

PUBLIC LIABILITY INSURANCE EXPLAINED

DEFENCE FOR LEGAL ACTION TAKEN AGAINST THE INSURED

It's a heavily misunderstood, yet important area of insurance. Public Liability insurance provides cover where there is damage to property which isn't owned, managed or maintained by the Strata Plan, but where the Strata Plan is held responsible for causing the damage and must pay compensation.

Who's covered

All parties defined within the Strata Plan on the policy – the Body Corporate, Owners Corporation, Strata Plan Employees and Voluntary Workers.

Who's not covered

Lot Owners and onsite contractors, such as Building Managers, gardeners and cleaners who aren't paid employees of the Strata Plan.

Lot Owners should organise their own Public Liability Insurance to cover themselves for incidents occurring within their property. The good news is, contents and Landlords contents policies typically have Public Liability insurance included.

Similarly, Building Managers and contractors working on site should also have their own Public Liability Insurance for damage they may cause to third party property and insured property where they may be held personally responsible.

Public liability claims

In the event of a claim, the claim form is the Strata Plan's opportunity to provide their version of the events. It should be completed by someone who has knowledge of the incident not by the third party claimant or their representatives. If there's additional supporting information available, this will help give the insurer a more rounded picture of what happened.

- Photographs or CCTV footage where the incident occurred.
- Photographs of the damaged property.
- Information about what action has been taken to mitigate further loss, such as cordoning off an area, erecting signage or instigating immediate or temporary repairs. Photographs must be taken before and after any such repair or action is taken.
- Relevant invoices or work orders.



The Strata Plan should also provide any documentation relating to the incident or the area where the incident occurred, such as Safety/Risk Management Audit Reports. This may signal to the insurer any prior knowledge or potential likelihood of an incident occurring or whether something similar has happened before.

You should submit the claim form to BCB as soon as possible, along with any communication received from the third party. It's important that the Strata Plan doesn't engage with the third party, or provide any advice, admission of liability or settlement offers. All direct communication should be managed through BCB.

A streamlined process

1. BCB will lodge the claim with the insurer.
 - a. If no demand has been received from a third party, the matter will be lodged as a Report Only and no further action taken.
 - b. If a demand has been received, the insurer may appoint legal counsel and/or an investigator, or they may manage the property damage claim themselves.
2. BCB will keep the Strata Plan up to date with progress by the insurer.

Public liability claims can be drawn out matters, where not much occurs for long periods of time whilst the insurer determines liability. We'll request an update from the insurer at least every month.

3. We'll contact the Strata Plan as soon as the insurer decided whether to settle or deny liability.

If you have any questions about Public liability insurance, please contact your local BCB office.

The information provided is general. It does not constitute legal advice and should not be relied upon as legal advice. Body Corporate Brokers recommends seeking advice from a qualified lawyer on any legal issues affecting you before acting on any legal matter. Whilst Body Corporate Brokers endeavour to ensure that the content of this information sheet is accurate, it does not represent or warrant its accuracy, adequacy or completeness and is not responsible for any loss suffered as a result of or in relation to the use of this information sheet.

bodycorporatebrokers.com.au

Body Corporate Brokers Pty Ltd. ABN 95 002 809 298 AFS License No. 244529



New South Wales

02 9024 3850
nsw@bcb.com.au

Level 11, 338 Pitt Street
Sydney NSW 2000

PO Box 20288, World Square NSW 2002

Queensland

07 5668 7800
qld@bcb.com.au

Suite 1, 7-9 Burra Street
Chevron Island QLD 4217

PO Box 5579, Gold Coast MC QLD 9726

Victoria

03 8609 2300
vic@bcb.com.au

Level 12, 390 St Kilda Road
Melbourne VIC 3004

Western Australia

08 6245 5300
wa@bcb.com.au

155b, 22 St Georges Terrace
Perth WA 6000

PO Box 5655, Perth St Georges Terrace WA 6831