

# Liability Insurance – Product Errors and Omissions Fact Sheet



Is your insured aware of the legal risks they could be exposed to if their product failed to properly perform?

## General Liability V. Product Errors and Omission

The intent of a general liability policy is to protect your client against claims for personal injury or property damage to third parties as a result of your client's business activities.

But what happens if there is a financial loss where there is no personal injury or property damage incurred by the third party?

## Vero's Product Errors & Omissions (Product E & O)

Vero Liability Product Errors and Omissions Coverage is an extension to Vero's Products Liability cover.

The Product Errors and Omissions extension provides an aggregate sub-limit of \$500,000 for pure financial loss.

Vero will cover the insured's legal liability to pay compensation in respect of financial loss that is attributed to the insureds negligent act, error or omission or alleged to have been committed by the insured in connection with their products.

## Why is Product Errors and Omissions insurance important to my client?

- **Mistakes Happen** - At the end of the day everybody makes mistakes, no matter how many processes in place there is always the risk of error.
- **Defence Costs** - Whilst the insured may not be responsible they may need to prove this which will incur legal costs. Can your insured afford this expense?

Vero provides Liability Insurance to more than 100,000 companies across Australia.

Vero's claims performance, risk advisers and underwriters provide effective strategies to help you – all backed by the size and strength of the Suncorp Network.

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## Examples of Product E&O Financial Losses

### Example 1.

Your insured supplies machinery to their customer which breaks-down, there is no surrounding damage but the customer suffers a financial loss through interruption of production.

### Example 2.

Your insured is an electrical contractor who supplies lighting and sound equipment for an event. The equipment fails to function and as a result the customer suffers a financial loss through the cancellation of the event.

## Who's it for?

Below are just some of the industries that commonly have an E&O exposure.

- Machinery and equipment manufacturing
- Metal products manufacturing
- Plastics manufacturing
- Furniture manufacturing