

HEALTHCARE MANAGEMENT LIABILITY

- EPL
- Crime
- Tax Audit
- Pollution Expenses
- Statutory Liability
- Workplace Health and Safety Expenses



Healthcare Management Liability: for small to medium sized private healthcare companies

Managing risk is vital to the overall performance and success of a business. It is common for a business to insure tangible exposures like property damage or a breach of professional duty but neglect to insure against economic loss. A Management Liability policy protects the directors and officers, employees and the company itself from exposures that relate to the management of a company. > Specific legislative responsibilities attach to owners or anyone involved in the management of a company. An alleged or actual wrongful act relating to these responsibilities may leave an owner or manager personally liable - putting personal assets at risk.

WHAT ARE THE RISKS?

Employees - Alleging discrimination, harassment, wrongful dismissal or discipline, breach of employment contract, defamation and committing internal fraud (Fidelity).

- Competitors - Claims brought against a Director for misleading and deceptive conduct (Trade Practices Act).
- Government Authorities and Legislation - Directors and Officers may be personally liable for breaches of hundreds of statutes (eg. ATO, ASIC, Trade Practices Commission).
- Creditors - Allegations a Director allowed the company to trade whilst knowing it could not pay its debts.

POLICY LIMITS

\$1M through to \$20M Limit options

KEY POLICY BENEFITS

- Advancement of Defence Costs and Representation Expenses
- Automatic reinstatement of Limit for D&O claims
- Crime
- Employment Practices Liability
- Tax Audit
- Public Relations Expenses

CASE STUDY

- The claimant, a practice nurse, had experienced several disagreements with a contracting Doctor. The claimant felt bullied by the Doctor and started to develop physical symptoms such as panic attacks and sleep deprivation.
- When the claimant was certified as unfit to return to work at the practice, the Principal owners felt they had no option but to terminate the claimant's employment as an operational requirement. The Nurse claims that the termination of employment was harsh, unjust and unreasonable and wanted reinstatement to the practice and remuneration for the income lost due to termination.
- A conciliation conference was attended by the Insurer and the Insured. A settlement of \$17,500 was reached and the claimant's employment was not reinstated. Legal costs of \$22,000 were also incurred by the Insured and paid under the policy.

General Advice Warning

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