

Quick Guide To Public Liability Insurance

How does Liability Arise?

Common Law (Tort)

Every person has a duty to take care and behave in a manner so as not to cause bodily injury to or damage to another person's property.

A breach of this duty is called negligence and the person causing the injury or damage should compensate the loss in proportion to his liability.

A person may also be vicariously liable for the acts of others. For example, an employer is liable for the negligent acts of his employees.

Statute

Liability can be imposed by a statute, law, bill or regulation.

For example Hotel Proprietors Act, Health and Safety at Work Act, Sale of Goods Act.

Under Contract

Liability can be imposed by a contractual agreement.

If a person enters into a contract with another party, certain rights will be created by the signing of that agreement. Rights or liabilities that could otherwise not exist may be imposed. For example building contractors picking up liability for their subcontractors.

Public Liability Insurance

Public Liability Insurance (or Third Party Insurance) provides indemnity against liability at law to the public in a general way for bodily injury and loss of or damage to property.

The insurance will define the activity to which the policy will relate and there will be a monetary limit agreed. The insurance will pay, in addition, the costs incurred in a third party claim or in the defence of a claim.

Common Extensions

- Fork Lift Extension
- Passenger Lift Extension
- Food and Drink Extension
- Club Members Extension
- Car Park Extension
- Hotel Proprietors Liability Extension
- Motor Trade Internal Risks Extension
- Geographical Limits Extension
- Hairdressers Professional Services/Beauty/Treatment Extension
- Named Parties Extension

Exclusions

- Mechanically Propelled Vehicles/Craft
- Passenger Lifts owned by the Insured
- Employer's Liability
- Workmen's Compensation Liability
- Property Damage
 - caused by explosion of steam pressure vessels
 - to structure/land caused by vibration or interference with support
- Property in the Insured's Custody or Control
- Defective Workmanship
- Product's Liability
- Contractual Liability which would not otherwise attach
- Nuclear Weapons
- Radioactive Contamination
- War

Products Liability

Covers the insured's legal liability in respect of accidental bodily injury (including death, illness and disease) to any person and loss or damage to property caused by or arising from any goods or other property sold, supplied, delivered, installed, erected, repaired, altered, treated or tested.

Exclusions

- Recall of the product
- Loss of use
- cost to repair/replace the product;
- damage to the product due to defect or unsuitability;
- claims arising out of advice given for a fee or design;
- failure of the product to perform to the buyers expectations (efficacy);
- supply of product to USA;
- punitive damages, fines etc.

Limit of liability usually similar to Public Liability cover except there will also be a limit in respect of the aggregate amount to be paid in any one period of insurance and it will be cost inclusive.

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