

BUSINESS PROTECTION MANAGEMENT LIABILITY INSURANCE



Product overview

Any business can experience unwelcome surprises that can leave you and your staff exposed to personal liability or expensive litigation costs.

Managing business risks is critical to the overall performance of a business. Most companies insure the tangible exposures of property damage and bodily injury but neglect to insure against economic loss. Any business can experience 'unwelcome surprises' that could potentially threaten their financial position leaving their managers and owners exposed to personal liability and the business under financial stress.

How would your business survive if faced with thousands of dollars in legal expenses, a hefty fine from an industry authority or being sued by an employee for unfair work practices?

Given the potential severity of these types of claims, it's worth considering Management Liability insurance as part of your risk mitigation strategy.

Flexibility and choice

You have the option to select the protection that your business requires from the 4 available coverage parts.

You can select a single aggregate limit across all coverage parts or you can give each selected coverage part a dedicated limit from \$250,000 (subject to purchasing a minimum of 2 coverage parts).

Coverage parts available

1. Directors & Officers Liability / Company Reimbursement
2. Employment Practices Liability
3. Statutory Liability
4. Company Liability (including Breach of Contract Defence costs, Copyright Defence Costs, Crime Loss, Identity Fraud, Internet Liability & Tax Audit Costs)

Directors and officers liability/company reimbursement

Provides protection for any claim alleging a wrongful act (for example misrepresentation, negligence and breach of duty) by a director or officer. Reimburses the Company for indemnification of directors and officers where permitted or required by law.

Employment practices liability

Provides cover for claims alleging an employment breach such as bullying, discrimination, harassment or wrongful dismissal.

Statutory liability

Provides cover for any formal investigation by a regulatory, governmental, professional or other authorised institution.

Coverage includes defence costs and any resulting statutory fine (subject to policy terms).

Company liability

Provides cover for the Company for the costs incurred in defending and settling third party claims. Automatically extended to provide cover for Breach of Contract Defence Costs, Copyright Defence Costs, Crime Loss, Identity Fraud, Internet Liability and Tax Audit Costs. There is also a Cyber Cover optional extension.

See how businesses just like yours can avoid unwelcome surprises with Business Protection Management Liability cover from CGU.

DIRECTORS AND OFFICERS LIABILITY

CASE 1	<ul style="list-style-type: none">A manager at a business software company (Company A) left the company to head up a similar rival software company (Company B). When Company B started to win significant market share in this area of software sales, Company A made a claim against the CEO alleging theft of trade secrets and confidential information.
RESULT	<ul style="list-style-type: none">Total settlement and defence costs for the defendant exceeded \$180,000.
SOLUTION	<ul style="list-style-type: none">CGU's Business Protection Management Liability policy provides Directors and Officers Liability cover for situations like these up to your selected limit of indemnity.

STATUTORY LIABILITY

CASE 2	<ul style="list-style-type: none">A building apprentice was seriously hurt while assisting on a worksite. The small building business was subject to a full Work Health Safety investigation.
RESULT	<ul style="list-style-type: none">A \$25,000 fine and \$80,000 incurred in defence costs.
CASE 3	<ul style="list-style-type: none">An importer and small gift retailer was investigated and found guilty of selling certain products without the required safety labels attached.
RESULT	<ul style="list-style-type: none">They were fined \$15,000.
SOLUTION	<ul style="list-style-type: none">Statutory Liability cover as part of your Business Protection Management Liability policy provides cover for fines and penalties for unintentional breaches of statutes like these up to the selected limit of indemnity.

EMPLOYMENT PRACTICE LIABILITY

CASE 4	<ul style="list-style-type: none">A female employee at a small accounting firm claimed that her manager had sexually harassed her at a work function. It was further alleged by her that she was labelled as a trouble maker after she made a formal complaint about the harassment. She then proceeded to make a formal claim against the firm and her manager.
RESULT	<ul style="list-style-type: none">The firm settled her claim for \$45,000.
CASE 5	<ul style="list-style-type: none">A small retail chain was forced to make some redundancies due to a downturn in retail figures. Whilst all appropriate procedures were followed in regards to these redundancies, 3 employees felt they were being discriminated against due to their mature age. The 3 employees made a claim against the company for discrimination.
RESULT	<ul style="list-style-type: none">The company settled the claim with each employee being awarded \$20,000 in compensation, totalling \$60,000.
SOLUTION	<ul style="list-style-type: none">CGU's Business Protection Management Liability can provide cover for employment practice claims like these up to the selected limit of indemnity.

COMPANY LIABILITY

CASE 6	<ul style="list-style-type: none">A local cafe was sued by a competitor for misleading advertising which was alleged to have caused a considerable downturn in business for its competitor.
RESULT	<ul style="list-style-type: none">Whilst the insured successfully defended the allegations, defence costs totalled \$30,000.

CRIME LOSS

CASE 7	<ul style="list-style-type: none">One of an insured's employees misappropriated funds belonging to the insured during the period from 25 August 2012 to 4 March 2013. The fraud was committed by the employee falsifying 88 invoices purporting to be from the insured's suppliers and then diverting the funds to the employee's own account. In May 2013 the employee went on leave and the insured then discovered a transaction which appeared to have been paid from the wrong bank account. This then led to the investigation which uncovered the size of the fraud.
RESULT	<ul style="list-style-type: none">The employee stole funds totalling about \$246,000.
SOLUTION	<ul style="list-style-type: none">In the Company Liability coverage part of your Business Protection Management Liability policy, cover is provided for such Crime Losses up to the sub-limit specified in the Policy.

About us

CGU has the knowledge and expertise to offer a comprehensive range of commercial insurance for a variety of business types and sizes.

With policies across business, property, liability, workers compensation, farm insurance and professional risks, we ensure business owners have the confidence to grow their business.

For over 27 years CGU has been one of Australia's leading professional risks insurer. Currently CGU Professional Risks insures approximately 42,000 Australian businesses or individuals and over the past 27 years we have:

- underwritten over \$1.5 billion in premium; and
- managed over 42,000 claims for our policy holders.

Looking for more information?

For further information on CGU's Business Protection Management Liability Insurance Policy, please visit: www.cgu.com.au



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