

# Business Risk Management Tips and Solutions



## One call covers it ALL!

### For your personal needs

- Home, cottage, auto, recreational vehicle, watercraft, umbrella liability and travel insurance.

Would you like an on-site visit to have personal insurance reviews completed for your staff? It's as easy as contacting us so we can schedule our visit.

### For your life and wellness planning needs

- Life and Critical Illness Insurance
- Retirement planning, RRIF
- Group Health and Dental Employee Plans – whether your group size is 1 or 101 Mumby's exclusive plans can help. Just click on the link to learn more:

[www.mumby.com/mumby-group-benefits](http://www.mumby.com/mumby-group-benefits)



## A quick lesson in Professional and General Liability Insurance

What's all the hype about carrying these coverages? We have some basic information to share on how these policies can protect your business.

### Professional Liability Insurance (a.k.a. Errors & Omissions Insurance)

This coverage protects your business should your customer claim damages due to your faulty performance. The faulty performance may be a result of a negligent act, error, or inadequate work when performing your professional services.

Your E&O coverage shields your assets and pays for your defence if your client makes a claim. This coverage also protects your clients by ensuring that adequate funds are available to pay for damages incurred if your services are deemed to be faulty.

### Commercial General Liability (CGL) Insurance

This is coverage that will protect your business in the event that you are sued by a third party for physical injury or property damage (i.e. a customer is injured at your place of business, or you damage property at a client's site).

## We don't mean to bug you but...

You will be hearing from us each year to complete our annual review. It may sound daunting but the conversation is short and the information we receive brings great value to ensure your policies continue to protect your business. We would truly appreciate if you could make a bit of time for us when we call.

[www.mumby.com/mumby-annual-review](http://www.mumby.com/mumby-annual-review)



Wait there's more! Just when you thought you heard enough about Liability Insurance we decided to give you extra juicy information! We do hope you find this interesting and insightful since these additional liability policies can indeed bring you peace of mind.

*There's MORE on the next page... read on!*



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## Directors & Officers Liability Coverage

D&O Liability coverage provides protection for the directors and officers of your company from lawsuits based on the performance of their duties. Think of it as an errors and omissions policy for management.

### Protect yourself and your company from scenarios like this:

**Releasing information:** an action of breach was brought against a director following the release of an employee's medical records.

**Verbal contract:** a director who accepted an order at a trade fair, but could not recollect the details the following morning, found himself being sued by his customer for breach of contract.

**Verbal assurances:** directors of a construction company were successfully sued for losses incurred by an architect who relied on a director's repeated assurances that a contract performance bond had been arranged.

**Signing a cheque:** a director who signed a company cheque whilst the company was in receivership, found that the cheque was dishonored and he was held personally liable to the payee.

**Faulty work:** a director of a heating & ventilating engineering firm had to defend himself following the faulty installation of a gas central heating system, which led to a fatality. The work had been subcontracted out to an outside contractor.

## Employment Practices Liability Coverage

EPL coverage provides protection for an employer against claims made by employees, former employees or potential employees. It covers discrimination (age, sex, race, disability, etc.), wrongful termination of employment, sexual harassment and other employment-related allegations. It covers your firm, including its Directors and Officers.

### Consider these true stories:

The President of a private Canadian company, whose annual salary was over \$200,000, was told that following a restructuring, her position would be eliminated but she would be in charge of the company's operating divisions. She took the position that she had been constructively terminated and discriminated against on the basis of gender. She filed a human rights complaint and also sought damages for wrongful termination. The EPL policy responded by paying the defence costs for the human rights complaint and the six figure settlement which included \$10,000.00 for damages for mental distress.

A CFO was terminated for cause following an internal investigation regarding accounting irregularities. Pursuant to the provision of his employment contract, he sought arbitration and claimed damages for wrongful termination. The matter was settled following mediation with the EPL Policy funding 90% of the six figure settlement representing the covered loss.



MORE



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