

# Fencing Contractors Association NZ Conference 2023

FMG Presentation - Liability

# Liability Insurances

- Public and Products Liability
- Statutory Liability
- Management Liability

# Public and Products Liability

## Public Liability

- Provides cover for accidental loss to the property of others and personal injury to any other person
- Covers loss caused by your use of plant or machinery that is part of, or attached to, a vehicle
- Legal defence costs built in

Example: A plumber was installing a new vanity. The connection to the drain they installed was not sealed correctly, and gave way, flooding the bathroom and a bedroom on the floor below. The plumber had to correct his faulty workmanship at his own cost, but the liability policy covered the significant cost of redecoration due to the resulting damage to the rooms.

# Public and Products Liability

## Products Liability

- Accidental loss and personal injury to the property of others as a result of your products
- Excludes loss caused by faulty workmanship

Example: A fencing contractor was using a new type of fencing wire to build a post and batten fence. The fencing wire was strained to the correct tensile according to the wire specifications. On the same day the fence was completed the fencing wire breaks, allowing livestock to escape onto the road. It was confirmed the fencing wire was faulty product – therefore, covered, however, the cost incurred to repair the faulty wire (replacement product and labour) is excluded by the policy. The policy responds to the loss of livestock that managed to escape and the damaged vehicle (if a vehicle hit them causing damage).

# Statutory Liability

- Provides cover for your liability to pay fines, penalties and reparations for unintentional breaches of Acts of Law
- Legal defense costs built in
- Legislation does not allow insurance against fines under the Health & Safety at Work Act 2015
- Has to be opted into, is not an automatic cover under Liability policy

Example: An accident occurs on a work site, Worksafe investigates and decides to prosecute.

If notified of a Liability claim, contact your insurer straight away! This is key and I cannot stress enough how important this is.

- With FMG, we can appoint legal counsel who have expertise and experience in this area of the law
- Early contact with your insurer will avoid prejudicing your claim.

The above covers look after the business, but what about you?

# Management Liability

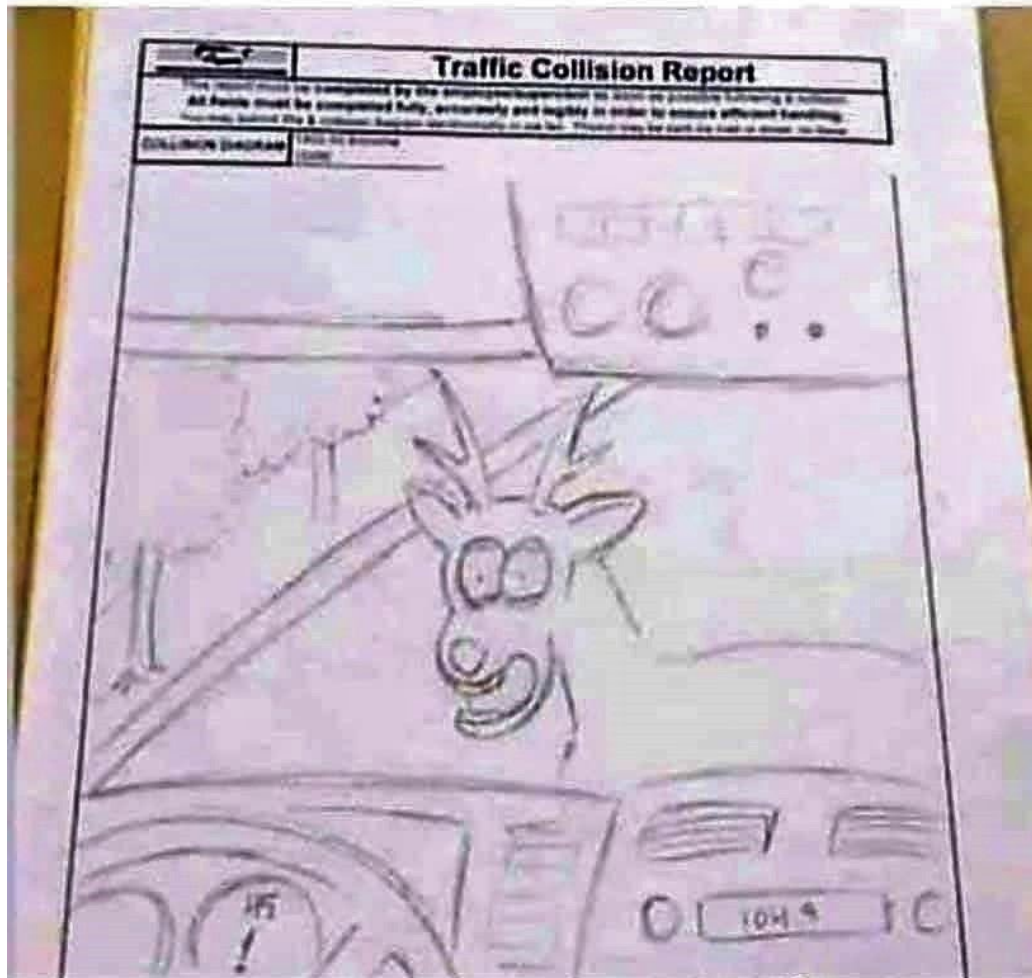
- Covers legal defense costs and legal liability for allegations of wrongful acts committed by the people making the decisions – running and governing the business
- Cover includes Directors and Senior Officers e.g. Financial Controller
- Protects these individuals for their personal liability (you can be held personally liable if you make an error as a Director or Officer)
- Includes cover for Employment Practices Liability
  - For example, Employee Personal Grievance. There needs to be a formal personal grievance in order for the Employment Dispute benefit to kick in (e.g. : A disgruntled employee lodges a personal grievance for unfair dismissal.)
- Includes cover for employee crime (e.g. misused fuel cards)
- There is an automatic benefit for legal defence costs of up to \$25,000 for breach of contract
- Provided FMG's consent is obtained prior to costs being incurred, there is cover for:
  - Public relations costs due to a significant reputational issue
  - Identity fraud costs
  - Costs in connection with an inadvertent disclosure of data, confidential information or a breach of privacy.

# Want to know more?

- Come and see me!
- We are hosting client events in Whangarei (23<sup>rd</sup> August) and Warkworth (24<sup>th</sup> August) to provide more detail about Management Liability insurance. All welcome to attend.
- If you're outside of these areas, I can put you in touch with an FMG colleague to discuss Liability covers, including Management Liability further.



When the insurance company wants a diagram of the accident





**Thank you**