



**Public Liability Insurance**

Cover:

- a) Indemnify the insured's legal liability against body injury or property damage to a third party due to negligence in connection with the insured's business
- b) Indemnify the insured's legal costs and expenses incurred with insurer's consent for defending claims against the insured

Application examples:

- a) A customer came to your office for a meeting and your staff by mistake gave your customer a chair which had some defects pending for repair. The chair overturned as soon as your customer was sitting down. As a result, your customer sustained back injury and eventually paralysed due to the accident. Your customer then claimed against you for damages.
- b) A water tap in your premises burst suddenly one night. The overflowing water from your premises damaged a machine owned by a factory underneath and the damaged machine could not be repaired. The factory claimed against you for the cost of the replacement of the damaged machine.
- c) A window at your home suddenly fell and hit a car on the road. The car was damaged and the passenger inside the car was injured by the fallen window. You were sued by the car owner and the passenger and eventually you were legally liable to pay compensation for damage to the car and bodily injury to the passenger.

Implications:

- a) You have legal liability to pay compensation in respect of the third party bodily injury and/or property damage.
- b) Legal costs involved in dealing with claims could be huge.
- c) a)+b) could be an unexpected enormous financial burden which can even be beyond your affordability.
- d) Therefore, public liability insurance shall not be left out in any successful implementation of your risk management plan.