

Definition of Risk

Lockton Companies Australia Pty Ltd



Class	Definition
Accounts receivable/book debts	Loss sustained due to inability to collect outstanding debts following damages to accounting and other records.
Advance business interruption	Financial loss resulting from project delay due to loss or damage to property whilst undergoing construction, installation etc. Includes loss of planned trading revenue, continuance of overheads and extended interest charges etc.
Airport operators liability	Covers third party liability which arises out of ownership, maintenance or operation of registered aircraft landing areas.
Aviation hull and liability	Covers aircraft passengers and freight, liability arising out of aircraft operations and a wide range of aviation related risks, including non-owned aircraft liabilities.
Bankers' blanket bond	This package policy incorporates various insurances relevant to the banking and finance industries.
Boiler and pressure vessel explosion	Covers damage caused by explosion or collapse of boilers or pressure vessels as well as legal liability to third parties arising therefrom.
Bonds	Insurance bonding is available to accommodate a wide variety of situations e.g. performance guarantee and may be a viable alternative to bank guarantees.
Burglary and/or theft	Covers loss or damage to insured property as a result of burglary or theft.
Business interruption	Covers loss of income, contributes towards the continuing fixed costs of the business and increased working costs incurred to avoid or diminish a reduction in income or interference to the business following loss or damage to property.
Cancellation and abandonment	Cover can be arranged to protect Promoters and Investors against losses that arise through the cancellation or abandonment of a nominated event caused by a prescribed peril or circumstance.
Charters legal liability	Covers legal liability to owner of a chartered vessel and/or third parties arising out of the signing of a charter party agreement.

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Commercial package	This insurance package is typically designed for small business enterprises and provides coverage for both Assets and Liabilities within the framework of one policy.
Construction risk/liability	Covers loss, destruction of or damage to contract works and all materials ascribed to the contract whilst in transit or on or adjacent to the Insured Site. Cover can extend to include cover for legal liabilities for injury to any person(s) and/or damage to any property of third parties arising out of the construction or maintenance operations.
Container liability	Cover contractual liability for loss of and/or damage to hired or leased containers and additional costs incurred.
Contract bonding/contract guarantee	Covers financial loss arising from the failure of parties to a contract to fulfil their contractual obligations.
Contract penalties/liquidated damages	Covers penalties under contract for the delay in completion of a contract on schedule.
Contract works (and Contract works liability)	Loss or damage and third party liability arising out of construction, erection, installation and relating testing activities.
Contributory negligence	Lack of care on the part of the individual Injured or suffering loss which helped to cause the accident or aggravated the injury or damage.
Control of well (operator's extra expense)	Covers expenses incurred in bringing under control and oil/gas well. Can include expenses such as seepage and pollution clean-up costs, re-drilling expenses, etc.
Corporate travel	Covers baggage, overseas medical expenses, money, personal accident benefits, loss of deposit and other contingencies appropriate for insured persons whilst travelling on the business of the Insured.
Credit	Financial loss due to bad debts incurred following the insolvency of a customer.
Crops (growing)	Covers loss destruction or damage to crops for an insured peril.
Customs and payments bonds	Covers liability under the Customs and/or Excise Act.
Cyber liability	Provides protection for the risks associated with Cyber attacks. This combines first party (e.g. an Insured's loss of income/revenue) and third party coverage for many cyber exposures.

Class	Definition
Directors' and officers' liability	Covers damages (not fines or penalties) and legal expenses incurred due to a breach or alleged breach of duty, misleading statement or wrongful act (as defined in the policy) by a director or officer acting in that capacity.
Disability	Covers insured persons for permanent or temporary disablement as a result of accident or sickness where such persons are unable to perform the major portion of their normal occupation - various covers such as Key Person, Salary Continuance, etc., are available.
Economic loss	Covers liability to third parties for financial loss arising from personal injury or property damage. Limited cover can be purchased in various forms including product guarantee and professional indemnity insurance. In general cover is difficult to obtain.
Electronic computer crime	Losses resulting from dishonesty in relation to computers
Electronic equipment/breakdown/business interruption	Breakdown, loss or damage to computers and associated equipment. Can include cover for loss of data, additional expenses incurred to maintain normal operations and consequential loss of income
Employee Benefits	Includes Superannuation, Group or Individual Life Assurance, Inpatriate & Expatriate Cover, Disability, or Salary Continuance insurances
Employee Protect Insurance	"All Risks" employee benefits policy that can be tailored to meet your organisations worldwide insurance requirements and compliance obligations.
Employment practices liability	Covers damages and defence costs in the event of actions taken by employees relating to wrongful dismissal, discrimination, sexual harassment.
Environmental impairment	A limited insurance market is available to cover costs incurred due to gradual accidental pollution. However, insurance is only provided subject to a satisfactory environmental survey.
Export credit / political risk	Covers losses caused by contract repudiation, export licence cancellation, or currency inconvertibility preventing the transfer of payments made under a contract.
Extended warranty	Policies are available to provide protection for breakdowns and defects that arise after the expiry of a manufacturers warranty period.
Fidelity guarantee	Loss of funds or property resulting from fraudulent or dishonest acts by employees.

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Film/film producers guarantee	A range of policies are available to protect producers and investors against loss involving assets, liabilities, people, production costs and profit.
Fine arts	Covers loss of or damage to fine art and curios whilst on display, exhibition, or in transit.
Forged share transfer	This is a legal liability policy. If company's shares or stocks are transferred from one name to another, due to the production of forged documents, both the registrar and the issuing company may be liable for losses incurred by the "real" owner
Fire & Extraneous Perils	This composite policy can include a selection or all of the following perils: Fire, Lightning, Explosion, Aircraft, Earthquake, Storm & Tempest, Rainwater, Water Damage, Flood, Malicious Damage, Riots & Strikes, Impact by Vehicles or Animals.
General property	Covers loss or damage to specified property, normally of a portable nature, which is not covered under the policy on property at the Insured's premises.
Glass	Can cover either specified items of glass or more typically all glasses on a premises. Cover can be extended to include such items as signwriting and framework.
Group Personal Accident	Covers a nominated group of individuals for specified benefits against a range of accidental disabilities.
Health care plans	Covers employees and their families for reimbursement of health and dental charges incurred in addition to those reimbursed by Medicare
Home and contents	Covers domestic dwellings and contents against fire and other perils including theft and personal liability.
Industrial special risks	Covers the cost of repairing or replacing physical assets following loss or damage by an insured risk and typically includes cover for resultant business interruption.
Infringement of copyright	Provides cover for legal expenses incurred by the insured in pursuing breaches of their patent or copyright by others
Journey Cover	Coverage for Bodily Injury or Disability sustained by a Covered person which occurred whilst on direct travel for the purpose of attending or returning from the usual place of work.
Keyman	Provides death and/or permanent disability benefit in respect of specific people critical to business operations

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Kidnap, ransom and/or extortion	Covers ransom monies and negotiation expenses in the event of kidnap of an employee or members of their family resulting from threats against property.
Landlords	Protects residential property owners in the event of damage to their property by tenants.
Legal defence cost	Covers expenses in either pursuing or defending action arising from disputes with customers or suppliers for the sale, purchase, hire or supply of goods or services or in defending employment contract actions brought against clients by employees or defending any criminal prosecution made against the Company, its Directors or employees
Libel and slander/defamation	Legal liability for injury to the reputation, goodwill, profession, trade, business or credit of third parties in consequence of defamation, libel or slander
Life assurance	Group or individual life insurance, disability and trauma or superannuation
Livestock or Bloodstock	The insurance of animals against death by accident, sickness or disease
Loss of hire/standby charges	Covers loss of anticipated freight earnings/income as a result of a vessel being out of service.
Loss of licence	Insures a person who is dependent upon a form of licence in order to earn a livelihood e.g. pilot. The insurance covers specified benefits in the event of accident or disability which results in discontinuance of the licence.
Machinery breakdown (material damage)	Breakdown of machinery and can include boiler and pressure vessels explosion cover. May extend to include consequent loss of income and/or additional expenses incurred to maintain operation and/or spoilage of stock
Management Liability	Covers directors and officers for their personal legal liability arising out of their management of a corporation, and the corporation for certain types of events. It is usually offered to proprietary companies whose directors and officers are also shareholders in order to protect their asset. Generally covers claims brought by shareholders, employees, regulators, competitors, and the company itself.
Manufacturers output/sellers contingency	Covers loss of and/or damage to stock from purchase as raw materials through manufacture and transit/shipment to final destination. This is often termed as "Cradle to Grave" cover. Sellers Contingency protects exporters when goods are destroyed or damaged as a result of the buyer not paying for the goods.

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Marine cargo inland	Loss or damage to property in transit by any form of conveyance within Australia
Marine cargo overseas	Loss or damage to property in transit by any form of conveyance to and from Australia and overseas
Marine hull	Loss or damage to a marine vessel and includes liability to pay damages (including legal expenses) in the event of negligent death or injury to third parties or damage to their property
Medical crisis/trauma	Covers expenses associated with a variety of nominated sickness and diseases.
Medical malpractice	Cover the professional liability of medical practitioners for acts or omissions that cause loss or damage.
Money	Covers loss of money and negotiable instruments
Mortgage and lease guarantee	Covers financial loss as a result of default by the borrower.
Mortgage protection	Utilised to provide for the repayment of an outstanding mortgage or other outstanding debt which is being paid off by instalments, in the event of death or disablement of the mortgagor.
Motor vehicle	This can take several forms, e.g. Comprehensive (own damage and third party property damage), third party property damage only or compulsory third party cover
Non-owned aviation liability	Covers legal liability to third parties (including passengers) for accidental death, bodily injury or damage to third party property caused by an aircraft or by any person or object falling from an aircraft not owned by the Insured but which they charter, hire or use with the permission of the owner, only whilst such aircraft is in the care custody or control of the Insured.
Patent Infringement	Provides cover for legal expenses incurred by the insured in pursuing breaches of their patent or copyright by others.
Personal accident/illness	Can provide weekly lump sum benefits for accidental death or injury to specified persons. Limited protection is also available to cover sickness
Pleasurecraft	This policy can cover the craft, accessories, and Third Party Liability (including to and by water skiers).
Pluvius (weather)	Insurance to provide an agreed sum in the event that a nominated quantity of rain should fall during a specified time period, on a specified date and location. Cover is often required by promoters of sporting and outdoor

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	events who would expect to incur financial loss should rain affect attendance at an event.
Political risk	Insures expropriation, confiscation, nationalization of property in foreign countries. Can also cover contract repudiation, licence cancellation or currency inconvertibility.
Product performance guarantee	Covers the legal obligation to replace or repair products which fail to perform their intended function, or financial loss sustained by a customer or third party arising therefrom.
Product recall	Covers the expenses incurred in the recall of potentially faulty products
Product tamper/contamination	Can cover recall expenses, loss of net profit and other expenses incurred following malicious tampering with a product
Professional indemnity/errors and omissions	Covers the legal liability to compensate third parties (including legal expenses incurred) who have sustained financial loss due to a breach or alleged breach of professional duty on the part of the Insured or their employees.
Protection and indemnity	Covers liability to third parties as a result of ownership of a vessel
Public and products liability	Legal liability to pay compensation (including legal expenses) to third parties in the event of the insured causing or being alleged to have caused injury, death or loss of or damage to property arising out of business operations or products.
Salary continuance	Designed to protect the livelihood of an employee or self-employed individual who cannot work because of a prolonged disability arising from accident and/or sickness
Seismic streamer	Covers seismic survey equipment offshore against loss or damage by insured perils.
Seismic tape	Covers loss or damage to seismic tapes during transit, processing or storage.
Special Contingencies (Special Risks, General Property)	Can cover special items such as electronic equipment and valuable items against loss or damage for a designated range of causes.
Sprinkler leakage	This is designed to cover damage caused to the premises and its contents (specifically stock) through accidental leakage of the sprinkler system.

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Statutory Liability	Covers penalties and defence costs arising out of an unintentional breach of legislation e.g. acts relating to Occupational Health and Safety, Workers' Compensation, Environmental etc.
Superannuation	Provision for retirement. A wide range of Superannuation and related Life Assurance products are available in the market.
Takeover	Expenses arising from a successful defence against an unwelcome bid to take over or acquire control of the insured company
Taxation audit	Expenses incurred by the insured in the course of compliance with tax audits instituted by the Australian Taxation Office
Technology liability	Covers technology errors or omissions, technology media library and technology broad-form and products liability.
Third party strikes	Covers business interruption loss attributable to the strike action of the employees of the Insured's customers or suppliers of goods services.
Trustee liability	Covers trustees, trust managers, sponsors of superannuation funds in respect of legal liability to compensate third parties (including legal costs incurred) arising out of the negligent administration of the trust or fund
Umbrella liability	Legal liability insurance that provides cover in the same circumstances as other liability policies such as general and products liability, motor vehicle etc. but provides additional limits of liability above those insurances of a wider scope than the underlying liability policies.
Valuables	Personal valuables can be insured either whilst in the home or anywhere in Australia or whilst travelling abroad.
Voluntary group accident schemes	Covers employees by way of a payroll scheme, for death or disablement as a result of an accident.
Worker to worker liability	Liability coverage for accidents where a worker is injured by the negligence of another worker, who is not working on behalf of the same employer. Commonly covered through Public Liability or Contract Works Liability policies.
Workers' compensation	A compulsory insurance which must be effected in all states and territories of Australia in which the insured engages employees; provides coverage of workers' compensation benefits as designated by the Government Act prevailing in each state or territory (including cover for common law actions where applicable)

Class	Definition
Workers Compensation: Make Up Pay	This insurance provides cover for the difference between benefits payable under the various state workers compensation acts and benefits normally payable to an injured worker by way of award or agreement.
Workers Compensation: Extra Territorial	Legal liability to pay compensation (including common law damages) to an employee domiciled in Australia who sustains injury, disease or death anywhere in the world outside their Australian State or Territory of domicile, in circumstances where a Workers' Compensation policy may not adequately respond.