would otherwise have paid pursuant to paragraph 10; the Departing Practice (2025/26) shall be entitled to a refund equal to the difference between the total actually paid pursuant to paragraph 10 and the amount recalculated pursuant to paragraph 11.1 (a) (excluding, for this purpose, any EMR Discount and any No Claims Discount).
- 11.2 For the purposes of paragraph 11.1, the total amount paid includes, but is not limited to, any judgment sum, settlement sum, Claimant's legal costs and Defence Costs but shall be net of any Excesses or Deterrent Excesses paid by a Departing Practice (2025/26) to Lexon and any third party recoveries received.

## **12. Top Up Coverage**

- 12.1 Where a Law Practice is provided with a Limit of Indemnity above \$2,000,000 pursuant to the terms of the Master Policy, the Law Practice will be required to pay an additional levy as agreed which will form part of that Law Practice's Insurance Levy.

## SCHEDULE 5 – ENHANCED MANAGEMENT REVIEW PROGRAM – 2025-2026

The terms of the Enhanced Management Review (“EMR”) Program are as follows:

### 1. Definitions

*Claim* means:

- a. a demand for or an assertion of a right to compensation or damages, from or against the insured; or
- b. a statement of an intention to seek such compensation or damages against the insured, including an intention to seek such compensation or damages at a future time or contingent upon the happening of a future event; or
- c. ascertainment by the insured of a deficiency in any trust money entrusted to, or held by, the insured in a trust account, only to the extent such deficiency, to Lexon’s reasonable satisfaction, is due to negligence on the part of the insured.

*Consecutive File Reviews* means every two consecutive File Reviews (for the removal of doubt, being the first and second File Reviews, the second and third File Reviews, the third and fourth File Reviews, and so on).

*EMR Discount* means the amount of base levy discount a law practice has received as a result of becoming an EMR Practice in the Relevant Insurance Year.

*EMR Pack* means the following documents available from Lexon:

- a. the EMR Program terms (as set out in this Schedule);
- b. an EMR file review checklist; and
- c. an EMR log.

*EMR Practice* means:

- a. a law practice which has nominated participation in the EMR Program on the professional indemnity insurance questionnaire; or
- b. in the case of a law practice which has an excess of greater than \$30,000 per claim and which has sought to have its file review program approved, where such program has been approved in writing by Lexon to be similar to the terms set out herein.

The law practice commences to be an EMR Practice for the Relevant Insurance Year on 30 June 2025 or the date participation was nominated on the professional indemnity insurance questionnaire or the date of the file review program approval (if applicable); whichever is the latest.

*EMR Program* means the Enhanced Management Review Program as set out in paragraph 2 and 3 of this Schedule.

*EMR Review* means a compliance review undertaken by Lexon, or an authorised delegate of Lexon, of a law practice’s compliance with the EMR Program terms as set out in paragraph 2 and 3 of this Schedule.

*File Review* means in respect of each Relevant File Author:

- a. the completion by a Reviewer;



- b. on or about each Review Date;
- c. of a Lexon File Checklist;
- d. in respect of each of four, randomly chosen, Subject Files of the Relevant File Author.

*Lexon File Checklist* means:

- a. in respect of a paper file based EMR Practice, the EMR File Review Checklist – Paper Practice, from time to time published by Lexon; or
- b. in respect of a paperless electronic file EMR Practice, the EMR File Review Checklist – Paperless Practice, from time to time published by Lexon; or
- c. such other checklist as Lexon may from time to time approve in writing in respect of any particular EMR Practice where that EMR Practice had a review checklist or program in place prior to becoming an EMR Practice.

*Negative Checklist Answer* means the answer “No” (or equivalent), endorsed or otherwise by the Reviewer on any Lexon File Checklist used in a File Review.

*Negative Results* means in respect of any:

- a. File Review; or
- b. Consecutive File Reviews;

three or more Negative Checklist Answers in respect of the Subject Files reviewed, or any one of them.

*Relevant File Author* includes all practising certificate holders, trainee lawyers, paralegals, conveyancing staff, and any other staff member who have day-to-day conduct of files. No practising certificate holder in an EMR Practice, including the managing partner or main legal practitioner director, is excluded.

*Relevant Insurance Year* means 6pm AEST on 30 June 2025 to 6 pm AEST on 30 June 2026 (inclusive).

*Review Date* means:

- a. within two months of 1 July for the Relevant Insurance Year; or
- b. where the Law Practice enters the EMR Program after that date, within the period set out in (c) which next follows such date of entry; and
- c. in either case, the end of each period of two months thereafter (for the avoidance of doubt reviews must be carried out in the periods within the Relevant Insurance Year):
  - July - August
  - September - October
  - November - December
  - January - February
  - March - April
  - May - June.

*Reviewer* means:

- a. In the case of an EMR Practice comprising more than one practising certificate holder, either:
  - i. any other Relevant File Author who is not the Relevant File Author having his or her Subject Files reviewed; or
  - ii. if the EMR Practice has a specific risk management employee, that staff member.

The Reviewer cannot, subject to staffing numbers, be the same person for consecutive reviews unless the EMR Practice has such a specific risk management employee; or

- b. In the case of an EMR Practice comprising only one practising certificate holder ('Sole Practitioner' – whether a sole practitioner or sole legal practitioner director) and other employees who are Relevant File Authors, any other Relevant File Author who is not the Relevant File Author having his or her Subject Files reviewed; or
- c. In the case of an EMR Practice comprising a Sole Practitioner and administrative staff, the administrative staff; or
- d. In the case of an EMR Practice comprising a Sole Practitioner and no other staff, the Sole Practitioner.

*Subject Files* means current or open files where the day-to-day carriage of the file is with the Relevant File Author the subject of the review. These files will be selected randomly from the EMR Practice's file register by an administration employee or if the EMR Practice does not have such an employee, by the Reviewer. In the case of a Sole Practitioner, this will be by the Sole Practitioner.

## **2. EMR Program Terms**

An EMR Practice must, for the Relevant Insurance Year, comply with its undertaking to:

- a. Ensure a Reviewer carries out File Reviews of all Relevant File Authors by the relevant Review Date.
- b. In the case of Negative Results in an EMR Practice comprising more than one practising certificate holder, have the managing partner or main legal practitioner director meet with the Reviewer and the Relevant File Author to determine the cause of the Negative Result and to document a plan to:
  - i. manage any underlying issues giving rise to the Negative Result; and
  - ii. provide the Relevant File Author with more regular file reviews as the EMR Practice thinks fit, but in any case, more regularly than as required by this EMR Program, until the EMR Practice is satisfied that any underlying issue has been managed appropriately; and
  - iii. document the outcome of the plan.
- c. In the case of Negative Results in an EMR Practice comprising a Sole Practitioner, document a plan and file note the outcome to manage any apparent or underlying issues giving rise to the Negative Result which might involve:
  - i. discussing issues with a colleague; or
  - ii. discussing issues with a fellow District Law Association member; or
  - iii. telephoning Solicitor Assist to discuss ways in which any Negative Results might be managed;

or

- iv. telephoning a member of Lexon's risk team to discuss ways in which any Negative Results might be managed.
- d. Maintain an EMR Log in the form provided in the EMR Pack which will record file review activity and any Negative Result plan and collate finalised Lexon File Checklists, all of which are to be kept for at least five years post the Relevant Insurance Year and, if requested to do so, confirm the log completion on any system made available by Lexon.
- e. Store EMR Checklist and Logs as well as a backup of them (whether in paper or electronically) to minimise risk of records being destroyed.

An EMR Practice must, for a period of five years post the Relevant Insurance Year, comply with its undertaking to:

- f. Participate in any EMR Review conducted by or on behalf of Lexon. A refusal to permit Lexon or an authorised delegate of Lexon to audit the EMR Log and related Lexon File Checklists will be deemed to be non-compliance with the EMR Program terms.

### **3. EMR Reviews and Repayment Terms in Case of Non-Compliance**

#### EMR Reviews

Lexon will select, at its absolute discretion, EMR Practices for EMR Reviews to ascertain compliance with the terms of the EMR Program. Without limiting Lexon's discretion, an EMR Review may be conducted:

- a. if an EMR Practice notifies Lexon of a Claim (or circumstance) and the date of Claim (or circumstance) event falls within the Relevant Insurance Year; or
- b. if an EMR Practice has failed an EMR Review relating to another insurance year in which it participated in an EMR program; or
- c. randomly.

An EMR Practice shall not undergo more than one EMR Review in relation to the Relevant Insurance Year.

An EMR Review for the Relevant Insurance Year can be conducted at any time within five years of the completion of the Relevant Insurance Year.

#### Repayment Terms For Non- Compliance

Where it is determined via an EMR Review or otherwise that an EMR Practice has not complied with the EMR Program terms for the Relevant Insurance Year or any other insurance year, then the EMR Practice shall, upon demand by QLS, repay to the QLS any EMR Discount received by the EMR Practice for such years in which non-compliance has occurred plus, upon demand by QLS, an administrative charge of 10% of the repayment sum.

A refusal to permit Lexon or the authorised delegate of Lexon to audit the EMR Log and related Lexon File Checklists will be deemed to be non-compliance with the EMR Program terms.

**History**

- 1 The *Queensland Law Society Indemnity Rule* was originally made by the Council of the Queensland Law Society at its meeting on 26 May 2005.
- 2 It was amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2005* which was approved by the Executive Committee of the Council of the Queensland Law Society at its meeting on 25 August 2005.
- 3 It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2006* which was approved by the Council of the Queensland Law Society by Flying Minute on 23 February 2006.
- 4 It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2006* which was approved by the Council of the Queensland Law Society at its meeting of 31 March 2006.
- 5 It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* which was approved by the Council of the Queensland Law Society by Flying Minute on 9 May 2006.
- 6 It was further amended by the Flying Minute of the Executive Committee of the Council of the Queensland Law Society on 10 May 2006.
- 7 It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 4) 2006* which was approved by the Council of the Queensland Law Society by Flying Minute on 18 May 2006.
- 8 It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 5) 2006* which was approved by the Council of the Queensland Law Society at its meeting of 2 June 2006.
- 9 It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2007* which was approved by the Council of the Queensland Law Society by way of Flying Minute on 26 February 2007.
10. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007* which was approved by the Council of the Queensland Law Society on 21 June 2007.
11. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008* which was approved by the Council of the Queensland Law society on 18 June 2008.
12. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009* which was approved by the Council of the Queensland Law society on 30 June 2009.
13. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2010* which was approved by the Council of the Queensland Law Society on 25 March 2010.
14. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010* which was approved by the Council of the Queensland Law Society on 25 June 2010.

15. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011* which was approved by the Council of the Queensland Law Society on 27 May 2011.
16. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2011* which was approved by the Council of the Queensland Law Society on 27 June 2011.
17. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012* which was approved by the Council of the Queensland Law Society on 8 May 2012.
18. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2012* which was approved by the Council of the Queensland Law Society on 28 June 2012.
19. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013* which was approved by the Council of the Queensland Law Society on 23 April 2013.
20. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014* which was approved by the Council of the Queensland Law Society on 24 April 2014.
21. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2015* which was approved by the Council of the Queensland Law Society on 17 June 2015.
22. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016* which was approved by the Council of the Queensland Law Society on 21 April 2016.
23. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017* which was approved by the Council of the Queensland Law Society on 27 April 2017.
24. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2017* which was approved by the Council of the Queensland Law Society on 26 October 2017.
25. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018* which was approved by the Council of the Queensland Law Society on 26 April 2018.
26. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2019* which was approved by the Council of the Queensland Law Society on 28 March 2019.
27. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019* which was approved by the Council of the Queensland Law Society on 29 April 2019.
28. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020* which was approved by the Council of the Queensland Law Society on 27 April 2020.
29. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 2) 2020* which was approved by the Council of the Queensland Law Society by Flying Minute on 8 June 2020, effective 1 July 2020.
30. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021* which was approved by the Council of the Queensland Law Society on 22 April 2021.
31. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022* which was approved by the Council of the Queensland Law Society on 27 April 2022.
32. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023* which was approved by the Council of the Queensland Law Society on 27 April 2023.

33. It was further amended by the *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024* which was approved by the Council of the Queensland Law Society on 24 April 2024.

## **List of Annotations**

### **Queensland Law Society Indemnity Rule 2005**

Subheading to Title of Rule amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2005*.

Subheading to Title of Rule amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

### **Table of contents**

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.

## **Citation**

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

## **Commencement**

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

## **Purpose**

Rule 3 amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Replaced by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Replaced by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 3(d) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Rule 3 amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Rules 3(f) and (g) added by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Rule 3(a) and (e) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rule 3(g) renumbered as rule 3(i) by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rules 3(g) and (h) added by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rule 3(i) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

## **Interpretation**

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

## **Definitions**

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

## **Master policy**

Rule 6 - amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

- amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.



## Coverage under Master Policy

Rule 7 - amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

- replaced by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2015*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.
- renumbering by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2017*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.
- Rule 7A - inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.
- omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.
- amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.

## Heading to Part 3

Heading to Part 3 amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

## Application

Rule 8 replaced by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 8 - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 8(1) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Rule 8(2)(a) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Note - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Rule 8(2)(c) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Rule 8(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rule 8(1)(c) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rule 8(2) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

### **Professional indemnity insurance required**

Rule 9(1)(b)(ii) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2006*.

Rule 9(1)(c)(i) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 9(1)(c)(iii) deleted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 9(1)(d) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 9(1)(d) renumbered as r9(1)(e) by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 9(2) deleted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 9 replaced by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 9 amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 9(b) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Rule 9(c) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Rule 9(b) amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Rules 9(b) – (d) renumbered as rules 9(c) – (e) by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rule 9(b) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rule 9(f) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

### **Insurance Levy**

Rule 10 heading amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 10(1) renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2006*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 10(1), (1)(a) & (1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Rule 10 (1)(a) & (1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Rules 10(1)(a) & (1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Rules 10(1)(a) & (1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

Rules 10(1)(a) & (1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014*.

Rules 10(1)(a) & (1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

Rules 10(1)(a) & (1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*. Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2012* by adding the "Note".

Rule 10(2) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2006*.

Rule 10(2) renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 10(2) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 10(2) deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 10(2), (2)(g) & (2)(h) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Rule 10(2)(i) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Rule 10(2)(j) and (k) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

Rule 10(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 10(3)(c) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 10(3)(g) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 10(3) was deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2007* and a new rule 10(3) inserted.

Rule 10(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 10(3)(f) & (g) deleted and replaced with rule 10(3)(f), (g) & (h) by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 10(4) was inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2007*.

Rule 10(4) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Rule 10(5) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Subrules 10(3),(4) and (5) re-numbered as subrules (2), (3) and (4) respectively by *Queensland Law Society Indemnity Amendment Rule (No.1) 2008*.

Subrules 10(1),(2), (3) and (4) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Subrule 10(5) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Subrule 10(6) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2012*.

Subrule 10(6) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

Subrules 10(1) and (2) amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Subrules 10(1)(a) and (b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Subrule 10(4) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Subrule 10(5) and (6) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

**Rule 10(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*. Claims paid loading**

Rule 11 renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 11(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 11(2) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 11(2) amended by *Queensland Law Society Indemnity Amendment Rule (No. 4) 2006*.

Final paragraph of r11 renumbered as r11(3) by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 11(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 11 amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007* and moved to paragraph 7 of the Schedule 2.

### **Penalty levy**

Rule 12 amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 12(d) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 12 was re-number to rule 11 and was amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 11 as re-numbered, was amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 11(1)(d) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

### **Payment of Penalty levies**

Rule 13 was re-number to rule 12 and was amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

### **Interest on outstanding amounts**

Rule 14 was re-number to rule 13 and was amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 13, as re-numbered, was amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

### **Default by Insured Solicitor**

Rule 15 deleted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 15(6) was amended by *Queensland Law Society Indemnity Amendment Rule (No. 5) 2006*.

Heading to part 5 – Claims committee

Heading to Part 5 amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 16 amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* and renumbered as r15.

Rule 15(5) amended by resolution of Executive Committee of Council on 10 May 2006.

Rule 15 was re-number to rule 14 and was amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

### **Panel of Senior Solicitors**

Rule 14(2)(a) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 14(7) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 14(2)(a)(ii) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Rules 14(2), (3), (4), (6) & (7) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Rules 14(2) was amended by, and new subrules (3) and (4) inserted by, and subrules (3), (4), (5), (6) and (7) renumber as subrules (5), (6), (7), (8) and (9) by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2012*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Rule14(1) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Rule 14(5) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Rule 14(9)(c) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

### **Heading of Part 6 – Former Legal Practitioners**

Heading to Part 6 amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

### **Former Insureds**

Rule 17 amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* and renumbered as r16.

Rule 16 was re-numbered to rule 15 and was amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 15 was amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 15(3) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Heading to Rule 15 & Rules 15(1) and (2) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Rule 15(2) amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Rule 15(2) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

## Exemption

Rule 18(1) renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2006*.

Rule 18(1)(e), r18(1)(f), r18(1)(g) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2006*.

Rules 18(1)(b) and r18(1)(h) deleted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 18(1)(c) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* and renumber as r18(1)(b).

Rule 18(1)(d) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* and renumber as r18(1)(c).

Rule 18(1)(e) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* and renumber as r18(1)(d).

Rule 18(1)(f) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* and renumber as r18(1)(e).

Rule 18(1)(g) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* and renumber as r18(1)(f).

Rule 18 renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* as r17.

Rule 17 was re-number to rule 16 and was amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 16(1)(a) was amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

Rule 16(1)(b) was amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Rule 16(1)(c) was inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008* and subrules 16(1)(c) and (d) renumbered as 16(1)(d) and (e).

Rule 16(1)(e) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2017*.

Rule 16(2) was amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Subrules 16(1)(a), (b) and (e) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Rule 16 amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Subrule 16(3) inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Subrules 16(1) and (2) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Subrule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Subrule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

Subrule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

Subrule 16(1)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2019*.

Subrule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*.

Subrule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

Rule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Rule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

Rule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Rule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

Rule 16(3) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.

## **Law Claims Levy Fund**

Rule 19(2)(b) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 19(2)(c) deleted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 19(2)(d) renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* as r19(2)(c).

Rule 19(2)(e) renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* as r19(2)(d).

Rule 19(7) amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Rule 19 renumbered by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006* as r18.

Rule 18 was re-number to rule 17 and was amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Rule 17 was amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Subrule 17(3)(a)(v), Example (b) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Subrule 17(4)(f) - amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Rule 17(2)(b), (3)(c)(ii) and (3)(f)(i) amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Rule 17(3)(d) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Rules 17(3)(a)(iv) and (v) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Rule 17 amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Rules 17(3)(d) and (e) and rule 17(6) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.



Subrule 17(3)(iv) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2019*.

Rule 17(3)(iv)E amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Rule 17(7) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Rule 17(3)(a)(v) amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

## **Schedule 1 – dictionary**

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2006*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2006*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Act” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Applied GFI” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Applied GFI” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Associate” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Base Levy” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Base Levy” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Capital Contribution Levy” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Capital Contribution Levy” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Capital Contribution Levy” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

Definition of “Certificate of Insurance” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Certificate of Insurance” omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “Claim” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Claim” amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Claims Loading” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Claims Loading” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Claims Loading” amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Conveyancing Protocol” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Definition of “Conveyancing Protocol” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Conveyancing Protocol” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “Conveyancing Protocol” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Conveyancing Protocol” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Definition of “the Claims Manager” amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Definition of “the Claims Manager” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Criminal Law” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

Definition of “Defence Costs” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Departing Practice (2015/2016)” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Departing Practice (2016/2017)” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Departing Practice 2015/2016) deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

Definition of “Departing Practice 2017/2018) inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

Definition of “Departing Practice 2023/24” deleted and “Departing Practice 2025/2026” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.

Definition of “Departing Practice Claims Loading Levy” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Deterrent Excess” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Employee” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “EMR Discount” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “EMR Practice” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “EMR Program” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Excess” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “former practitioner” amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Definition of “former practitioner” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “former practitioner” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “former legal practitioner” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Definition of “Former Insured” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Former Insured” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2012*.

Definition of “Former Insured” amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Former Insured” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Fund” amended by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Gross Fee Income” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Gross Fee Income” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “incorporated legal practice” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Incorporated Legal Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “Incorporated Legal Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Definition of “Incorporated Legal Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Incorporated Legal Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Insurance levy” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Insured solicitor” amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Definition of “Insured solicitor” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Insured Solicitor” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “Insured Solicitor” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Definition of “Interstate Law Practice” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

Definition of “Law Firm” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Definition of “Law Firm” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Law Firm” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2015*.

Definition of “Law Firm” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Law Practice” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Legal Services Commissioner” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “Lexon” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “Loss Ratio” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “Loss Ratio” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Definition of “Master Policy” deleted by *Queensland Law Society Indemnity Amendment Rule (No.2)* 2007.

Definition of “Master Policy” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2010.

Definition of “Multi-disciplinary partnership” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2007.

Definition of “Multi-disciplinary Partnership” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2008.

Definition of “Multi-disciplinary Partnership” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2009.

Definition of “Multi-disciplinary Partnership” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2016.

Definition of “National Firm” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2007.

Definition of “National Incorporated Legal Practice” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3)* 2006.

Definition of “National Incorporated Legal Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2007.

Definition of “National Incorporated Legal Practice” omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2009.

Definition of “National Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No.1)* 2009.

Definition of “No Claims Discount” amended by *Queensland Law Society Indemnity Amendment Rule (No.1)* 2025.

Definition of “Paralegal” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3)* 2006.

Definition of “Primary Layer Insurance” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2010.

Definition of “Primary Layer Insurance” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2012.

Definition of “Primary Layer Insurance” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2016.

Definition of “Principal” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2009.

Definition of “Principal” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1)* 2016.

Definition of “Prior practice” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2)* 2007.

Definition of “Prior Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “Prior Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2011*.

Definition of “Prior Law Practice” replaced by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Definition of “Prior Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2012* by the insertion of new subparagraph (3).

Definition of “Prior Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Prior Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

Definition of “Prior Law Practice” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2020*, effective 1 July 2020.

Definition of “QLS” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Definition of “QLS” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Relevant Time” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

Definition of “Senior Solicitor” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “the Fund” amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Definition of “the Fund” amended by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2007*.

Definition of “the Insurer” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Definition of “the Insurer” deleted by *Queensland Law Society Indemnity Amendment Rule (No.2) 2007*.

Definition of “resident” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Definition of “Rule” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Scheme” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “secretary of the QLS” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2010*.

Definition of “secretary of the QLS” omitted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Definition of “the Scheme” deleted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

Definition of “Criminal Law” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

Definition of “Departing Practice (2016/2017)” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

Definition of “Departing Practice (2018/2019)” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

Definition of “Departing Practice (2017/18)” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*.

Definition of “Departing Practice (2019/2020)” inserted by *Queensland Law Society Indemnity Amendment Rule (No.2) 2019*.

Definition of “Departing Practice (2018/2019)” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*

Definition of “Departing Practice (2020/2021)” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

Definition of “Departing Practice (2019/2020)” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Definition of “Departing Practice (2021/2022)” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Definition of “Insured Solicitor” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Definition of “Departing Practice (2021/2021)” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

Definition of “Departing Practice (2022/2023)” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

Definition of “Departing Practice (2021/2022)” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Definition of “Departing Practice (2023/2024)” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Definition of “Departing Practice (2022/2023)” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

Definition of “Departing Practice (2024/2025)” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

Definition of “No Claims Discount” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

## **Schedule 2 – Master Policy**

Schedule 2 – Master Policy - deleted by *Queensland Law Society Indemnity Amendment Rule (No.2) 2007*.

Schedule 2 – “Insurance Levy Calculation – 2006-2007” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

Schedule 2 – “Insurance Levy Calculation – 2007-2008” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

Schedule 2 – “Insurance Levy Calculation – 2008-2009” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010* and Schedule 3 – “Insurance Levy Calculation – 2009-2010” renumbered as Schedule 2.

Schedule 2 – “Insurance Levy Calculation – 2009-2010” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011* and Schedule 3 – “Insurance Levy Calculation – 2010-2011” renumbered as Schedule 2.

Schedule 2 – “Insurance Levy Calculation – 2010-2011” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012* and Schedule 4 – “Insurance Levy Calculation – 2011-2012” renumbered as Schedule 2.

Schedule 2 – “Insurance Levy Calculation – 2011-2012” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013* and Schedule 4 – “Insurance Levy Calculation – 2012-2013” renumbered as Schedule 2.

Schedule 2 – “Insurance Levy Calculation – 2012-2013” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014* and Schedule 4 – “Insurance Levy Calculation – 2013-2014” renumbered as Schedule 2.

Schedule 2 – “Insurance Levy Calculation 2013-2014” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2015* and Schedule 4 – “Insurance Levy Calculation 2014-2015” renumbered as Schedule 2.

Schedule 2 “Insurance Levy Calculation 2014-2015” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016* and Schedule 4 – “Insurance Levy Calculation 2015-2016” renumbered as Schedule 2.

Schedule 2 “Insurance Levy Calculation 2015-2016” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017* and Schedule 4 – “Insurance Levy Calculation 2016-2017” renumbered as Schedule 2.

Schedule 2 - “Insurance Levy Calculation 2016-2017” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017* and Schedule 4 “Insurance Levy Calculation 2017-2018” renumbered as Schedule 2.

Schedule 2 – “Insurance Levy Calculation 2017-2018” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019* and Schedule 4 “Insurance Levy Calculation Model 2018-2019” renumbered as Schedule 2.

Schedule 2 – “Insurance Levy Calculation 2018-2019” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020* and Schedule 4 “Insurance Levy Calculation Model 2019-2020” renumbered as Schedule 2.

Paragraphs 2.7 and 2.8 amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

Paragraph 8.1 amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.



Schedule 2 – “Insurance Levy Calculation 2019-2020” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021* and Schedule 4 “Insurance Levy Calculation Model 2020-2021” renumbered as Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Paragraphs 2.7 and 2.8 amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Schedule 2 – “Insurance Levy Calculation 2020-2021” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022* and Schedule 4 “Insurance Levy Calculation 2021-2022” renumbered as Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

Paragraphs 2.7, 2.8 and 8.1 amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

Schedule 2 – “Insurance Levy Calculation 2021-2022” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023* and Schedule 4 “Insurance Levy Calculation 2022-2023” renumbered as Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Paragraphs 2.7, 2.8 and 8.1 amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Schedule 2 – “Insurance Levy Calculation 2022-2023” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024* and Schedule 4 “Insurance Levy Calculation 2023-2024” renumbered as Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

Paragraphs 2.7, 2.8 and 8.1 amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

Schedule 2 – “Insurance Levy Calculation 2023-2024” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025* and Schedule 4 “Insurance Levy Calculation 2024-2025” renumbered as Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.

### **Schedule 3 – premium calculation**

Heading of schedule 3 amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Heading of cl 1 amended by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Schedule 3 – “Insurance Levy Calculation – 2005-2006” – deleted by *Queensland Law Society Indemnity Amendment Rule (No.2) 2007*.

New Schedule 3 – “Insurance Levy Calculation – 2007-2008” – inserted by *Queensland Law Society Indemnity Amendment Rule (No.2) 2007*.

Schedule 3 – “Insurance Levy Calculation – 2007-2008” moved to Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

New Schedule 3 – “Insurance Levy Calculation – 2008-2009” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2008*.

New Schedule 3 – “Insurance Levy Calculation – 2009-2010” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2009*.

New Schedule 3 – “Insurance Levy Calculation – 2010-2011” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Schedule 3 – “Insurance Levy Calculation – 2010-2011” moved to Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Schedule 3 – “Enhanced Management Review Program – 2010-2011” omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

Schedule 3 – “Enhanced Management Review Program – 2011-2012” omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013* and Schedule 5 – “Enhanced Management Review Program – 2012-2013” renumbered as Schedule 3.

Schedule 3 – “Enhanced Management Review Program – 2012-2013” omitted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014* and Schedule 5 – “Enhanced Management Review Program – 2013-2014” renumbered as Schedule 3.

Schedule 3 – “Enhanced Management Review Program – 2013-2014” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2015* and Schedule 5 – “Enhanced Management Review Program – 2014-2015” renumbered as Schedule 3.

Schedule 3 – “Enhanced Management Review Program 2014-2015” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016* and Schedule 5 – “Enhanced Management Review Program – 2015-2016” renumbered as Schedule 3.

Schedule 3 – “Enhanced Management Review Program 2015-2016” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017* and Schedule 5 “Enhanced Management Review Program 2016-2017” renumbered as Schedule 3.

Schedule 3 – “Enhanced Management Review Program 2016-2017” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018* and Schedule 5 “Enhanced Management Review Program 2017-2018” renumbered as Schedule 3.

Schedule 3 – “Enhanced Management Review Program 2017-2018” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019* and Schedule 5 “Enhanced Management Review Program 2018-2019” renumbered as Schedule 3.

Schedule 3 – “Enhanced Management Review Program – 2018-2019” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020* and Schedule 5 “Enhanced Management Review Program 2019-2020” renumbered as Schedule 3.

Definition of “Review Date” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

Schedule 3 – “Enhanced Management Review Program – 2019-2020 deleted and Schedule 5 – “Enhanced Management Review Program 2020-2021” renumbered as Schedule 3 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Definition of “Review Date” amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

Schedule 3 – “Enhanced Management Review Program 2020-2021” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022i* and Schedule 5 – “Enhanced Management Review Program 2021-2022 renumbered as Schedule 3 by *Queensland Law Society Indemnity Amendment Rule \*(No. 1) 2022*.

Schedule 3 – “Enhanced Management Review Program 2021-2022” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023* and Schedule 5 – “Enhanced Management Review Program 2022-2023” renumbered as Schedule 3 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

Schedule 3 – “Enhanced Management Review Program 2022-2023” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024* and Schedule 5 – “Enhanced Management Review Program 2023-2024” renumbered as Schedule 3 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

Schedule 3 – “Enhanced Management Review Program 2023-2024” deleted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025* and Schedule 5 – “Enhanced Management Review Program 2024-2025” renumbered as Schedule 3 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.

#### **Schedule 4 – Insurance Levy calculation**

Schedule 4 inserted by *Queensland Law Society Indemnity Amendment Rule (No. 3) 2006*.

Paragraph 3 of sch 4 was amended by *Queensland Law Society Indemnity Amendment Rule (No. 4) 2006*.

Paragraph 6 of sch 4 was amended by *Queensland Law Society Indemnity Amendment Rule (No. 5) 2006*.

Schedule 4 – “Insurance Levy Calculation – 2006-2007” – re-numbered as Schedule 2 by *Queensland Law Society Indemnity Amendment Rule (No.2) 2007*.

New Schedule 4 – Enhanced Management Review Program – 2010-2011 – inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2010*.

Schedule 4 – Enhanced Management Review Program – 2010-2011 – re-number to Schedule 3 by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

New Schedule 4 – “Insurance Levy Calculation – 2011-2012” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Schedule 4 – “Insurance Levy Calculation – 2011-2012” re-numbered to Schedule 2 and amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

New Schedule 4 – “Insurance Levy Calculation – 2012-2013” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

New Schedule 4 – “Insurance Levy Calculation – 2013-2014” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

New Schedule 4 – “Insurance Levy Calculation – 2014-2015” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014*.

New Schedule 4 – “Insurance Levy Calculation – 2015-2016” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

New Schedule 4 – “Insurance Levy Calculation – 2016-2017” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

New Schedule 4 – “Insurance Levy Calculation – 2017-2018” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

New Schedule 4 – “Insurance Levy Calculation 2018-2019” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

New Schedule 4 – “Insurance Levy Calculation 2019-2020” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*.

New Schedule 4 – “Insurance Levy Calculation – 2020-2021” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

New Schedule 4 – “Insurance Levy Calculation 2021-2022” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

New Schedule 4 – “Insurance Levy Calculation 2022-2023” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

New Schedule 4 – “Insurance Levy Calculation 2023-2024” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

New Schedule 4 – “Insurance Levy Calculation 2024-2025” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

New Schedule 4 – “Insurance Levy Calculation 2025-2026” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.

## **Schedule 5 – Enhanced Management Review Program**

New Schedule 5 – Enhanced Management Review Program – 2011-2012 – inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2011*.

Schedule 5 – Enhanced Management Review Program – 2011-2012 – re-numbered as Schedule 3 and amended by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

New Schedule 5 – Enhanced Management Review Program – 2012-2013 – inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2012*.

New Schedule 5 – “Enhanced Management Review Program – 2013-2014” – inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2013*.

New Schedule 5 – “Enhanced Management Review Program – 2014-2015” – inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2014*.

New Schedule 5 – “Enhanced Management Review Program – 2015-2016” inserted by *Queensland Law Society Indemnity Amendment Rule (No.1) 2015*.

New Schedule 5 – “Enhanced Management Review Program – 2016-2017” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2016*.

New Schedule 5 – “Enhanced Management Review Program – 2017-2018” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2017*.

New Schedule 5 – “Enhanced Management Review Program 2018-2019” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2018*.

New Schedule 5 – “Enhanced Management Review Program 2019-2020” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 2) 2019*.

New Schedule 5 – “Enhanced Management Review Program 2020-2021” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2020*.

New Schedule 5- “Enhanced Management Review Program – 2021-2022” inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2021*.

New Schedule 5 “Enhanced Management Review Program 2022-2023 inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2022*.

New Schedule 5 “Enhanced Management Review Program 2023-2024 inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2023*.

New Schedule 5 “Enhanced Management Review Program 2024-2025 inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2024*.

New Schedule 5 “Enhanced Management Review Program 2025-2026 inserted by *Queensland Law Society Indemnity Amendment Rule (No. 1) 2025*.