

# **Combined General Liability Insurance**

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**Aug 01, 2018**



# Overview of a Company's Liability Exposures

**Product Liability**

**Automobile Liability**

**Public  
Liability**

**Advertising  
Liability**

**COMPANY**

**Professional  
Indemnity**

**Contractual  
Liability**

**Employer's  
Liability**

**Directors &  
Officers**

# What does CGL means??

**Public & Product  
General Liability**

**Comprehensive  
General Liability**

**Contractors  
General Liability**

**Commercial  
General Liability**

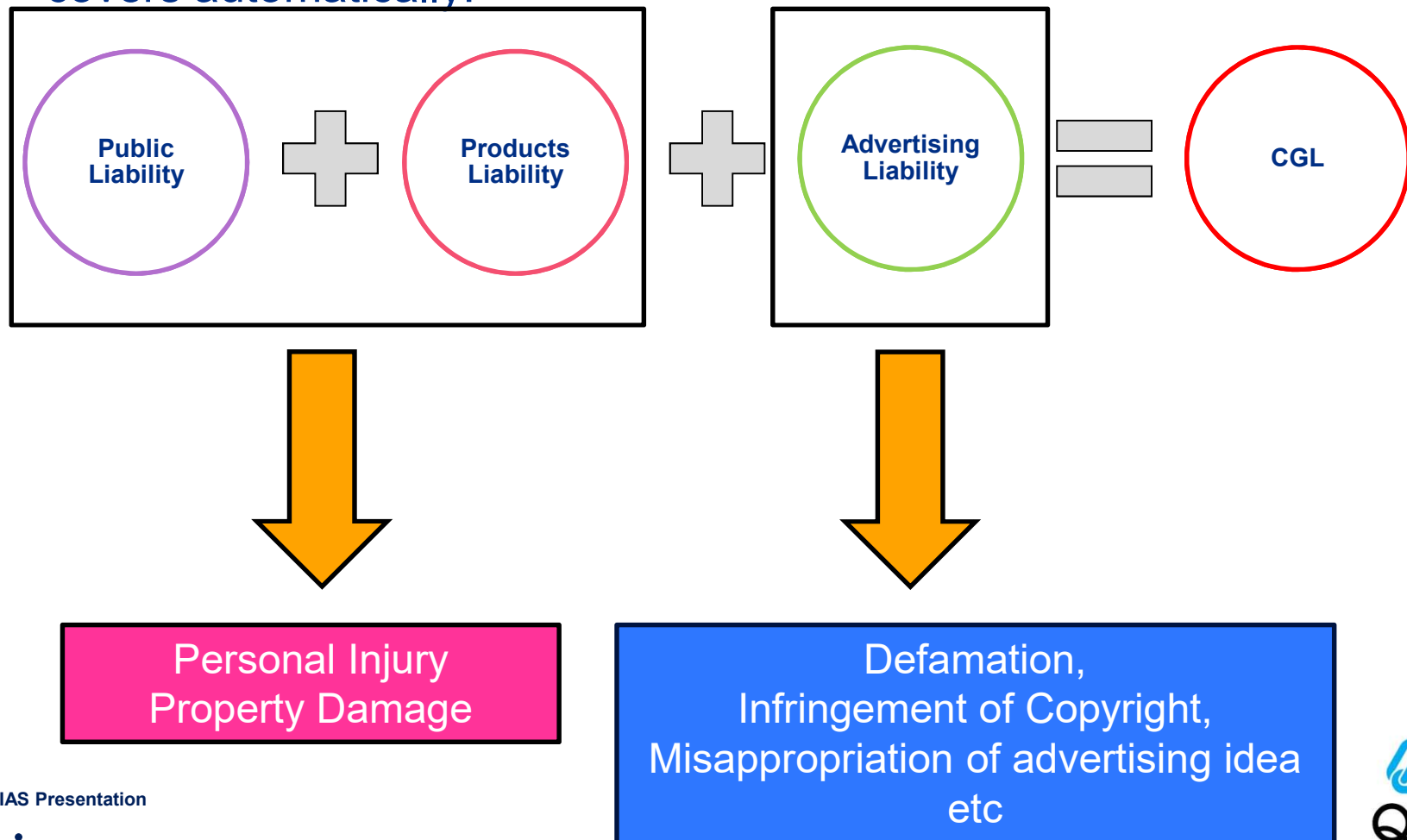


**Combined  
General Liability**

# QBE's Combined General Liability

# CGL – Singapore Context

1. In Singapore, a typical CGL request would incorporate the following covers automatically:-



## How does CGL differs from Public Liability

Coverage	Public Liability	QBE CGL
Premises Operation	✓	✓
Product Liability / Completed Operations	✗	✓
Broadform Definition – Insured	✗	✓
Broadform Definition – Bodily Injury	✗	✓
Broadform Definition – Property Damage	✗	✓
Broadform Definition – Business	✗	✓
Advertising Liability	✗	✓
Contractual Liability	✗	✓ Thru Extension

# Why is CGL Needed now?

CGL insurance is needed due to:-

- Public Liability coverage is inadequate in today's litigious environment where your client operates in
- In addition, the possibility of a lawsuit increases when you have more people coming into contact with your **business premises**, **your products** and your **advertisements**.
- Market Driven – Principal Requirement before awarding contract to Insured.
- Unexpected incidents can impair any SME business
  - › In addition to damage and compensation, they also incurred legal defence cost. A lawsuit can cost the business quite a lot, and can rise to the hundreds of thousands, and even to millions.

## An Example

- SBH Pte Ltd imports plastic household products from China and distribute them in Singapore
- Profit Statement as follows:-

Annual Profit & Loss Statement	SGD
Gross Turnover	1,000,000
Less Costs of Goods Sold	(-850,000)
Less Fixed/Variable Expenses	(-100,000)
Profit	50,000

- Ponder:-
  - › Should a potential claim were to be filed against SBH Pte Ltd, will SGD 50,000 **be enough** to engage a lawyer to defend the case?
  - › What about the potential compensation amount which the claimant is seeking? Does our client have the **Extra Cash Flow** to meet this “**shock**” ?
  - › Without a CGL insurance, the entire profit generated in one year **will be wiped out**. Can business still carry on?



# An Example

## Remember!

- CGL Insurance is a good risk management tool for SBH Pte Ltd.
- At the end of the day, whether the SGD 50,000 becomes a profit or a loss for SBH depends very much on how they managed their risk exposure(s).
- An **alleged claim** need not necessary mean that SBH is liable, but SBH definitely needs the expertise and cash to help them defend that litigation.
  - Where will that defense money come from?
- A CGL coverage answer that problem by offering the **Capital Protection** (and hence preserved that SGD 50,000) as well as to provide the legal assistance & professional help.

# QBE Combined General Liability

## Coverage

- Cover will pay all sums which you become legally liable to pay as **Damages or Compensation** in respect of 3 areas:

- ☐ **Personal Injury**
- ☐ **Property Damage**
- ☐ **Advertising Liability**

} What the policy will pay for to Third Party

- as a result of a **occurrence (event)** during the **Period of Insurance** within the **Territorial Limits** in connection with your **Business (would include Products)**.

} Conditions to be fulfilled

# QBE Combined General Liability - Definition

## **Personal Injury** means:-

- Bodily injury + Mental Injury (shock, fright, mental anguish)
- False Arrest, Wrongful Detention, False Imprisonment

## **Property Damage** means:-

- Physical damage, loss of tangible property + resulting loss of use
- And including loss of use of other tangible property not physically damaged

## **Product** means any goods, products or property:-

- manufactured, grown, extracted, produced, processed, sold, supplied, distributed, assembled, constructed, erected,
- installed, repaired, serviced, treated,

by the Insured and after they have ceased to be in the possession of the Insured

# QBE Combined General Liability - Definition

**Advertising Liability** means:-

- Infringement of copyrights, title or slogan
- Unfair competition, misappropriation of advertising idea, invasion of privacy

Arising out of advertising activities conducted by the insured in the course of carrying out their business activities

# QBE's Capabilities



## Capacity

- USD 50m



## Jurisdiction / Territorial

- Can provide Worldwide (including North America)



## Defence Cost

- In addition to Limits of Liability



## Broad Wording

- One of the broadest in the market

# Take Away from this Workshop

## Key Take Away:-

- CGL can be referred to in different names, but they are essentially covering the same risks
  - › With the exception of Contractors General Liability
- Risk exposure in the market is increasing. To be well protected, the standard bodily injury and property damage coverage might not be good enough.
- CGL Coverage is a broader coverage compared to a Public Liability cover. It encompass Public , Product and Advertising Liability.

**Thank you**

