About Liability Insurance

Liability insurance policies are wide and varied; each developed to cover certain risks and specific liabilities. Some common types of liability policies are listed alphabetically as follows.

Cyber Liability	Cyber Risks, Data Breach, Privacy, Reporting to Authorities
Director's & Officer's	Civil Liability for a Wrongful Act
Employment Practices	Wrongful Dismissal, Sexual Harassment, Discrimination
Malpractice	Medical Malpractice and Treatment Risks
Management Liability	A Packaged Policy covering Management Related Liabilities
Professional Indemnity	Civil Liability for Breach of Professional Duty
Public & Products Liability	Liability For Third Party Property Damage and/or Bodily Injury
Statutory Liability	Defence costs for Breach of Statute

As an absolute minimum, every business should have a **Public & Products Liability** policy. If, however, you give professional advice to your customers for a fee then you should also have a **Professional indemnity** policy.

You may also consider a **Management Liability** policy to cover business management and employee related risks including director's and officer's liability for wrongful acts, company and employment practices liabilities and other related covers.

Every business has a computer system of critical importance to the business which may also store sensitive business and client data for which **Cyber Insurance** is a 'must have'.

For obvious occupations and businesses, **Malpractice Insurance** for a medical practitioner (such as a GP) and **Entity Malpractice** (for a Medical Centre/Practice entity) is an absolute necessity.

Most businesses are subject to legislative requirements and regulations. A **Statutory Liability** policy may, under certain circumstances, cover the costs of defending statutory breaches and where the law allows it, pay fines and penalties, though the latter is becoming less likely due to legislative controls.

Limit of Indemnity

Liability policies have a Limit of Indemnity (the limit of cover provided) rather than a Sum Insured. The limit of indemnity is the maximum amount the insurer will pay in respect of any one claim, and often in the aggregate for all claims, unless the policy includes a reinstatement of the Limit of Indemnity.

Business Occupation & Activities

Liability policies are issued with respect to an occupation, trade, business or profession. If the occupation, trade, business or profession changes, the insurer must be advised otherwise a claim may be declined.

For example, a plumber is covered for plumbing activities. If the plumber starts providing electrical services and does not tell the insurer, cover will not apply for any liability arising out of the electrical services.

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Claims Made and Notified Policies

Under the Claims Conditions of many liability policies you must as soon as reasonably practicable and before the expiry date of the policy notify the insurer about any claims. A claim means (but is not limited to) a claim or potential claim against you, or facts, matters or circumstances that could give rise to a future claim, investigations or inquiries, and any other matter that may be the subject of indemnity under the policy. If you fail to notify the insurer about a claim that you know about, or could reasonably be expected to know about before the expiry date and then after the expiry date you lodge a claim on your policy the insurer will deny your claim and refuse indemnity. Contact us to facilitate reporting a claim to the Insurer.

Who is Insured under a Policy?

Generally, it is only those persons or entities named as The Insured on the policy who are covered. Employees are part of "The Insured". Cover applies for third party property damage or bodily injury caused by an employee but not to an employee.

Contractors/Sub-Contractors

Most policies will cover your liability that you incur from the actions of contractors or sub-contractors that you engage to perform work for your business. However, most policies **will not cover the contractors or sub-contractors'** own liability. They must have their own liability policies in place, just like you.

Labour Hire Personnel?

Before you allow any labour hire personnel to conduct work on your behalf, forward the labour hire agreement to us to determine if there are any specific requirements with regard to liability (and workers compensation) insurance. You need to be sure you are covered for liability they may incur working for you and the labour hire agreement may stipulate that your policy must include such cover.

Contractual Liability

Contracts often contain clauses such as **hold harmless** agreements and **waivers of subrogation** or impose **warranties**, **indemnities** and other **contractual conditions** upon you; any of which may adversely affect your policy coverage. Liabilities that are assumed under a contract often fall outside the scope of policy coverage or are specifically excluded as per contractual liability exclusions found in liability policies. Email your contracts to us to review.

Common Exclusions in Public & Products Liability and Other Policies

Some common exclusions are about

- aircraft, aircraft parts, air-side activities
- working at high-risk locations and performing high-risk activities
- asbestos
- damage to products, product guarantee, product recall
- design, formula and/or specification
- faulty workmanship, loss of use
- pollutants, pollution
- watercraft

Bespoke liability policies are (usually) available to address these standard policy exclusions. All types of liability policies have their own particular covers, terms, conditions and exclusions.

No Liability policy covers everything

Liability policies are designed to cover particular liabilities that are specified in the policy. There are exclusions in each policy. No insurance policy of any type covers everything. Always read the policy to see what is covered and what is excluded. Talk to us so that together we can determine which types of liability policies you should have in place.