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New Management Liability Insurance Product for Canberra

Recently I had the pleasure of launching, alongside Dr Christopher Peters of the ACT Chamber of Commerce and Industry, a new management liability insurance product for Canberra businesses.

Before entering the Assembly, I owned and managed a small business in Canberra for 17 years. I understand just how important it is for business to acquire and maintain appropriate insurance coverage. As such, I welcome the broader choice of insurance products now available to Canberra businesspeople.

Business operators in Canberra will already be familiar with a number of insurance products. Key product lines for many businesses include product liability insurance and director and officer (or 'D&O') insurance. The former protects businesses from the potential costs of legal claims arising out of defective products: costs which can be very significant. The latter protects company directors and officers from legal costs and damages incurred where legal action alleges errors or omissions in the management of a business – though not where wrongdoing is intentional or criminal.

Both of these types of products have been of use to Canberra businesses, but they certainly do not provide coverage for the entire spectrum of potential liability. D&O insurance, for example, cannot extend to the acts or omissions of those staff who are not, technically speaking, 'directors or officers'. Legal claims arising out of management failures which can

be cast in other terms, say in product liability or negligence, might not be covered by a D&O package.

The Chamber of Commerce has been concerned for some time that its members receive a broader and more appropriate level of coverage. In partnership with a number of industry partners, it has now been able to bring this new Management Liability Insurance product onto the Canberra market. This product represents a hybrid class of insurance, combining the benefits hitherto offered by product liability and D&O products. Though certainly no panacea, it ought to go some way towards plugging the gaps in the present offerings of business insurance in the Territory.

Some of the issues that employers and business owners seek advice on, both from peak business organizations and from government, include issues relating to dismissal of staff, injuries in the work place and harassment. I understand these concerns. It is to be hoped that improved insurance provision will see early and appropriate involvement of expert advice in these matters, rather than employers trying to 'go it alone'. Crucially, this would be a boon not only for business, but also for workers.

It is by no means the business of the ACT government to suggest to local businesses that one insurer or one insurance product ought to be chosen over another. Nonetheless, we can rightly applaud the availability of new choices in the marketplace. I commend the ACT and Region Chamber of Commerce and Industry, and the relevant brokers and underwriters involved in this venture. Resilience and self-reliance are important strengths in any community, and the development of products such as this is a good indicator of both, and of a healthy community.