



Management Liability Insurance

Not everyone is aware that directors and managers of private businesses in Australia need insurance protection against legal action they may face as a result of their decisions or actions. The lack of insurance can lead to devastating effects for both the business and the individuals involved.

Management Liability is insurance coverage designed to protect the directors and officers, managers and employees against legal action as a result of the decisions, actions or undertakings in the management of the insured medical practice. Cover also includes liability arising out of a joint venture (excluding a partnership arrangement), the advancement of defence costs required to defend a claim or official enquiry, statutory fines and penalties imposed upon you. Furthermore, the product can extend to cover breaches of employment practice legislation, deception or theft of the practice's money or goods by staff, third party or staff in collusion with a third party or the costs of complying with a tax audit by a statutory authority.

Key features and benefits

- ▶ Advancement of defence costs for insured persons in the event of an action against them for a wrongful act, including for official inquiries.
- ▶ Excess limit of liability for insured persons up to \$1,000,000.
- ▶ Cover for spousal liability.
- ▶ Automatic run-off for 7 years for retired persons.
- ▶ Cover for Workplace Health and Safety laws.
- ▶ Statutory Fines and Penalties cover up to \$250,000.
- ▶ Optional Employment Practices, Crime and Tax Audit cover.

Claims scenarios

Karen, the receptionist of Dr A's practice is injured in a workplace accident. Dr A, director of the company and Janet his practice manager, are prosecuted by the relevant work cover authority in their state for failing to provide a safe workplace. Dr A's policy includes management liability coverage, and responds by advancing the costs of successfully defending the action against him and Janet.

Jake, a staff member employed by Sunshine State Medical Practice is let go from his position for making inappropriate comments on social media, despite being warned previously about doing so. Jake sues the practice for unfair dismissal, saying that the warnings were never formally given and the termination process was unfair. Unfortunately Jake was successful in his action, however because Sunshine State had management liability coverage with optional employment practices liability, the cost of defending and settling the claim was covered by the policy. **Note:** Employment Practice Liability is only available where the Insured's decisions regarding employment termination are subject to prior review by an internal or external legal advisor.

IMPORTANT: Professional indemnity insurance products and the Practice Medical Indemnity Policy are issued by Avant Insurance Limited, ABN 82 003 707 471, AFSL 238 765 (Avant). Avant arranges Avant Business Insurance as agent of the insurer Allianz Australia Insurance Limited ABN 15 000 122 850, AFSL 234 708 (Allianz) and may receive a commission on each policy arranged.

The information provided here is general advice only. You should consider the appropriateness of the advice having regard to your own objectives, financial situation and needs before deciding to purchase or continuing to hold a policy with us. For full details including the terms, conditions, and exclusions that apply, please read and consider the policy wording and PDS, which is available at avant.org.au or by contacting us on 1800 128 268. 1082.16 03/17 (0789)