



A VL real life **claim example**

# Liability Consequential Loss

## Public Liability – Suspended Contract

The Insured, an engineering servicing company, had a 3-year maintenance contract with a major manufacturer to service its specialist plastic moulding machines. The Insured's serviceman dropped a tool into the hopper of a plastic moulder damaging the injector screw and rendering the machine unusable.

The Insured's Public Liability insurance responded to the manufacturer's claim but the maintenance contract was suspended until the machine was back in operation. This took several months. The unhappy maintenance contractor lost 60% of his revenue for the period the machine was inoperable. The Liability Consequential Loss policy responded to compensate the Insured for their direct financial loss suffered as a result of the PL claim.

CEG 009-102019/000



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## Statutory Liability – Sale of Liquor Act

The Insured, a supermarket operator, was prosecuted and convicted for selling liquor to underage customers. Part of the penalty was a 7-day suspension of its liquor licence.

The Statutory Liability policy provided legal defence costs during the prosecution and the Liability Consequential Loss policy responded to compensate the Insured for loss of sales suffered as a result of the SL claim.

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## Statutory Liability – Work Accident

The Insured, a waste paper processor, generated most of its revenue through a large baling machine with sophisticated conveyor systems for sorting. An employee fell into the conveyor resulting in a serious harm injury. WorkSafe prosecuted the Insured and closed down the baling and sorting plant for three weeks during the investigation.

The Insured had the prosecution defended under its VL Statutory Liability insurance. However, it incurred significant uninsured losses and costs as a result of having to dump low-grade paper and pay for alternative baling services for processing high-grade paper to fulfil an export contract. The VL Liability Consequential Loss policy responded to compensate for the financial loss suffered by the Insured due to the plant closure.

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