

Statutory Liability Extension Demolition & Asbestos Liability Programme

Did you know?

- There are over 5000 legislative provisions in this country which cater for civil penalties?
- Civil penalties can easily ruin a business.
- Occupational Health and Safety fines can be as high as \$550,000 for a business.
- Environmental fines can be in excess of \$1,000,000

The Facts

Your clients' existing Public Liability/ Professional Indemnity policy will most likely exclude cover for fines and penalties.

Your clients need to ensure that their entire business is covered against potential statutory fines and penalties. Substantial civil fines are imposed by Governments for non-compliance in wide ranging areas of law, from Environmental Law to Occupational Health & Safety and Employment Practices Law.

Features & Benefits of LIU's Statutory Liability Extension

A simple, cost-effective extension to your clients' CGL policy can protect them from these financial risks. The additional cover needs no extra underwriting and no new policy documents, making the cover cost effective.

Not only does a Statutory Liability extension protect your clients from financial loss that could cripple or close their business, it also provides for expert legal assistance in defending civil fine actions.

For most small to medium businesses the time and cost of responding to legal action is just not recoverable. The Statutory Liability extension helps to manage that risk, freeing your clients to focus on their business.

Note that any breach (of legislation) must not constitute intentional, deliberate, dishonest, fraudulent or malicious acts, including acts of gross negligence or recklessness.

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The information provided here and over page is only a general comment upon coverage provided by the policy, and selected cases, and should not be relied upon in any way. Nor should it be relied upon as a substitute for the actual policy wording. Refer to the policy wording for the complete terms and conditions. This information is accurate as at 1 January 2008.

The following real-life case studies highlight some of the potential costs of statutory fines.

Breach	Date	Summary
Workplace Health & Safety Act 1995.	November 2005, Southport Industrial Magistrate's Court	A contractor engaged by a construction company suffered fatal crush injuries when two large pre-stressed concrete beams fell onto the backhoe he was operating. The Court ruled that the company had failed to conduct an adequate risk assessment or have control measures in place that could have prevented the incident.
<i>The contractors and a director were fined \$70,000</i>		

A single cost-effective Statutory Liability extension on the Contractor's CGL policy could have helped them meet the costs of this fine.

Breach	Date	Summary
Occupational Health & Safety Act 2000.	February 2006, NSW Industrial Relations Commission	On their first day of employment two construction workers were seriously injured when a one tonne steel frame they were loading fell from its supporting cradles and struck them. In this case the Commission ruled that the workers had received inadequate instruction and minimal supervision.
<i>The galvanising company was fined \$100,000 and \$7,000</i>		

By taking out a Statutory Liability extension on their CGL policy the galvanising company could have recovered much, if not all, of the costs of this fine.

Breach	Date	Summary
Occupational Health and Safety Act 1985 and Occupational Health and Safety (Incident Notification) Regulations 1997.	March 2006, Melbourne Magistrate's Court	A roofing company employee sustained serious injuries after falling approximately seven metres whilst removing roof tiles from the gable end of a house. No hand rails were fitted to the edge of the roof or the gables. The Magistrate ruled that the roofing company should have provided better safety facilities.
<i>The roofing company was fined \$40,000</i>		

A Statutory Liability extension could have saved the roofing firm a large sum of money and helped them manage the time and costs involved in legal action.

Comprehensive cover

The range and size of the statutory fines that could be levied against your clients means a Statutory Liability extension is not an added benefit but a necessity. Talk to Tudor Insurance today to find out more.

Contact Mark McNamara at Tudor Insurance on (03) 9707 3303 or email at service@tudorinsurance.com.au