

Recruitment Industry Insurance

Guidance Note – Statutory Liability insurance

This guidance note is provided to assist you understand your insurance policy in order to reduce uncertainty and give you the information upon which you can make an informed decision when considering your risks and insurance protection.

Further information is available at www.oamps.com.au/amranz or you can contact one of our insurance brokers who specialise in recruitment consultants on 03 9412 1212.

What is Statutory Liability insurance?

Statutory Liability is designed to protect the insured's company and its officers from financial losses as a consequence of an unintentional breach of an act or regulation.

Why do I need it?

There are over 5000 legislative provisions in this country which cater for civil penalties. It is important you are aware that Civil Penalties can easily ruin a business, Occupational Health and Safety Fines can be as high as \$550,000 for a business and Environmental fines can be in excess of \$1,000,000.

What does it cover?

It will respond to any loss arising from a breach of an Act, plus legal costs and associated expenses incurred with the investigation, defence and settlement of any claim.

What are the key covers to look for?

You should check that you are fully covered for fines or penalties that you are legally obligated to pay due to a breach under any of the 5000 legislative provisions. Also check that your policy will provide expert legal assistance in defending civil fine actions.

What are the common pitfalls?

Most agencies either do not know that this type of insurance is available nor are they aware that the exposure from OH&S fines alone can be tremendous.

What is a typical claims example?

Example 1 – one of your on hired employees sustains serious injury after a fall from a height of 4 metres. There was a breach of the Workplace Health and Safety Act 1995 and you are fined \$30,000 – Covered by our policy

Example 2 – one of your hospitality workers is injured when she slips on the floor whilst carrying cleaning product, the product splashes into her eye and she now has to wear prescription glasses. There was a breach of the Occupational Health & Safety Act 1985 and you are fined \$80,000 – Covered by our policy