

Key Insurance Considerations for Real Estate Offices

To ensure the adequate protection of your Real Estate business, Coverforce recommend each of the following insurances are strongly considered.

Professional Indemnity Insurance

Professional Indemnity policies are primarily designed to defend you and indemnify you against most civil liability claims from third parties seeking compensation as a result of your professional negligence.

Most Real Estate Professional Indemnity policies provide coverage for Fidelity (usually sub-limited to \$100,000 or less), Employment Practices Liability, Statutory Liability and Third Party only Cyber coverage.

It is important to understand that the Fidelity coverage and Cyber coverage provided by Professional Indemnity policies are very limited. Comprehensive Crime (not just Fidelity), Cyber Crime and other First Party Cyber Insurance should be arranged separately.

Cyber and Crime Insurance

There has been a spike in cyber related crime in the real estate sector resulting in significant losses to businesses.

Cyber criminals are becoming more sophisticated and are increasingly using tactics such as identity theft to hack into systems or company processes, obtaining access to company bank accounts and trust funds.

Without the correct Cyber and Crime Insurance in place, many businesses will remain uninsured for this emerging criminal activity.

Cover can be arranged via a packaged Management Liability policy, or can also be arranged via standalone Cyber and Crime Insurance policies.

Management Liability

Managing a business comes with its risks and responsibilities. As a director or officer of a business your personal assets as well as company assets can be exposed under many circumstances. Management Liability Insurance primarily provides coverage for Directors and Officers for loss on account of wrongful acts committed or allegedly committed in the execution of the director or officer's duties. These policies also extend to cover:

- > Employment Practices Liability – full policy limit
- > Statutory Liability – generally up to \$1,000,000
- > Crime (First Party & Third Party cover) – generally up to \$1,000,000
- > Tax Audit – generally up to \$100,000

Business Insurance

The risk of fire, theft, malicious damage and accidental damage of company property can be protected under a Business Insurance policy. Business Interruption (loss of revenue and additional costs), can also be insured together with other policy sections such as Glass, Money, General Property and Machinery/Electronic Breakdown.

An important consideration with Business Insurance is to ensure that the risk of flood is considered, and that the flood extension is requested to be included if required. Flood is not a standard inclusion under Business Insurance policies.

Public Liability Insurance

If you lease/own a company office, hold events, visit clients, participate in auctions and other sales or property management activity you will have an exposure to potential third party injury and property damage claims.

Public Liability is a 'must have' insurance policy for all businesses who operate in the Real Estate/Property Management sector.

Workers Compensation Insurance

This statutory form of insurance is compulsory in all states and territories for incorporated entities whom employ staff or pay wages. Workers compensation Insurance may also be required for sole traders and ABN holders.

General Advice Warning

This information is general in nature only and does not take into consideration your personal financial needs and circumstances. You should consider the relevant policy wording and Product Disclosure Statement before acquiring any financial product.

To find out more, contact your Coverforce Account Executive direct or call 1 3000 COVER

Issued 2017 by Coverforce Insurance Broking Pty Ltd
ABN 11 118 883 542 | ACN 118 883 542 | AFSL 302522

