

## Company Insolvency Safe Harbour

**Trading whilst insolvent can have serious consequences for company directors. Directors could be held personally liable for the debts incurred and could be found guilty of criminal action.**

Section 588G of the *Corporations Act 2001 (Cth)* (the **Act**) imposes a duty on company directors to prevent insolvent trading. In 2017 section 588GA of the Act introduced the Safe Harbour insolvency regime. The regime provides company directors protection from personal liability for insolvent trading if they are taking a course of action that is reasonably likely to lead to a better outcome for the company than the immediate appointment of an administrator or liquidator, provided certain conditions are met.

### The Liberty advantage

At Liberty, we understand that navigating the complexities of today can be challenging as we see companies across various industries encounter financial difficulties which can affect their operations and viability. It's during these critical times that having the right coverage, support and guidance is essential.

That's why Liberty is proud to announce our innovative Company Insolvency Safe Harbour Coverage Extension in which we have partnered with Australia's leading advisory and restructuring firms to provide our Insureds expert guidance and advice. Liberty will pay the reasonable costs and expenses incurred by the Company in engaging an approved 'Safe Harbour Advisor' for the purposes of obtaining advice under section 588GA of the Act.

### Proactive engagement

Liberty doesn't just wait for issues to arise – we provide our Insureds with coverage solutions helping to proactively mitigate risks and maintain business continuity. With Liberty in your corner, you can focus on what you do best – running your business.

Liberty's current approved panel of Safe Harbour Advisors can be found at <https://lmi.co/safeharbourpartnersau>

## Global reach. Financial strength. Local authority.

Distinct, complex and constantly evolving – every business is as unique as its insurance needs. To confidently progress in the face of risk and uncertainty requires a level of security you can only achieve through working with specialists.

Liberty Specialty Markets offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to more than 26,000 of Asia Pacific's most significant business and government organisations – helping protect what they earn, build and own.

We're part of the global Liberty Mutual Group, a Fortune 100 company that's been in business since 1912 with a Standard and Poor's 'A' rating.

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