

# Legal Expense Insurance

Filling the Gaps in your clients' commercial insurance portfolio



**YOUR ACCESS TO JUSTICE**

# Providing peace of mind



## Traditional commercial insurance portfolio may include:



- Property
- Auto
- Fidelity
- Credit
- Boiler
- Commercial General Liability (CGL)
- Errors & Omissions Liability (E&O)
- Directors & Officers Liability (D&O)
- Employment Practices Liability (EPL)

+ Various endorsements to cover unique risks

# However there are gaps!



**Traditional commercial liability policies typically do not cover:**

- Plaintiff legal costs
- Breach of contract disputes
- Financial loss claims *(Unless specifically covered in D&O or E&O policy)*
- Criminal defence claims *(Some exceptions such as D&O Securities)*
- Business licence suspension appeals
- Business property nuisance or trespass
- Tax disputes

# A quick look at CGL



**Basic CGL policies may have exclusions for:**

- Contractual liability
- Broad form property damage
- Insured's own product
- Insured's own work
- Impaired property
- Product recalls or advertising injury

# A quick look at D&O



Basic D&O policies may have exclusions for:

- Breach of contract
- Professional negligence
- Claims against company staff
- Criminal matters

# How to fill your clients' insurance gaps...



**DASbusiness** can help complete a commercial portfolio by:

- Covering **defence & plaintiff** legal expenses for risks **not covered** by traditional and basic commercial policies
- Giving business owners access to general legal advice at any time

# Employment disputes



## Defence

Legal Costs are Covered

How will a commercial insurance portfolio protect your client when they have to:

Deal with employment disputes for:

- Breach of employment contract
- Sexual harassment, discrimination
- Breach of employment legislation

EPL

DAS

EPL

DAS

EPL

DAS

# Defending the business



## Defence

Legal Costs are Covered

How will a commercial insurance portfolio protect your client when they have to:

Defend against business-related:

- Criminal investigations or charges
- Wrongful acts in delivering professional service or advice
- Occupational health & safety investigations or charges
- Financial mismanagement or securities-related charges

DAS

E&O

D&O

DAS

D&O



# Defending the business *(continued)*



## Defence

Legal Costs are Covered

How will a commercial insurance portfolio protect your client when they have to:

Defend the business when an employee:

- Causes bodily injury or death to a 3<sup>rd</sup> party
- Causes property damage to a 3<sup>rd</sup> party

CGL

CGL

Defend the business when:

- Bodily injury is caused by their product
- Financial loss is incurred due to misleading advertisement

CGL + Endorsement

CGL + Endorsement

# Defending the business *(continued)*



## Plaintiff

Legal Costs are Covered

How will a commercial insurance portfolio protect your client when they have to:

**Pursue** legal action if a 3<sup>rd</sup> party causes:

- Bodily injury or death of an employee
- Damage to business property
- Trespasses on business property
- Nuisance interfering with the use of business property

DAS

DAS

DAS

DAS

No Coverage



D&O

CGL

EPL

E&O

# Canadian Anti-Spam Legislation (CASL)



## Defence

How will a commercial insurance portfolio protect your client when they have to:

Legal Costs are Covered

Respond to the CRTC when they:

- Issue a Notice for Production
- Issue a Notice of Violation

DAS

D&O

DAS

No Coverage



CGL

EPL

E&O

# Statutory business licence protection



## Defence

How will a commercial insurance portfolio protect your client when they have to:

Legal Costs are Covered

Appeal a statutory business licence:

- Suspension or renewal decision
- Cancellation

DAS

DAS

No Coverage



D&O

CGL

EPL

E&O

# Tax audits & appeals



## Defence

Legal Costs are Covered

How will a commercial insurance portfolio protect your client when they have to:

Deal with a provincial or federal:

- Tax audit
- Appeal of an audit finding

DAS

DAS

No Coverage



D&O

CGL

EPL

E&O

# Contract disputes & debt collection



How will a commercial insurance portfolio protect your client when they have to:

**Defence**  
Legal Costs are Covered

**Plaintiff**  
Legal Costs are Covered

Deal with a breach of contract dispute for:

- Selling goods or services
- Buying goods or services

Collecting money owed for selling goods or services

DAS

DAS

DAS

No Coverage



D&O

CGL

EPL

E&O

How will a commercial insurance portfolio protect your client when they have to:

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Obtain general legal advice:

- On **any legal issue**, regardless of whether or not it is covered by the policy

DAS

D&O

CGL

EPL

E&O



DAS' point of differentiation

# Claims examples



Employment Disputes



Contract Disputes



Bodily Injury



Legal Defence - CASL

**How DAS*business* and other commercial liability policies respond**



Property Protection



Statutory Licence Protection



Tax Protection

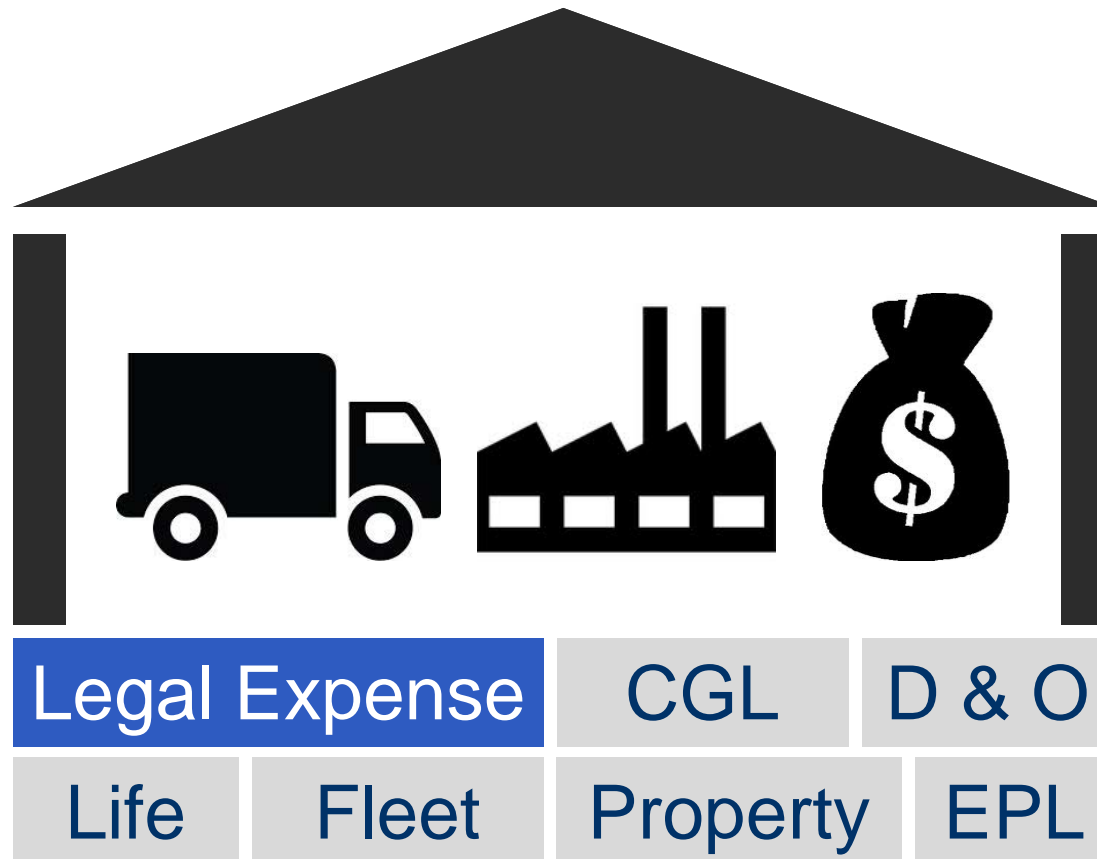


## In review



- The traditional commercial insurance products do not provide an “all risk” blanket of protection
- These gaps arise because insurance products are meant to cover specific issues, not all risks
- These other risks are not uninsurable, but rather require a specific type of coverage
- *DASbusiness* can help fill those gaps

# A complete financial protection portfolio



# The value of legal expense insurance



**DAS empowers** business owners when they face unforeseen legal issues.  
A *DASbusiness* policy:



Protects your clients from costly legal expenses



Defends or pursues your client's legal rights



Gives your client unlimited access to legal advice at any time

Questions?



Visit [www.das.ca/broker](http://www.das.ca/broker)

# Employment Disputes: **Widgets Inc.**



## The Scenario:

- After three years, the VP of Sales is dismissed
- He proceeds to sue for wrongful dismissal and inadequate severance
- Seven months later, it was discovered that he had made fraudulent sales and the shareholders sued for improper financial controls

If this was your client, how could the following policies have helped?

✓ *DASbusiness*

✗ E&O

✓ D&O / EPL

✗ CGL

# Contract Disputes: Bright Days Window



## The Scenario:

- A company was hired to replace windows in a client's home
- After they start work, they find water damage and they advise the client that it will cost more to complete the job
- The client stops all work and refuses to pay for the work already done
- Furthermore, rainy weather causes even more water damage because the home was not properly covered

**If this was your client, how could the following policies have helped?**

✓ *DASbusiness*

✗ D&O / EPL

✓ CGL

✗ E&O

# Bodily Injury: CoolStuff Promo



## The Scenario:

- A top salesperson is on her way to meet a client
- She trips and falls on a piece of concrete at a shopping plaza, resulting in a severe knee injury
- She is off work for 4 weeks, as well as another 8 weeks of rehab afterward
- She wants to take legal action against plaza owner

**If this was your client, how could the following policies have helped?**

✓ *DASbusiness*

✗ D&O / EPL

✓ *CGL w/ Employer's Liability  
Endorsement*

✗ E&O

# CASL Legal Defence: Joe's Shoes



## The Scenario:

- A retailer has an aggressive digital marketing strategy
- They deploy email newsletter, SMS messages, and social media postings to clients
- The CRTC receives complaints and proceeds to issue a Notice of Production

**If this was your client, how could the following policies have helped?**

✓ *DASbusiness*

✗ E&O

✓ *D&O if Notice of Violation & Monetary Fine was issued*

✗ CGL



# Tax Protection: Timmy's Restaurant



## The Scenario:

- A local family restaurant approaches tax season
- The CRA claims the business has not made proper EI, CPP, and GST remittances for the past three years
- The owner would like to appeal the CRA's decision and have them reassess money owed

If this was your client, how could the following policies have helped?

✓ *DASbusiness*

✗ E&O

✗ *D&O unless CRA takes owner to Tax Court*

✗ CGL

# Business Licence Protection: **Pretty Trees**



## The Scenario:

- Local health inspector visits a privately-owned golf course and orders the club house, snack bar, and restaurant to be shut down, due to cleanliness bylaw violations
- The business's restaurant licence is suspended for 30 days
- After a staff training program is completed within 7 days, the owner wants to appeal the 30-day decision

**If this was your client, how could the following policies have helped?**

✓ *DASbusiness*

✗ D&O

✗ E&O

✗ CGL

# Property Protection: Johnson Auto Sales



## The Scenario:

- A used car dealership is located next to a strip mall and a popular pub
- Empty parking spaces in the dealership lot are being used as overflow parking
- Fights that occur outside the pub are scaring away the dealership's customers
- The owner wants to end the trespass and nuisance

**If this was your client, how could the following policies have helped?**

✓ *DASbusiness*

✗ D&O

✗ E&O

✗ CGL