



Specialists at minimising risk exposure



# Management Liability Insurance

## Policy Overview & Benefits

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## Policy Overview & Key Benefits

### Policy Overview

It's possible your clients may not realise the potential risks and level of exposure they personally face and for which they are liable, as a senior manager at a care facility, as a director of their local charity, or even as a volunteer board member at their child's school.

It's possible your clients think it's unlikely they'll be sued and it's possible they also assume even if they were sued, their existing insurance policy would protect them.

It's these assumptions and misconceptions that may personally impact your client. This is why we've developed a new Management Liability Insurance policy, so you can make your clients aware of the potential problems they face and offer a solution providing peace of mind.

Because Ansvar Insurance understands the unique needs and requirements of directors and boards of management in our core sectors; care, community service, education, faith and heritage, we have created a specialised Management Liability Insurance policy.

Designed for all sizes of organisations across our core sectors, our Management Liability Insurance policy complements our existing suite of insurance products, creating a robust solution for your clients.

### Key Benefits

Eight Insuring Clauses

Market leading capacity of \$25m in the aggregate. Higher limits can be considered upon request.

Each Insuring Clause has its own limit of liability, subject to the overall aggregate policy limit

Large number of automatic extensions offering a wide range of protection

Capacity to provide unlimited retro cover subject to underwriting criteria

# Policy Coverage

<h2>1. Insuring Clauses</h2>	<p>Our Management Liability Insurance policy includes eight separate Insuring Clauses:</p> <ul style="list-style-type: none"> <li>• Insuring Clause - Entity Liability</li> <li>• Insuring Clause - Directors and Officers Liability</li> <li>• Insuring Clause - Entity Reimbursement</li> <li>• Insuring Clause - Employment Practices Liability</li> <li>• Insuring Clause - Trustees Liability</li> <li>• Insuring Clause - Statutory Liability</li> <li>• Insuring Clause - Internet Liability</li> <li>• Insuring Clause - Entity Crisis Cover</li> </ul>	
<h2>2. Automatic Extensions</h2>	<ul style="list-style-type: none"> <li>• Advancement of defence costs</li> <li>• Attendance at official investigations or inquiries</li> <li>• Continuity of cover</li> <li>• Extended Claim and Reporting Period</li> <li>• Insured versus Insured cover</li> <li>• Joint Venture Cover</li> <li>• Occupational Health &amp; Safety</li> <li>• Directorships (non-profit organisations)</li> <li>• Pollution Defence Costs</li> <li>• Preservation of Indemnity</li> <li>• Retirement Cover for Insured Persons (now 84 months, previously 72 months)</li> <li>• Runoff cover for subsidiary organisations <b>*new*</b></li> <li>• Runoff cover for outside directorships <b>*new*</b></li> <li>• Spousal Liability Cover</li> <li>• Waiver of Excess <b>*new*</b></li> <li>• Reinstatement in the event of a Recovery <b>*new*</b></li> <li>• Emergency defence costs <b>*new*</b></li> <li>• Civil or bail bond expenses <b>*new*</b></li> </ul>	<ul style="list-style-type: none"> <li>• Court attendance costs <b>*new*</b></li> <li>• Deprivation of assets expenses <b>*new*</b></li> <li>• Dishonesty of Others</li> <li>• Estates &amp; Legal Representatives</li> <li>• Third Party Discrimination and Sexual Harassment <b>*new*</b></li> <li>• Current outside Directorships Including Non-profit Organisation <b>*new*</b> (previously an optional extension)</li> <li>• Mitigation costs - previously loss mitigation</li> <li>• Run-off after Merger or Consolidation <b>*new*</b> (previously an optional extension)</li> <li>• Personal Injury Cover for Trustees</li> <li>• Employee Fidelity <b>*new*</b></li> <li>• Third Party Fidelity <b>*new*</b></li> <li>• Fidelity Investigation Expenses <b>*new*</b></li> <li>• Data Reproduction Expenses <b>*new*</b></li> <li>• Identity Fraud Expenses <b>*new*</b></li> <li>• Public Relations Expenses <b>*new*</b></li> <li>• Dedicated Excess Limit of Liability for Insured Person <b>*new*</b></li> <li>• Tax Audit <b>*new*</b></li> </ul>
<h2>3. Coverage Explained</h2>	<ul style="list-style-type: none"> <li>• <b>Entity Liability:</b> Provides cover to the entity for liability against claims arising from an actual or alleged wrongful act in the management of the insured's business.</li> <li>• <b>Directors and Officers Liability Entity Reimbursement:</b> Provides cover to the directors and officers (insured persons) for liability against claims arising from an actual or alleged wrongful act in the management of the insured's business.</li> <li>• <b>Employment Practices Liability:</b> Provides cover for liability to the entity and insured persons for liability against claims arising from an actual or alleged employment practice breach such as wrongful termination.</li> <li>• <b>Trustees Liability Insurance:</b> Provides cover to trustees for liability against claims arising from an actual or alleged trustee responsibility breach.</li> <li>• <b>Statutory Liability Insurance:</b> Provides cover to the entity and insured persons for statutory penalties payable to any regulatory authority.</li> <li>• <b>Internet Liability Insurance:</b> Provides cover for liability against claims arising from the insured's internet activities such as misuse of e-mail.</li> <li>• <b>Entity Crisis Cover:</b> Covers fees, costs and expenses of a crisis management consultant under circumstances such as traumatic death, emotional distress or loss of intellectual property rights.</li> </ul>	

## Claims Case Studies

The following case studies illustrate potential scenarios in which Ansva's Management Liability Insurance policy could apply.

### Statutory Liability

Occupational Health & Safety Legislation places obligations and responsibilities on businesses to provide a safe place of work. Businesses are subject to fines and penalties in circumstances where there is a failure to meet those obligations and responsibilities.

An employee suffered a back injury whilst lifting heavy boxes in a kindergarten. The kindergarten did not have any Occupational Health & Safety policies in place and did not train their staff to make them aware of the risks involved when lifting heavy items.

The worker notified the Occupational Health & Safety Regulator to report the incident and requested an investigation be carried out. A Safety Inspector advised Management that it did not comply with the relevant legislation and advised Management to rectify the situation. A time line was given. This direction was not followed by Management and two months later, another member of staff suffered a back injury lifting heavy boxes.

#### Outcome

Legal proceedings were commenced against the kindergarten by the Regulator.

#### Solution

Ansva's Management Liability Insurance policy would cover legal defence costs, fines and penalties allowed under the policy.

### Employment Practices Liability

A not-for-profit organisation was forced to make redundancies due to a decrease in funding after the global economic downturn. When implementing the redundancies the organisation followed their comprehensive policy and procedures. One employee who had worked with the organisation for thirty years felt that her situation was not a genuine redundancy and that the organisation was discriminating against her on the basis of her age. She made a claim under the Fair Work Australia regime for discrimination and sought reinstatement. The case did not settle at conciliation and went on to a full hearing.

#### Outcome

The costs of defending a Fair Work Australia action can be quite expensive, even in situations where clients and in this case, a not-for-profit organisation had strong evidence to support their position. Whilst the not-for-profit organisation was ultimately successful at hearing, costs for their legal representation alone amounted to in excess of \$75,000.

#### Solution

The Ansva Management Liability Insurance policy would have covered legal costs in respect to actions taken under Fair Work Australia Legislation.

### Directors and Officers Liability

A chain of aged care centres was forced into liquidation due to expanding too quickly and being unable to secure funds to cover their increased operating costs. The directors of the company were individually sued by creditors for incurring debts which they were unable to pay. Solicitors acting for the creditors alleged the company had continued trading whilst insolvent.

#### Outcome

Directors and officers of companies, owe a duty of care to ensure that they are informed of a company's financial situation and most importantly, ensure that a company does not trade whilst insolvent. Trading whilst insolvent is a breach of Federal Legislation.

#### Solution

The Ansva Management Liability Policy provides cover for costs associated with the defence and settlement of these claims.

## About Ansvar

Ansvar is a leading specialist commercial and consultative insurer offering tailored insurance products and services to the Care, Community Service (including Not-for-Profit), Education, Faith and Heritage sectors. With more than 50 years of experience in the Australian insurance industry we've developed a deep understanding of our clients' needs, risks and challenges they face, as well as the environments in which they operate.

Ansvar is owned by the Ecclesiastical Insurance Office plc, est. 1887, a leading insurer of heritage, religious and charitable organisations in the UK.

## Our approach

Service is paramount at Ansvar, and our team is committed to consistently providing the best client experience possible.

Our dedicated Claims team are focused on quickly solving the problems of our clients. With a compassionate approach they are always mindful of the reputation of our clients, particularly when handling sensitive claims.

Because Ansvar understands the varied and vast risk exposure of our clients in our core sectors, we offer expert Risk Management advice and practical solutions to help our clients protect their assets and importantly, their people.

Through our expertise and flexible underwriting approach, Ansvar offers tailored insurance solutions to provide the right cover to suit the unique needs of our clients within our core sectors.

## Supporting our community

Our goal is to be a valued and recognised contributor to the community. This has been the ethos of Ansvar since our inception.

Each year, through our Community Education Program, Ansvar donates a percentage of our profits to organisations that provide valuable support to improve and enrich the lives of young Australians, so that they may contribute positively to the community in which they live.

1300 650 540 [www.ansvar.com.au](http://www.ansvar.com.au)

Ansvar Insurance Ltd. ABN 21 007 216 506 AFSL 237826  
Member of the Ecclesiastical Insurance Group