

*GGIB are able to deliver where it matters and we focus on the things that are important to our customers.*

## Transport Industry Fines & Penalties Insurance

*Cover is exclusive to Griffiths Goodall Insurance Brokers*

### What does the policy cover?

The policy coverage is framed so that the transport operator will be indemnified for the cost of the fine/penalty and the legal costs incurred in defence of the fine/penalty, even where a fine/penalty is not imposed. The policy wording is also extended to cover occupational health and safety exposures, as well as any legal expenses arising from coronial inquests, royal commissions, investigations/examinations or any other proceedings commissioned by any regulatory authority. Employment practices exposures such as unfair dismissal, bullying and harassment are also covered

### Can you provide real life examples of what would be covered?

Some recent examples that would have been addressed by the policy include :  
a transport operator being fined \$170,000 and ordered to pay WorkSafe's legal costs of \$41,270 after a Court found the operator neglected proper training standards when a trailer collapsed on one of its drivers; the death of a driver resulting in a lengthy investigation into the company's induction program. The industrial relations court found the operator failed to give the driver an onsite safety induction and handed down a \$220,000 fine for breaching health and safety legislation; two employees alleging they had been bullied and harassed by their manager. The matter settled for \$200,000 in addition to \$120,000 in legal defence costs; and a transport operator being fined more than \$300,000 for 47 mass and load restraint breaches over a six month period.

### What is the cost to take out the cover?

Despite the high fines/penalties that can potentially be imposed and the expensive legal fees incurred in

defending the fines/penalties, the insurance premiums being charged are very affordable and can be paid off monthly. A table set out below will provide you with an indication of the cost to your business.

### Number of Trucks Total Premium

1 to 5	\$885.00
5 to 17	\$1,215.00
18 to 22	\$1,435.00
23 to 29	\$1,535.00
30+	\$1,710.00

### This sounds too good to be true. What's the catch?

The policy contains the usual exclusions normally contained in a policy covering statutory liability exposures. This means that the policy will not respond if the breach that has been committed was wilful, deliberate, reckless, grossly negligent or intentional.

### How can we obtain the cover?

The premiums noted above are indicative only. To proceed with the cover we will need you to fill in a short proposal form to ensure that we can honour the suggested premiums.

### I've chosen to use Griffiths Goodall Insurance Brokers. How do I make a claim?

We have an in-house claims support team which will manage your claim from start to finish. All you have to do is contact them with the loss details and they will progress the claim as efficiently as possible and ensure that you are fully indemnified in accordance with the policy wording.

GGIB understands your responsibilities as a director or executive of a transport company, and your exposures in relation to your responsibilities and liabilities in this regard.

Directors and Officers of any company are personally liable for their actions (or inaction) in their capacity as a Director or Officer of that company.

The regulatory environment has become more onerous for Directors and Officers, who can face personal liability under a wide range of sources, from the broad duties owed under the Corporations Act, to the specific requirements of occupational health and safety legislation.

Fines and penalties (including those awarded for strict liability breaches of legislation), civil claims for compensation, and enduring investigations by regulatory bodies are only some of the liabilities that can arise. Even the most careful director can incur significant legal fees in the defence of a claim in which they are ultimately exonerated.

The forever increasing statutory minefield in the transport industry has resulted in an increased raft of fines and penalties that can be imposed on the humble transport operator. There are a number of steps that can be taken to protect the operation against those fines and penalties. Primarily, the business should put in place practices and procedures to comply with the relevant legislation in each State or Territory.

In addition to these proactive measures, the operation should also consider taking out some form of insurance protection to provide legal defence costs cover where an inadvertent breach has occurred.



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