

# Management Liability

Did you know that there are 2.78 million companies registered in Australia.<sup>1</sup> Yet, according to statistics released by APRA, very few of these companies seem to buy Management Liability insurance.<sup>2</sup> But there is no reason why these uninsured exposures should remain that way.

Management Liability insurance covers certain risks arising from the actions and decisions of directors, officers and managers, which arise from the running of a business. These actions and decisions could include improper conduct such as sexual harassment, unfair dismissal or defamation. Australian SMEs can not afford to ignore the legal and regulatory risks of their operations. Fines from various government or industry regulatory bodies can reach hundreds of thousands, or even millions of dollars for very serious breaches. In addition, the cost of defending litigation can cripple otherwise healthy and profitable businesses.

ProRisk's Management Liability Policy is specifically designed to cover the management exposures of a small to medium sized private company or co-operative. When you think about the risks of doing business in Australia or New Zealand, Management Liability Insurance should be a must buy.

## Suitability

Management Liability is suitable for organisations with:



Up to **\$25m turnover**



Up to **500 employees**



Who are domiciled in **Aus or NZ**

## Risks of doing business in Australia or New Zealand are highlighted by:



**28,000**  
workplace disputes  
per annum<sup>3</sup>



Total value of all fraud cases<sup>4</sup>  
**\$482,059,228**  
Average value  
**\$3,110,060**

## Coverage Includes:

- Insured person liability
- Company reimbursement liability
- Entity liability
- Employment practices liability
- Superannuation fund trustee liability
- Comprehensive crime cover
- Tax audit cover
- Statutory liability
- Investigation costs cover with no wrongful act trigger

Limits from \$100,000 to \$10m available

Premiums starting from as little as \$300 plus taxes and charges

## Available for:

- Cafes and restaurants
- Farms, agriculture, primary industry and fishing
- Trades, including plumbers, carpenters, builders, motor mechanics, shopfitters
- Retail businesses, such as florists, dress shops, shoemakers, drycleaners, bakeries
- Professional services, such as accountants, architects and engineers
- Medical and allied health professionals, such as psychologists, chiropractors, dentists
- Beauty therapists, such as hairdressers, nail and beauty salons, or massage therapists
- Administrative and support services, such as agents and property managers
- Cleaning and maintenance businesses

## Key benefits of cover:

- Cover for State Revenue office audits
- Cover for internal and external crime, not just crime by employees
- Comprehensive Statutory Liability cover, not just OH&S like some other policies
- Comprehensive Employment Practices Cover
- Access to the ProRisk Whistleblower Hotline Service
- Up to 1 hour free legal advice
- Choice of limit
- Choice of excess

## Claims Service from the Experts

Our dedicated In-House Claims Team includes qualified lawyers with over 30 years of industry experience. Our claims officers are dedicated to managing your claim from initial notification right through to resolution. We have negotiated a specialist panel of lawyers, accountants and forensic investigators based on our significant group purchasing power and are able to access some of Australia's best service providers to ensure that our policyholders get service second to none.

1. [www.abs.gov.au/ausstats/abs@.nsf/latestProducts/8165.0Media%20Release1June%202014%20to%20June%202018](http://www.abs.gov.au/ausstats/abs@.nsf/latestProducts/8165.0Media%20Release1June%202014%20to%20June%202018)
2. [www.asbfeo.gov.au/sites/default/files/Small\\_Business\\_Statistical\\_Report-Final.pdf](http://www.asbfeo.gov.au/sites/default/files/Small_Business_Statistical_Report-Final.pdf)
3. <https://www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/october-2018/20181018-annual-report-2017-18-media-release>
4. Source: KPMG



### CASE STUDY 01: Employment Practices

**Policyholder:** A plumbing company, employing 17 staff with turnover of \$2.8m

**The Claim:** An employee was upset when a colleague continually made advances towards her including making sexually explicit comments in front of other staff. She had asked him to refrain from such behaviour however he continued. The employee complained to her manager on various occasions but nothing was done. The employee quit her job and brought a claim against the employee for harassment and the company for their failure to address the issue.

**The Outcome:** The matter was settled for \$15,000 and cost of \$12,000 were incurred, all of which were covered under the policy, less the excess.

### CASE STUDY 02: Tax Audit

**Policyholder:** A restaurant employing 35 staff with turnover of \$4 million per annum

**The Claim:** The Australian Taxation Office (ATO) began a routine audit of the policyholder in relation to the policyholder's company tax return lodged for the prior financial year, during the period of insurance.

**The Outcome:** The policyholder made a claim under the Management Liability policy with ProRisk. The policyholder, who had used a tax agent to lodge their claim, was then appointed an independent accountant to assist them with the audit. The accountant dealt with the ATO, assisting to provide the information required and resolve the audit. The costs incurred were \$8,500.