

Public and Products Liability Insurance Information Summary

What is Public and Products Liability Insurance?

If an accident or unforeseeable incident causes damage or injury to someone (other than your employees), you may be found legally liable to cover the costs.

Public liability insurance can help to protect your business from the financial risk of liability claims – giving you the certainty you need to trade with confidence.

For tech and IT companies, public and products liability insurance is normally included in IT liability insurance.

No matter how stringent your company is, mistakes can happen. For example, you may design or sell a product that causes a customer harm.

Even if you're not at fault, you could risk serious financial damage through legal and court costs if a customer decides to sue you.

Product liability insurance is designed to help protect your business if you're sued because a product you sell, assemble or supply has caused harm to a person or property.

While public and product liability insurance isn't mandatory for most businesses, it is recommended for all companies. That's because the unpredictable nature of accidents makes them hard to prevent – and the costs of being sued can be extraordinarily high.

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Public liability insurance helps protect you and your business against the financial risk of being liable for negligence.

Australian Government,
[Business.gov.au](https://www.business.gov.au)

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Important Note - The information provided here is general advice only and has been prepared without taking into account your objectives, financial situation or needs. Before making a decision you should read the Product Disclosure Statement available by calling our office to consider whether it is right for you (terms, conditions, limits, and exclusions apply). Please refer to our Financial Services Guide on our website: [sherpatech.com.au](https://www.sherpatech.com.au) for information on our products and services and how we are remunerated.

What can it cover?

Public and product liability insurance helps protect your legal liability to third parties, including clients, customers and the public for injury or damage to their property, caused by your business. It can even cover emotional distress or shock that your business causes another person.

It will generally pay your costs of investigating, defending and settling claims, as well as any compensation payment you are found legally liable to pay.

Depending on your policy, public and products liability insurance can cover:

Type of cover	Potential benefits
Personal injury	If somebody is wrongfully injured by your actions or your product, public and products liability insurance can cover you for your liability to pay damages to the claimant.
Property damage	If property is damaged due to your actions or your product, public and products liability insurance can cover you for your liability to pay damages to the claimant.
Advertising injury	Liability arising out of advertising carried out by or on behalf of the insured.

What usually isn't covered?

Exclusions, the excess you need to pay and limits of liability can vary greatly depending on your insurer. Policies generally won't include cover for:

- Cost of rectifying faulty workmanship
- Damage to your own products
- Claims by employees
- Claims arising out of the use of a registered motor vehicle
- Claims related to asbestos

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