

Liability insurance for the horticultural industry

Protecting your business is equally important to ensuring your clients are satisfied.

Liberty Specialty Markets (Liberty) has over ten years' experience working with the Horticulture Industry and has developed specific insurance cover that aims to meet the needs of these 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, Liberty provides a tailored CGL policy to the Horticulture Industry which automatically includes an extension for Statutory Fines & Penalties, Financial Loss and Care Custody & Control. With an overall capacity of \$50m, Liberty is very pleased to provide the following increased Limits:

- ▶ Financial Loss: Limit of Liability \$500,000
- ▶ Statutory Fines & Penalties: Limit of Liability \$2,000,000

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 Liberty's Statutory Fines & Penalties Extension helps to protect you from more than the fine itself. It can also provide for legal assistance in defending civil actions.

Financial Loss Coverage

Liberty's Financial Loss Extension 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.

Hypothetical Case Study – Statutory Fines & Penalties Extension

A tree lopping company was engaged to cut down a tree at a private home. An employee of the tree lopping company, after removing the tree canopy and limbs, was cutting the tree trunk into pieces that were then being lowered to the ground by a pulley and bollard device system. As a 180kg portion of the trunk was being lowered to the ground, a ratchet handle released, which caused the bollard to swing through the air and hit the employee in the head, leaving him unconscious and hanging in his harness. He also suffered a large cut to his face.

The employee was being assisted by two subcontractors engaged by the company to assist with this job. One of the subcontractors had only started as a tree lopper that day and had no prior experience in the industry and neither subcontractor had experience working at heights, or knew how to conduct an aerial rescue. There was also no emergency rescue equipment on site.

An action will likely be brought against the employer for failing to meet its health and safety duties to provide a safe working environment and system of work for its employee.

Liberty's Statutory Fines & Penalties Extension may assist the employer in this situation provided the employer is not convicted of a criminal offence.

Hypothetical Case Study – Financial Loss Extension

A tree lopping company was contracted by its local council to trim branches at a busy intersection in the central business district as they were close to overhead power lines and blocking traffic signals. At the designated time all required personnel, including traffic control and council supervisory staff, were in place. However, the tree lopping company had a mechanical issue with its chainsaw, causing a significant delay in getting started. Subsequently, the window of opportunity to conduct the job within the timeframe of the scheduled closure of the intersection was missed.

The local council took action to recover the personnel costs of traffic control and council staff who were rescheduled to do the same job on another date, resulting in the council having to pay overtime rates. The costs sought by the local council were significantly higher than the contract value of the job.

As there was no Injury or Damage incurred in this incident, the tree lopping company's Public Liability Policy did not respond to the claim, resulting in the costs being uninsured.

Liberty's Financial Loss Extension may have covered these costs. This is an effective way to help protect your business from claims for pure financial loss where there is no injury or damage to third parties involved.

For further information, please contact:

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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 20,000 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 & Poor's 'A' (strong) rating.

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