

Work Accident Insurance & New Wordings

Work Accident Insurance | An Exclusive VL Offering

VL Work Accident is a unique product which funds early voluntary reparation in cases of workplace injury or death where Statutory Liability insurance is triggered. It has an added feature to cover funeral expenses in the event of fatal injury.

It is apparent under the new Health & Safety regime that the Courts are consistently imposing fines and reparations at a significantly higher level than in the past. See the VL Market Bulletin dated May 2017 on [Health & Safety at Work | The New Regime Emerges](#).

One of the factors which a Court may consider in assessing the “discount” applying to the level of penalty is evidence that the employer has made an early voluntary payment to an injured worker as a quasi-reparation. This “discount” will usually apply to fines and reparations alike. In short, voluntary reparation can result in a reduced fine.

Whilst the employer’s Statutory Liability insurance will indemnify reparations awarded by the Court (which may or may not reflect any early voluntary payment), the fine is uninsurable so the employer must bear this cost. Despite the potential beneficial outcome, many businesses will have financial difficulty in making meaningful voluntary reparations.

Work Accident is available under VL’s LegalEdge policy as an optional addition to the package, or it can be added by endorsement to stand-alone Statutory Liability and Combined Liability policies. Please see the [Wording](#) for further details.

As always, your [VL Underwriter](#) will be happy to provide quotations.



Policy Wording Upgrades

In June last year Vero Liability introduced upgraded versions of its most popular wordings. This initiative was well received by brokers and clients and in the past twelve months there has been much constructive feedback from all quarters.

From this we have identified opportunities for further enhancement. Consequently, we have undertaken to re-issue the following wordings to improve clarity, take account of feedback and improve some policy language:

- ▼ LegalEdge [VL POL LEGALEDGE-082017](#)
- ▼ Combined Liability [VL POL SME-082017](#)
- ▼ Public & Products Liability [VL POL PL-082017](#)
- ▼ Statutory Liability [VL POL STAT-052016](#)⁽¹⁾
- ▼ Defence Costs [VL POL DEFENCE COSTS-102014](#)⁽²⁾

The changes are effective immediately for new business and from 1 November 2017 for renewals. A brief summary of the changes to LegalEdge are noted overleaf. The changes noted for each Section also apply to Combined Liability and stand-alone Public & Products Liability, Statutory Liability and Defence Costs covers.

Summary of Wording Changes

Section 1 - Public & Products Liability

Advertising Liability

Clarification in the Memorandum that it is unintentional defamation or infringement of copyright etc. that is covered. (The word unintentional has been added).

Defective Workmanship

The Memorandum is substantially reworded to improve clarity and to expand the definition of "Defective Workmanship" to include defective construction, installation, repair, treatment, erection, alteration or defective service work. Also provides that part of the "Leaky Building" General Exclusion (2c) does not apply to limit the Defective Workmanship Memorandum.

Property in Care, Custody or Control

Clarification that "property" under the Care Custody or Control Memorandum does not include "vehicles". Coverage for damage to third party vehicles is provided for under the Vehicles - Additional Provisions and Service and Repair Memoranda.

Underground Services

The requirement to obtain plans of underground services from a relevant authority is expanded to include obtaining plans from an owner of property.

Compensation Definition

Extended to include damages.

Section 3 - Statutory Liability

Police Proceedings Exclusion

Cover improved so that Exclusion does not apply to Police prosecutions under the Sale and Supply of Alcohol Act 2012 and the Health & Safety at Work Act 2015.

Penalties Definition

Expanded so that reparations agreed to by the Insured and VL as part of an enforceable undertaking can be paid.

Section 4 - Fidelity

Enhancements

- Misrepresentation Condition deleted.
- Employee Definition expanded to include contractors acting as employees and clarification that Employee does not include partners, directors or shareholders.

Section 6 - LawSafe @ Work

The "LawSafe @ Work" section has been updated to make it clearer that the defence or appeal of actions or convictions is subject to "prospect of success" conditions which provide that the defence of charges, or appeal of convictions will not be funded where there is no reasonable prospect of a successful defence or appeal. This is a change in the wording but not the cover provided.

Section 8 -Defence Costs

Hung Claim Definition

The language in the Definition of "Hung Claim" is amended to say that "the Company is prevented from paying Defence Costs" rather than "Defence Costs cannot be indemnified".

Section 10 – Work Accident (Optional)

New optional extension to fund early voluntary reparation and funeral expenses in the event of fatal injury.

Your [VL Underwriter](#) will be pleased to offer any assistance you may require – feel free to call.

