

# Management Liability Insurance

**Businesses of all sizes and from various industries are becoming increasingly drawn into litigation with state and federal legislations becoming more complex.**

Management Liability policies have evolved from Directors & Officers Liability Insurance, which was designed to protect the personal assets of directors and officers by providing indemnity for loss arising from a claim as a result of a wrongful act committed in the course of performing their management duties. The product is now a packaged product similar to a Business Insurance package, however covering the intangible components of your business risk such as claims from shareholders, employees, or statutory bodies.

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*We help protect your life's work!*

## Management Liability Insurance is a package policy and combines a range of covers.

Managing these risks is critical to the overall performance of a business. For small to medium size businesses, the cost and time involved in defending a claim can be detrimental to the survival of the business. Similarly, covering these risks is just as important for larger businesses which may be characterised with larger employee numbers, changing management structures and more complex finances.

Often, the costs and ability to defend the action against you is the key component.

Insurers quickly appoint experienced legal firms to defend allegations against you and your Business.

### INCLUDED PROTECTION

- ✓ Insured Persons' Liability
- ✓ Company Liability
- ✓ Employment Practices Liability
- ✓ Statutory Liability
- ✓ Commercial Crime
- ✓ Internet Liability
- ✓ Occupational Health & Safety Defence Costs
- ✓ Tax Investigation
- ✓ Kidnap, Ransom and Extortion

## CLAIMS EXAMPLES

### Commercial Crime

#### EXAMPLE

Several cookware distributors were friends of the company's warehouse manager. They colluded with the warehouse manager to steal cookware out of normal warehouse shipments and sell it at discounted prices to restaurants in three states while doctoring inventory records to cover the theft. The scheme, which continued for several years, was finally brought to light by an audit and an undercover investigation.

#### OUR SOLUTION

The Crime cover not only insured the \$1,000,000 of inventory stolen but also the forensic and investigative costs totalling an additional \$65,000.

### Employment Practices Liability

#### EXAMPLE

A senior employee was dismissed after lodging complaints of bullying and aggressive conduct by the managing director towards them. Complaints of racial and disability discrimination were also made. The employee took action in the federal court.

#### OUR SOLUTION

The Employment Practices cover protected the company from a six figure settlement sum.

### Statutory Liability

#### EXAMPLE

A boutique hotel was in the process of upgrading its poolside area when a guest slipped over, knocked his head on the ground, become unconscious and fell into the pool. There were no staff around at the time and the guest drowned.

An investigation found that an employee had been negligent in removing some of the safety fencing that had been previously put in place.

#### OUR SOLUTION

The insurance protection covered the fine against the Hotel for \$100,000 as well as the fine against one of the employees personally who should have been on duty for \$25,000, and a further \$31,000 of legal costs.

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