

Management Liability Claims Examples

Occupational Health and Safety



Mining Engineer

- ⌚ 6 staff
- ⌚ \$2.5M turnover

Background

A mining engineer and geotechnical specialist, contracted by the insured mining company, were inspecting a tunnel for the purposes of deciding how to support the excavations and what type of equipment would be best suited to cutting and drilling the rock mass. During the inspection, they were severely injured when part of the tunnel collapsed on them. The mining contractor was left paraplegic and the geotechnical specialist was left with deep lacerations on his right thigh along with a punctured lung and head trauma. The insured company was subject to a formal Occupational Health and Safety investigation and prosecution.

Outcome

It was determined that the Insuring clause of the Policy was triggered and indemnity was extended to the Insured. The company vigorously denied all allegations. Despite their attempt at defending the claim, the company was fined.

Payment: \$450,000 fine plus \$100,000 in defence costs.

Manufacturing Company

- ⌚ 9 staff
- ⌚ \$7.1M turnover

Background

A team of 25 factory hands were contracted by the insured manufacturing company to work on the production line in the build up leading up to the Christmas period. The contractors received a two hour course in safety and procedure. Unfortunately, on the first day of employment, two of the workers were seriously injured. One of the contractors suffered a deep laceration on his hand whilst the other contractor lost partial hearing in his left ear for failing to wear the safety equipment correctly. A formal Occupational Health and Safety investigation began which eventually led to the company being prosecuted.

Outcome

It was determined that the Insuring clause of the Policy was triggered and indemnity was extended to the Insured. Following a two day hearing, the company was found liable and was fined.

Payment: \$120,000 fine plus \$130,000 in defence costs.

Carpenter

- ⌚ 6 staff
- ⌚ \$12M turnover

Background

An apprentice builder on a construction site was inspecting drilling equipment and was severely injured when a pile of debris fell on him. He was airlifted to hospital but unfortunately died two days later. A formal Occupational Health and Safety investigation began which eventually led to the insured construction company being prosecuted. During the investigation, it was deemed that the company had failed in its duty of care to provide a safe work place for its employees.

Outcome

It was determined that the Insuring clause of the Policy was triggered and indemnity was extended to the Insured. Following a 1 day hearing, the company was found liable and was fined.

Payment: \$250,000 fine plus \$80,000 in defence costs.