



management liability

for sole traders + partnerships

what is management liability insurance?

In simple terms, Management Liability insurance protects business owners against the financial exposures that come from managing or running a business.

why would my business need this?

Almost 1/3 of Australian businesses are sole traders and partnerships. These types of business structures are somewhat less complicated than a Pty Ltd company or trust structure, but they can leave the business owners personal assets at risk. Both sole traders and partnerships can be held personally liable for the business debts, mismanagement or mistakes while managing their business.

All businesses have a responsibility to 'get it right'. A sole trader or partnership management liability policy offers protection to the business owner/s for a wrongful decisions or mistakes while managing their businesses - ensuring that personal assets are protected should legal action or a regulatory investigation arise.

what does it cover?

Insurer's policies do vary but basically...management liability policies are made up of a number covers to protect the business owner/s.

A good quality management liability policy should cover:

- Employment practices liability,
- OH&S investigation defence costs,
- Statutory liability (fines and penalties),

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- Crime or fidelity,
- 'Directors and Officer risks' and in some cases
- Unintentional insolvent trading or intellectual property breaches.

This type of policy is often confused with Professional Indemnity or Product Liability insurances. All are very different. Management Liability policies cover the management of company, Professional indemnity covers the provision of services of the company and Product Liability is the risk to the public from your business products.

what does this cover cost?

Every business is different so this question it's a bit complicated, but it is probably less than you think.

The cost will depend on your turnover, whether you have employees and to some degree - your business services or industry.

Talk to us about getting a quote - what have you got to lose?



The above information is very general in nature and should not be considered as personal advice, for a more tailored discussion about your circumstances please call us for a chat.

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