



INSTITUTE OF ACTUARIAL
& QUANTITATIVE STUDIES

Non-Life Insurance

**Miscellaneous Insurance
(Liability insurance)**

Presentation

Liability Insurance

Liability insurance cover provides indemnity to the insured in respect of financial consequences arising out of liability under the civil law. The liability arises either due to the operation of

- Law of torts
- Specific statutory enactments

It provides the insured party with protection against claims resulting from injuries and damage to people or property. Liability insurance policies cover both legal costs and any payouts for which the insured party would be responsible if found legally liable. Intentional damage and contractual liabilities are generally not covered in these types of policies.

Understanding Liability Insurance

In regard to auto insurance policies, liability insurance costs far less than full coverage. The reason for this is because full coverage insurance must pay for both your vehicle and any other vehicle involved in a collision, As well as property damage and medical expenses due to injuries to you or another party.

On the other hand, liability insurance is only responsible for the **other party's losses**. Your person and your property are unprotected, but liability insurance protects you from being held responsible for the other party's damages.

Types of Liability Insurance

- Carrier legal liability insurance
- Commercial crime insurance
- Cyber risk insurance
- Professional liability insurance
- Directors and Officers liability insurance
- Commercial general liability (CGL) policy
- Trade credit insurance
- Product liability insurance

Commercial general liability policy

A CGL policy protects the businesses against the claims arising out of bodily injury and property damage arising out of:

Premises

Operations

Products

Completed operations

It also covers the losses caused due to advertising and personal injury.

Directors and Officers liability insurance

It is a type of liability insurance which covers the directors and officers against the claims made by

- Employees
- Suppliers
- Competitors
- Regulators
- Customers
- Shareholders
- Other stakeholders

Professional indemnity insurance

A Professional Indemnity Insurance is a type of liability insurance that covers the businesses or individuals who provide advice or a professional service to clients. It covers the compensation claims when the business is sued by its clients for making a mistake.

Carrier legal liability Insurance

Carrier legal liability insurance covers the insured for the physical loss or damage to goods or merchandise directly caused by fire or/and accident to the vehicle while such goods or merchandise are in transit. It covers for the losses of the goods or merchandise when they are in the custody of the insured.

Commercial crime Insurance

A Commercial Crime Insurance policy offers to protect the businesses against the losses due to third-party fraud or employee fidelity. It protects the business against:

- Employee dishonesty
- Theft of money
- Burglary
- Robbery
- Forgery
- Computer fraud

Cyber risk Insurance

A cyber insurance policy is designed to help an organization or business to cover against the liability and property losses arising due to any electronic activity that the business engages in. This policy helps to offset the risk involved with recovery, after a cyber-related security breach.

Product Liability Insurance

A product liability insurance covers the business against the claims arising with respect to its products and services. The claims may arise due to personal injury or property damage caused due to the products or services of the business.

Trade Credit Insurance

This insurance helps the business owners to protect their accounts receivable from loss due to credit risks such as protracted default, insolvency or bankruptcy.

Underwriting Factors

General underwriting factors :

- Geographical location
- Character, reputation & lifestyle of applicant
- Claims history
- Implementation of safety precautions by the applicant
- Previous criminal convictions
- Nature & particulars of liability exposures

Thank You