

APRIL 2021

# Public Liability Insurance

## General Information sheet – Marsh

### Public Liability Insurance – what is it?

Public Liability insurance is designed to protect you and your business from legal claims for personal injury, loss or property damage that arise from an incident connected to your activities.

It can protect you against the financial risk of being found liable to a third party for death or injury, loss of a damage to property or 'pure economic' loss resulting from your negligence. Liability insurance is absolutely essential to every business owner.

### What Cover is Typically Provided within a Public Liability Policy?

Public Liability coverage can have up to 3 different sections:

**Public Liability** – legal action against the Insured for breach of duty of care

**Products Liability** – legal action against the Insured for sale of faulty products

**Professional Indemnity** – legal action against the Insured for negligent acts/advice

You will generally find that you are covered in all areas as part of a standard Public Liability policy.

### What cover is typically excluded from a Public Liability policy?

If your business is not deemed to be a safe environment caused by deliberate neglect then your policy may become void. In this instance, you are personally liable for the financial burden of the liability claim.

Often an excess such as \$500 or \$1,000 will be in place. This excess is not covered by the insurance policy.

### Examples of Public Liability Claims

**Example 1** – A club member sustains a knee injury after tripping on an uneven tile on the pool deck whilst at a training session. He sues the club for failing to discharge its duty of care to the participants with respect to their training conditions.

**Example 2** – A guest swimmer is having a cup of tea in the club rooms after a training session. A volunteer spills tea on them and they sustain serious burns. They sue the club for negligence.

### Why is Professional Indemnity Insurance important?

Professional indemnity insurance is designed to cover you in the event of a claim made against you because of professional negligence caused by mistakes, bad advice or general poor workmanship.

It provides indemnity cover if a person suffers a loss – either material, financial or physical – directly attributed to negligent acts.

### WHAT IS NEGLIGENCE?

Negligence is doing something without a reasonable amount of care or failing to do something which might reasonably have been done to prevent the incident.

### HOT TIP ...

As soon as an incident occurs that could result in a potential claim, contact Marsh and we can provide assistance with the claims process.

### DID YOU KNOW ...

A Public Liability policy protects you anywhere in Australia and in most countries overseas. But you will need to confirm this within your own policy wording.

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