



Our Experience is your Security



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Liability Insurance for the Security Industry

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Security and the safety of other people's property is your business. Protecting your business is equally important. LIU has over ten years' experience working with the Security Industry and has developed specific insurance cover that aims to meet the needs of security businesses. We have an in-depth knowledge of the risks associated and the insurance programs required to help reduce your exposure.

Secure New Limits

A standard Combined General Liability Insurance (CGL) policy provides broad cover for your business, but is it broad enough? Unlike standard CGL policies, LIU provides a tailored CGL policy to the Security Industry which automatically includes cover for Statutory Fines & Penalties, Financial Loss, Care Custody & Control, as well as Loss of Keys. With an overall capacity of \$50m, LIU is very pleased to provide the following increased Limits:

- Financial Loss Cover: Limit of Liability \$2,000,000
- Statutory Fines & Penalties: Limit of Liability \$2,000,000
- Care Custody and Control: Sub-limit of \$250,000
- Loss of Keys: Sub-limit of \$250,000 (\$500,000 for ASIAL members)

LIU also provides optional cover for Cash in Transit / Cash in Safe and Professional Indemnity.

Statutory Fines & Penalties

Most standard CGL policies exclude cover for Statutory Fines & Penalties. However, they can constitute one of the greatest financial risks many businesses face. There are over 5,000 legislative provisions in this country that cater for civil penalties for non-compliance in many areas of regulation, from Environmental Law, Work Health & Safety, Australian Consumer Law and Employment Law.

The fine itself is not the only risk you face. The cost and distraction of a legal defence are also notoriously high. Combined, these financial losses could cripple your business. That's why LIU's Statutory Fines & Penalties Extension helps to protect you from more than the fine itself. It also provides for expert legal assistance in defending civil fine actions.

Financial Loss Coverage

LIU's Financial Loss cover helps to fill the gap between a standard CGL policy and a standard Professional Indemnity policy. If you manufacture, install or service products; provide instruction and training in relation to the installation, application, storage or use of those products; or produce sales and marketing documents or employ a sales and marketing team, you could be exposed to liability for pure financial loss suffered by your customer, as a result of making a mistake, a negligent act, error or omission.

The information in this document is presented by Liberty International Underwriters (a trading name of Liberty Mutual Insurance Company ABN 61 086 083 605 Incorporated in Massachusetts, U.S.A. The liability of members is limited). The information provided here is only a summary of the coverage provided by the policy and should not be relied upon in any way. Nor should it be relied upon as a substitute for the actual policy wording. Refer to the policy wording for the complete terms and conditions. This information is accurate as at October 2014.

Case Study – Statutory Fines & Penalties

Breach: Fair Work Act 2009

A company was found to have breached the Fair Work Act when they failed to offer one of their employee's permanent employment following the completion of a fixed term contract for that employee. The company was found guilty of manipulating the employee's mid-year review in order to justify the termination of that employee.

The company was fined \$35,000 for taking adverse action against the employee.

Breach: Spam Act 2003

A company owner sent unsolicited promotional email messages to consumers promoting the company's services and offering to supply their products. Sending these messages was in contravention of the Spam Act.

The company was fined \$210,000.

LIU's Statutory Fines & Penalties cover may have helped each of these companies meet the costs of these fines.

Case Study – Financial Loss

Following several burglaries at an electronics manufacturer's warehouse, the company engaged the services of a security system company to design, source, and install a new security system. The security system company was also engaged to train the electronics manufacturer's staff on the system.

The electronics manufacturer claimed that the new system never worked properly, saying that they had 'black spots' that weren't covered by the system and that they had no faith in the system's ability to protect the premises or goods. The electronics manufacturer engaged the services of an on-site 24 hour guard as an alternative and refused to pay the balance of the contract to the security system company, while also banning them from their premises.

After a ten day trial, the Court found that the security system company had acted negligently and had made misleading representations in breach of section 53 of the Trade Practices Act, now section 29 of the Australian Consumer Law.

The security system company was ordered to pay damages of \$1,800,000 as well as the legal fees incurred by the electronics manufacturer.

LIU's Financial Loss cover responded to the Insured's claim relating to the damages and legal fees, totaling \$2,300,000.

Why Liberty International Underwriters?

LIU offers you and your clients more than 15 years of local experience in insurance. In addition to experienced local staff who are empowered to deliver a swift response to your proposal, LIU is part of Liberty Mutual Insurance. Liberty Mutual Insurance (LMI) is a Fortune 100 company. LMI has more than 50,000 staff in approximately 900 offices around the world and is the third largest property and casualty insurer in the U.S. based on A.M. Best Company's report of 2013 net written premium.

Want to Know More?

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