

# Management Liability

**Our Management Liability product provides cover for a wide range of industries, focusing on small to medium Australian-domiciled businesses.**

## What it covers

- Our **Management Liability** product provides cover for claims against Directors, Officers and the Company for actual or alleged Wrongful Acts in the performance of their duties.
- Employment Practices Liability provides cover for actual or alleged employment related Wrongful Acts brought by or against Employees
- **Statutory Liability provides** cover for investigations, defence costs and possible penalties that may arise from a breach of statutory legislation.
- **Employee Dishonesty** provides cover for direct financial loss sustained by the Company resulting from the fraudulent or dishonest acts of its employees, and includes Social Engineering Fraud coverage. Investigative Costs incurred to establish the direct financial loss sustained are included within this extension.
- **Tax Investigation and Audit Expenses extension** provides cover for costs incurred for a Tax Agent to investigate a Tax Audit Notice relating to the Company's liability to pay tax.
- **Kidnap and Extortion** provides cover for loss arising from kidnapping, wrongful detention, extortion, hijacking and political threat.
- **Cyber Liability** provides cover for Privacy Liability, Network Security Liability, Data Asset Loss, Internet Liability and Cyber Extortion

## Why ProRisk?



Prorisk delivers exceptional customer service with a team of experienced underwriters to talk with you on any risk.



Enhanced market wording



Partnering with Chubb Insurance Australia Limited

## Our Appetite

- Private companies with turnover < \$100,000,000
- Employees > 5 and < 150
- Companies that have been trading for more than 2 years

## Max Capacity

- \$10,000,000 (noting certain sections carry sub-limits)

## Minimum Premiums

- From \$1,000 ++ depending on limits

## Security

Chubb Insurance Australia Limited

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## Claim Examples

### 1. Defence Costs and Legal Representation Costs

#### Manufacturer

Two directors of the insured were the subject to Criminal Proceedings Claims in the Magistrates Court of Victoria. The criminal proceedings were claims as defined by the policy. Both directors incurred significant legal costs in defending the Criminal Proceeding Claims.

#### Outcome

The policy responded to cover the Defence Costs and Legal Representation Costs of both directors as these expenses met the definition of "Loss" as defined by the policy. The policy indemnified the directors for legal spend in the sum of \$79,546.93. Both directors also received fines for various breaches of the Corporations Act 2001. The fines and penalties did not meet the definition of Loss as defined by the policy and did not indemnify the directors for these sums payable.

### 2. Wrongful Termination

#### Background

A claim for wrongful termination was made by a driver of the Insured transport company. The employee claimed that he was terminated without proper procedures being followed and issued a claim with Fair Work Australia for reinstatement and compensation of \$10,000.

#### Outcome

It was determined that indemnity was available to the insured under the Employment Practices Section of the policy. Although the Insured claimed that he was terminated because he failed to turn up to work on time on two occasions, it was deemed that the Insured company did not follow the correct procedure in terminating the employee. The employee was awarded \$7,000 in compensation and his legal costs of \$5,000 were also met by Underwriters under the policy.

### 3. Excess Wage Payments

#### Background

Company's bookkeeper was responsible for the payment of wages and superannuation to employees. During their employment, the bookkeeper made additional, duplicate payments to their personal bank account while underpaying other employees. The loss was not discovered until after the bookkeeper had passed away, and a new employee commenced work in that position.

#### Outcome

The company implemented a financial audit, which determined the loss to be nearly \$75,000. The audit costs amounted to \$28,000.

The above claims examples have been supplied by Chubb Insurance Australia Limited.