

# media release

## Taking care of business with Management Liability and Association Liability insurance

**5 March 2007:** These days it's not just directors of large public companies who are exposed to litigation or investigations into their conduct. Directors and officers of proprietary companies and office bearers of incorporated associations are also at risk.

Vero Profin is excited to launch two new products, Management Liability and Association Liability insurance, both designed to meet the needs of the SME market.

Vero Profin's Management Liability insurance product is for proprietary limited companies with turnover of up to \$100m and offers a combination of cover for directors and officers liability, company liability, employment practice liability, superannuation fund trustee liability and fidelity cover, as well as business crisis consultants' fees and a legal advice benefit.

Mr Alex Green, General Manager Vero Profin said, "Directors and officers of private companies can be exposed to the cost of defending a claim, as well as any damages and costs awarded. Just that cost can be significant.

"Under the Management Liability policy defence costs are advanced by us pending determination of whether cover is available under the policy. We advance defence costs and representation expenses even if there is an allegation of dishonesty. The defence costs have to be repaid however if it is subsequently determined that the claim is not covered.

Vero Profin's Management Liability policy covers claims that include breach of directors' or officers' duties, defamation, breach of the Trade Practices Act, occupational health and safety proceedings, infringement of intellectual

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property rights, breach of confidentiality and allegations of illegal or improper conduct.

Vero Profin is a specialist in management liability and understands the exposures faced. The product has been designed for small and medium sized private companies to cover directors and officers liability and protect an organisation against liability for wrongful acts.

Mr Green said, "Claims against a director by another director, officer or employee arising from an employment related complaint could be quite costly. And then there's the aspect of liability while serving as an outside director or acting as a trustee of a corporate superannuation fund."

The new Vero Profin Association Liability policy is designed for a wide range of not-for-profit incorporated organisations. This includes industry and professional associations, local community, sporting and recreational clubs and charities.

The new policy combines five different insurances for professional and management liability exposures together with protection for employee fraud, tax audit cover and a legal advice benefit.

Vero's new Association Policy goes further than some other policies currently on the market by providing more cover for the association itself.

"Our new policy provides essential cover to the office bearers if they are the subject of a legal claim and we also cover the association for exposures such as statutory liability under the Trade Practices Act," said Mr Green.



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The cost of representing both the association and the office bearers at official investigations and inquiries, including inquiries into occupational health and safety and environmental matters is also covered under the Associations Liability policy, subject to any applicable limitations or exclusions. The policy also insures the pecuniary penalties of the association, officers and employees, to the extent permitted by law.

The exposures that an association and its officer bearers may face include the cost of defending a claim as well as any damages and costs awarded.

"We understand the exposures that associations face. Our new Associations package policy covers both office bearers and association liability, protecting them both against liability for wrongful acts," said Mr Green.

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## **Editor's note**

Vero Insurance Limited ("Vero") is a subsidiary of the Promina Group Limited, which is one of the top 50 companies listed on the Australian Stock Exchange. Vero, formerly Royal & Sun Alliance Insurance Australia Limited, has for many years been offering highly specialised solutions to its large range of customers.

Vero is one of Australia's largest intermediated general insurance companies and has 19 branches across Australia, providing a suite of quality specialised risk management products and services through brokers, corporate partners and risk managers.

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